PRUDENT EQUITY PRIVATE LIMITED

DISCLOSURE DOCUMENT

PORTFOLIO MANAGEMENT SERVICES

PRUDENT EQUITY PRIVATE LIMITED
DISCLOSURE DOCUMENT
SECURITIES & EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020

(i) The Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with SEBI.

(ii) The Document has been filed with the Board (SEBI) along with the certificate in the prescribed format in terms of regulation 22 of SEBI (Portfolio Managers) Regulation 2020.

(iii) The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.

(iv) The document contains necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.

(v) This Disclosure Document is dated 29th May 2025

Details of the Portfolio Manager

Name of Portfolio Manager	:	PRUDENT EQUITY PRIVATE LIMITED
SEBI Registration Number	:	INP000008686
Registered Office Address	:	Office no.210, 2nd Floor, S.S Plaza, Sector 47, Gurugram, Haryana, India 122002.
Phone No(s)	:	+91-8376014449
E-mail address	:	pms@prudentequity.com

Details of Principal Officer

Name of Principal Officer	:	Mr. Diwakar Rana
Corporate Office Address	:	Office no.210, 2nd Floor, S.S Plaza, Sector 47, Gurugram, Haryana, India 122002.
Phone No(s)	:	+91-8376014449
E-mail address	:	pms@prudentequity.com

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Contents of Disclosure Document

1) **Disclaimer clause:**

The particulars given in this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations 2020 as amended till date and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the document. You are requested to retain the document for future reference. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

Notwithstanding anything contained in the Disclosure Document, the provisions of SEBI (Portfolio Managers) Regulations, 2020 and as amended from time to time and the circulars/guidelines issues from time to time there under shall be applicable.

2) **Definitions:**

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively: -

a) **"Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992) as amended from time to time;
b) **"Accreditation Agency"** means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the Board from time to time.
c) **"Accredited Investor"** means any person who has been granted a certificate by the accreditation agency who:
   in the case of an individual, HUF, family trust, or sole proprietorship has:
   the annual income of at least two crore rupees; or
   the net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees are in the form of financial assets or
   the annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crores fifty lakh rupees are in the form of financial assets.
   in the case of a body corporate, has a net worth of at least fifty crore rupees.
   in the case of a trust other than a family trust, has a net worth of at least fifty crore rupees.
   in the case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation.

   Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall be deemed to be an accredited investor and may not be required to obtain a certificate of accreditation
d) **"Advisory"** services include the services provided by the portfolio manager but not limiting to advising clients on purchase or sale of securities and/or review, evaluate, structure, monitor the portfolio of a client at an agreed fee so as to achieve Client's objectives;
e) **"Agreement"** means agreement between Portfolio Manager and its Clients in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 issued by Securities and Exchange Board of India and shall include all recitals, schedules, exhibits and Annexure attached thereto and any amendments made to this Agreement by the Parties in writing;
f) **"Assets"** means (i) the Portfolio and/or (ii) the Funds and includes all accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions, and/or replacements

or any other beneficial interest, including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monitory value), in relation to or arising out of Assets.

g) **“Bank Account”** means one or more accounts opened, maintained, and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client or a pool account in the name of the Portfolio Manager to keep the Funds of all clients.

h) **“Board” or “SEBI”** means the securities and Exchange Board of India established under the section of the Act;

i) **“Body corporate”** shall have the meaning assigned to it under clause (11) of section 2 of the Companies Act, 2013 (18 of 2013) as amended from time to time;

j) **“Benchmark”** means the Benchmark selected by the Portfolio Manager pursuant to the SEBI circular dated 16th December 2022, to indicate performance of the portfolio vis a vis markets, which enables investors to evaluate relative performance of portfolio managers.

k) **“Business Day”** means a day other than (i) a day on which the principal stock exchange(s) with reference to which the valuation of securities under the Plan is done is closed, or (ii) the Reserve Bank of India or banks in Gurugram, India are closed for business, or (iii) a day on which SHCIL office in Gurugram, India are closed for business;

l) **“Certificate”** means a certificate of registration issued by the Board;

m) **“Change in control”,** in relation to a portfolio manager being a body corporate: ─

(i) if its shares are listed on any recognized stock exchange, shall be construed with reference to the definition of control in terms of Regulation 2(e) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;

(ii) in any other case, change in the controlling interest in the body corporate; Explanation. ─ For the purpose of sub-clause (ii), the expression “controlling interest” means,

(A) an interest, whether direct or indirect, to the extent of at least fifty one percent of voting rights in the body corporate;

(B) right to appoint majority of the directors or to control the management directly or indirectly;

n) **“Chartered Accountant”** means a Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 to 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;

o) **“Client”** means any person who registers with the portfolio manager for availing the services of portfolio management by the portfolio manager;

p) **“Custodian”** means the Depository participant who holds the shares, securities and cash on behalf of the client;

q) **“Depository**” means Depository defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

r) “**Depository Account**” means one or more accounts or accounts opened, maintained, and operated by the Portfolio Manager in the name of the Client, with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.

s) **“Direct onboarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without the intermediation of persons engaged in distribution services

t) **“Discretionary Portfolio Management Services”** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in this Agreement, where under the Portfolio Manager exercises any degree of discretion in investments or management of assets of the Client;

u) **“Discretionary portfolio manager”** means a portfolio manager who 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;

v) **“Disclosure Document” shall mean the Disclosure Document issued by the Portfolio Manager and as specified in Regulations 22(3) of the Regulations and Schedule V of the Regulations and made available to the Client in accordance with the Regulations;**

w) **“Document”** means Disclosure Document;

x) **“Financial year”** means the year starting from 1st April and ending on 31st March of the following year;

y) **“Funds”** means the monies placed by the Client with the Portfolio Manager and any accretions thereto;

z) **“Fund Manager” (FM)** means the individual/s appointed by the portfolio manager who manages, advise 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 clients, as the case may be;

aa) **“Foreign Institutional Investor (FII)”** shall have the meaning defined under SEBI (Foreign Institutional Investor) Regulations, 1995, and may be amended from time to time

bb) **“Foreign Portfolio Investor (FPI)”** shall have the meaning defined under SEBI (Foreign Portfolio Investors) Regulations, 2014, and may be amended from time to time

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

dd) **“High Water Mark”** means value of the highest Closing NAV (as at the end of each variable fees calculation period starting from the effective date) achieved by the Portfolio in any year during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year) and net of (i) the Portfolio Management Fees, for that year;

ee) **“Initial Corpus”** means the value of the Funds and the market value of Securities brought in by the Client and accepted by the Portfolio Manager at the time of entering into an agreement with the Portfolio Manager to avail its portfolio management services;

ff) **“Investment Advice”** means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning;

gg) **“Investment Approach”** shall mean a broad outlay of the type of securities and permissible instruments to be invested in by the portfolio manager for the customer, taking into account factors specific to clients and securities;

hh) **“Intermediaries”** means custodians, bankers to an issue, trustee, registrar to an issue, merchant banker, depositories, depository participants, transfer and pricing agents, accountants, investee companies, investment advisors, consultants, attorneys, printers, underwriters, brokers, and dealers, insurers and any other persons in any capacity.

ii) **“Large Value Accredited Investor”** means an accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of ten crore rupees

jj) **“Net Asset Value” (NAV)** is the market value of assets in the portfolio consisting of securities and funds;

kk) **“Non-Discretionary Portfolio Management Services”** mean the services provided by the Portfolio Manager, who manages the funds in accordance with the discretion of the Client for an agreed fee and invests on behalf of the Client in their account in any type of securities entirely at the Client's risk and to ensure that all the benefits accrue to the Clients' Portfolio;

ll) **“NRI”** means Non-Resident Indian or Persons of Indian Origin.

mm) **“NRO”** means Non-Resident Ordinary Account.

nn) **“Portfolio”** means the total holdings of Securities and Goods belonging to a client;

oo) **“Portfolio Manager” (PM)** means **PRUDENT EQUITY PVT LTD,** a body corporate, who has obtained certificate from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, vide Registration No. **INP000008686**

pp) **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for: -

i. the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be;

ii. all other operations of the portfolio managers.

(qq) **“Related party”** in relation to a portfolio manager, means –

(a) a director, partner or his relative;
(b) key managerial personnel or his relative;
(c) a firm, in which a director, partner, manager or his relative is a partner;
(d) a private company in which a director, partner or manager or his relative is a member or director;
(e) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;

(f) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;

(g) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(h) any body corporate which is—

1. a holding, subsidiary or an associate company of the portfolio manager; or
2. a subsidiary of a holding company to which the portfolio manager is also a subsidiary;
3. an investing company or the venturer of the portfolio manager;

Explanation. —For the purpose of this clause, "investing company or the venturer of a portfolio manager" means a body corporate whose investment in the portfolio manager would result in the portfolio manager becoming an associate of the body corporate.

(i) a related party as defined under the applicable accounting standards;

(j) such other person as may be specified by the Board.

Provided that,

a. any person or entity forming a part of the promoter or promoter group of the listed entity; or
b. any person or any entity, holding equity shares:
   i. of twenty per cent or more; or
   ii. of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year; shall be deemed to be a related party.

qq) **"RBI"** means the Reserve Bank of India established under the Reserve Bank of India Act, 1934.

rr) **"Regulation"** means the Securities and Exchange Board of India (Portfolio Manager) Regulation, 2020 and as may be amended by SEBI from time to time;

ss) **"Securities"** includes : "Securities" as defined under the Securities Contract (Regulations) Act, 1956; shares, scrips, stocks, bonds, warrants, convertible and non- convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, money market instruments, commercial paper, certificate of deposit, units issued by Unit Trust of India and / or by any mutual funds, units or any other instrument issued by any collective investment scheme to the investors in such schemes, mortgage backed or other asset backed securities, derivative, derivatives instrument, options, futures, foreign currency commitments, hedged, swaps or netting of any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, the State Government or the local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by right, bonus, redemption, preference, option or otherwise) and whether in physical and in dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; any other instrument or investments as may be permitted by applicable law from time to time;

tt) **"Securities lending"** means the securities lending as per the Securities Lending Scheme, 1997 specified by the Board;

uu) **"Strategy"** means an additional layer of broadly defined investment themes adopted by the Portfolio Managers in addition to Investment Approach pursuant to SEBI Circular dated 16th December 2022.

x) **"Term"** means the agreement shall commence from the date of execution of the Agreement and shall continue on the same terms and conditions set out in the agreement unless terminated. Hence, there is no fixed term for the agreement and the agreement shall be in force till its termination.

INTERPRETATION:

- 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.
- All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- All references "Rs." refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".

3) <u>Description about Portfolio Manager:</u>

i) <u>History, Present business and Background of the Portfolio Manager:</u>

a) <u>History of the Portfolio Manager:</u>

Prudent Equity Private Limited is a private limited company incorporated under the Companies Act, of 2013, and its Registered Office is situated at Office No. 210, 2nd Floor, S.S. Plaza, Sector-47, Gurugram, Haryana, India, 122002.

b) <u>Present Business and Background:</u>

The company was founded in the year 2021 by Mr. Siddharth Oberoi. The company operates as an investment manager to Category III Alternate Investment Fund namely, Prudent Equity AIF Fund (IN/AIF3/22-23/1139) since September 23, 2022 and as a Portfolio Manager vide registration number INP000008686 licensed by the Board (SEBI) on April 22, 2024. Recently, a new company / LLP has been formed named "Prudent Equity L.L.C-Fz", which is wholly owned subsidiary of Prudent Equity Private Limited, which was established as a limited liability company in Dubai to provide business and management consultancy services, which has yet not started its operations as of the date of signing the PMS Disclosure Document.

ii) <u>Promoters and Directors of the Portfolio Manager:</u>

Name	Siddharth Oberoi
Designation	Director
Date of Appointment	22-12-2021
Brief Profile	Siddharth Oberoi has over 12 years of extensive experience within the Indian capital markets and wealth management sector, specializing in advising clients on diverse equity securities. Renowned for his astute insights, Mr. Oberoi has contributed as a columnist to esteemed publications such as The Mint, The Economic Times, Zee Business, Business World, and Business Today. The articles, including interviews and reviews, enjoy widespread readership among the investment community. Throughout his career, Mr. Oberoi has demonstrated a knack for

	identifying lucrative opportunities within the Indian Capital Markets, consistently surpassing the performance of the BSE S&P 500 index by a substantial margin. This success has earned him a loyal clientele spanning retail, institutional, and corporate sectors. Mr. Oberoi holds an MBA in Financial Management.

Name	Shilpi Oberoi
Designation	Director
Date of Appointment	22-12-2021
Brief Profile	A seasoned professional with experience in finance and leadership. Adept at driving financial strategy, optimizing operations, and delivering value-added solutions to clients across various industries.

iii) Top 10 Group Companies under the same Management:

The details of group companies/firms of the company as on March 31, 2025, reckoned on the basis of their total turnover as per the latest audited financial statements for March 31, 2025 are given below:

Saturn Dess Private Limited
Saturn Dess Foundation
Prudent Equity L.L.C-Fz

iv) Details of Services Offered:

a)**Discretionary Portfolio Management -**

The portfolio account of the client is managed at the full discretion and liberty of the Portfolio Manager. Thus, the choice and timing of investment rest solely with the Portfolio Manager. The portfolio managers' decision (taken in good faith) in the deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the tenure of the agreement or any time thereafter except on the ground of mala fide, fraud, conflict of interest or gross negligence.

b)**Non-discretionary Portfolio Management -**

In the case of non-discretionary services, the investment objectives and the securities to be invested would be entirely decided by the Client. The same could vary widely from client to client. However, the execution would be carried out only after getting approval from the Client.

Under the Non-Discretionary category, the investment decisions of the Portfolio Manager are guided by the instructions received from the client under an agreement executed between the portfolio manager and the client. The deployment of funds is the sole discretion of the client and is to be exercised by the portfolio manager in a manner that strictly complies with the client's instruction. The decision of the client in the deployment of funds and the handling of his / her / its portfolio is absolute and final. The role of the Portfolio Manager apart from adhering to investments or divestments upon instructions of the client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the client to take appropriate investment decisions. For the purpose of acting on the client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed such as email, fax, telephone, or suitable and secured message, and may include managing, renewing, and reshuffling the portfolio, buying and selling of securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights, etc. so that all benefits accrue to the client's portfolio, for an agreed fee structure and for a definite described period, entirely at the client's risk.

c)**Advisory Services –**

The Portfolio client is given purely advisory services as stipulated under SEBI PMS Regulations and in accordance with the requirement of the client. Portfolio Manager gives advice to the client regarding investment/disinvestment in Securities. However, discretion lies with the client whether to act upon it or to ignore the advice. The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013, which shall be in the nature of Investment advice and may include advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client. Investment advice shall be for an agreed fee structure and for a period agreed and entirely at the client's risk. The Portfolio Manager shall act in a fiduciary capacity towards its client.

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

Sr. No.	Particulars	Remarks
1	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder	None
2	The nature of the penalty/direction	None
3	Any pending material litigation / legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any:	None
4	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency:	None
5	Any inquiry/ adjudication proceedings initiated by the Board 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
6	Penalties imposed for any economic offense and/or violation of any securities laws	None

5) Services Offered

5.1.1 Investment objective:

The funds of the Clients will be invested in capital and money market instruments, including, such as securities as defined under the Securities Contract (Regulation) Act, 1956, as well as such units of Unit Trust of India and/or other mutual funds, government securities, debt instruments, and such other eligible modes of investment and/or forms of deployment within the meaning of the Regulation issued by SEBI as amended from time to time.

However, the Portfolio Manager may engage in futures contracts, options on securities, options on indices, and other comparable investment types that may need initial margin payments from the Client and that would be considered. In all transactions involving the Client's Account, the Portfolio Manager shall uphold a high degree of integrity and fair dealing. The investment in the securities mentioned in the above point will be in accordance with the objectives as given in the agreement and also any of the investment approach categories accepted by the client.

The following, or a mix of them, would be one or more of the investment objectives:

a. To give the client investing flexibility across multiple market segments

b. To achieve a high rate of return on investment
c. To produce either long-term or short-term capital appreciation.

The Portfolio Manager offers various investment strategies-based portfolios to allow for standardized customization in sync with investor profiles and also customized portfolios as per suitability and specific requirements of the client. The main goal is to develop an investment philosophy that will lead to capital growth over the long run.

The objective of the Derivative Exposure: The objective to use derivatives is purely to protect the portfolio in case of a severe market correction. We seek to use derivatives purely to protect the client's portfolio in case of sharp drawdowns of the aggregate market. The Derivatives will only be used for hedging and/or portfolio rebalancing.

5.1.2 Types of Securities:

The portfolio manager/fund manager shall invest in all such types of securities as defined in above (Please refer to definitions) and in all such securities as permissible from time to time.

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

i. Equity and equity-related securities including convertible bonds (including equity-linked debentures) and debentures and warrants carrying the right to obtain equity shares;
ii. 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);
iii. Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds;
iv. Money Market instruments permitted by SEBI/RBI;
v. Certificate of Deposits (CDs);
vi. Commercial Paper (CPs);
vii. Mutual Fund units, Fixed Deposits, Bonds, debentures, etc.;
viii. Units of venture funds;
ix. Securitization instruments;
x. Foreign securities as permissible by Regulations from time to time;
xi. Any other securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, privately placed, secured, rated, or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer, or negotiated deals.

5.1.3 Minimum Investment Amount:

The Portfolio Manager will not accept an initial corpus of less than Rs. 50.00 lacs or such minimum amount as specified by SEBI from time to time. The client may on one or more instances or on a continual basis, make further placements of funds/securities under the services. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange-traded index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits, and other short-term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule. The Portfolio Manager will, however, be at liberty to call for the amounts payable under the tranches ahead of the dates for payment mentioned in the said Schedule by giving a prior written notice of 10 days to the Client. The Client has the option to pay such amounts ahead of the dates to the Portfolio Manager if he/it deems fit.

5.1.4 INVESTMENT APPORACH

Prudent Equity Growth Strategy

a) **Strategy – Equity**

b) **Investment Objective:**

To generate long-term capital appreciation by investing in companies across different market capitalization

c) **Types of securities:**

The portfolio will primarily invest in equities and equity linked instruments and opportunistically also in money market instruments, units of mutual funds, ETFs or other permissible securities/products in accordance with the Applicable Laws & Regulations.

d) **Basis of selection of Securities:**

Blended Investing

e) **Allocation of portfolio across types of securities:**

The portfolio manager will allocate towards equity and equity linked instruments based on market conditions and uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange-traded index funds, and mutual funds etc. However, from time to time on opportunistically basis, may also choose to invest in money market instruments, units of mutual funds, ETFs or other permissible securities/products in accordance with the Regulations and other short-term avenues for investment.

f) **Appropriate benchmark to compare performance and basis for the choice of benchmark:**

S&P BSE 500 TRI.

g) **Indicative tenure or investment horizon**:

3 – 5 years.

h) **Risks associated with the investment approach:**

Equity Risk, Liquidity Risk, Interest Rate, Sovereign Debt Risk, Performance Risk.

5.1.5 Investments in Group/Associate Companies of the Portfolio Manager:

The Portfolio Manager may utilize the services of the Sponsor, Group Companies and/or holding company, and/or any other subsidiary or associate company 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 or relatives) on commercial terms and on an arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

POLICY FOR INVESTMENT IN ASSOCIATE / GROUP COMPANIES AND FOR CONFLICTS

The Portfolio Manager will not invest in its subsidiary or associate companies. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio. If the portfolio manager has group companies, a disclosure of conflict of interest related to services offered by group companies of the portfolio manager if any shall be made.

Direct On-boarding:
The Portfolio Manager provides the facility to the Client for Direct onboarding with it i.e., without any involvement of a broker/distributor/agent engaged in distributor services. The client can onboard directly by contacting or signing up services by writing to the Portfolio Manager at pms@prudentequity.com

6) 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 value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, and the relatively small number of scrips accounting for the large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
3) The past performance of the Portfolio Manager is not indicative of future performance. Investors are not being offered any guaranteed or indicative returns.
4) The Client stands a risk of loss due to a lack of adequate external systems for transferring, pricing, accounting, and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and Demat, in the Portfolio Manager's name, while price risk may arise on account of the availability of share price from stock exchanges during the day and at the close of the day.
5) Investment decisions made by the Portfolio Manager may not always be profitable.
6) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy, and asset allocation.
7) Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.
8) Equity and Equity Related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, 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.
9) Macro-Economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monitory or fiscal policies, changes in government policies and regulations with regard to industry and exports may have a direct or indirect impact on the investments, and consequently the growth of the Portfolio.
10) 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 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, while fairly liquid, lack a well develop the 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 plan are un-invested 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.
11) Credit Risk: Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to

such factors as interest sensitivity, market perception, or the creditworthiness of the issuer and general market risk.

12) Interest Rate Risk: Is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when the interest rate rises, the value of a portfolio of fixed income securities can be expected to decline.
13) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
14) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non-performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.
15) Reinvestment Risk: This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
16) Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.
17) Mutual Fund Risk: This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme-specific risk factors of each such underlying scheme, including the performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments, etc., will be applicable in the case of investments in mutual fund units. In addition, events like a change in the fund manager of the scheme, takeover, mergers, and other changes in the status and constitution of mutual funds, foreclosure of schemes or plans, and change in government policies could affect the performance of the investment in mutual fund units.
18) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
19) Clients are not being offered any guaranteed/assured returns.
20) The investments under the Portfolio may be concentrated towards equity/equity-related instruments of companies primarily belonging to a single or few sectors and hence shall be affected by risks associated with those sectors.
21) The Clients may not be able to avail of securities transaction tax credit benefits 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 in the name of the Portfolio Management Portfolio/Product.
22) 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, 1961and taxed accordingly.
23) In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. 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.
24) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Clients may suffer opportunity loss.
25) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
26) In case of early termination of the Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that was negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.

27) Changes in Applicable Law may impact the performance of the Portfolio.
28) Derivative transactions may be prone to problems of liquidity, mispricing, lack of or improper correlation with assets, or other reasons.
29) Derivative transactions require maintenance of margins, adequate control mechanisms forecasting ability, etc.
30) Risks pertaining to stock lending: In the case of stock lending, risks related to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, the inadequacy of the collateral, and settlement risks.
31) Risk arising out of non-diversification, if any.
32) Specific Risk Disclosures associated with investments in Securitised Debt Instruments
    a) Presently, the secondary market for such securitized 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) Securitized transactions are normally backed by a pool of receivables and credit enhancement as stipulated by the rating agency, which differs 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.
33) Specific risk and disclosures associated with investment in Structured Products like Index Linked Debentures
    - 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.
    - 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.
    - The Structured Products, even after being listed, may not have a market at all;
    - The returns on the Structured Products, including those linked to the may be lower than prevailing 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.
    - 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.
    - 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;
    - The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products.

7) **<u>Client Representation:</u>**

a) **Details of client's accounts active:**
<u>As of 30th April 2025</u>

Sr. No.	Category of clients	No. of clients	Funds managed (₹ in Crores)	Discretionary/Non-Discretionary *(if available)*
i)	**Associates/group companies**			
	- Individual - Corporate	N.A. N.A.	N.A. N.A.	N.A. N.A.
	Subtotal (i)	-	-	-
ii)	**Others:**			
	- Individual - Corporate	53 1	27.80 0.46	Discretionary Discretionary
	Subtotal (ii)	54	-	Discretionary
	TOTAL (i) + (ii)	54	28.26	Discretionary

b) **<u>Complete Disclosure in respect of transactions with related parties as per the accounting standards specified by the Institute of Chartered Accountants of India:</u>**
The details of related parties' transactions based on audited accounts for the year ended 31st March 2025 are given in Annexure – A.

8) **<u>The Financial Performance of the Portfolio Manager:</u>**

Amount In ₹

Particulars	As on 31-Mar-23	As on 31-Mar-24	As on 31-Mar-25
Total Income	19,13,23,300	23,84,46,250	41,41,40,303
Expenses	78,90,571	1,60,34,927	3,37,70,478
Profit Before Tax	18,34,32,729	22,24,11,323	38,03,69,825
Tax	4,60,52,200	5,31,65,987	9,45,43,538
Profit After Tax	13,73,80,529	16,92,45,336	28,58,26,287
Paid-up capital	35,00,000	35,00,000	35,00,000
Free reserves (excluding revaluation reserves)	15,32,97,600	32,25,42,936	60,83,69,223
Net Worth	**15,67,97,600**	**32,60,42,936**	**61,18,69,223**

9) **<u>Performance of the Portfolio Manager for the last 3 years:</u>**
In the performance/returns table below, please note the following:

i. Performance/returns are calculated using the "Time-Weighted Rate of Return" method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulation, 2020.
ii. Returns are net of all fees and charges
iii. Performance-related information provided herein is not verified by SEBI.
iv. Past performance may or may not be sustained in the future.
v. Past performance is not a guarantee of future return.
vi. Neither the Portfolio Manager nor its director or employees shall in anyway be liable for any variation noticed in the returns of individual client portfolios.
vii. Please note that actual performance for a client portfolio may vary due to factors such as expenses charged, the timing of additional flows and redemption, individual client mandate, specific portfolio construction characteristics, or other structural parameters. These factors may have an impact on client portfolio performance and hence may vary significantly from the performance data depicted below.

Particulars	FY Ended (2023-24)	FY Ended (2024-25) Period 9 months*	FY Ended (2025-26) As on 30th April 25
Portfolio Performance (%), Net of all fees and Charges levied by the Portfolio Manager • **Prudent Equity Growth Strategy**	N.A.	-6.96	-7.02
Benchmark Performance • **S&P BSE 5OO TRI**	N.A.	-5.79	-2.80

Note: Inception date of the investment approach is 02nd July 2024.
****9-month period is from 2nd July 2024 to 31st March 2025.***

10) Audit Observation:

There are no observations made by the statutory auditor of the Portfolio Manager for the preceding three financial years FY 2022-23, 2023-24 and 2024-25.

11) Fees and Services Charged (To be based on actuals):

1. **Investment Management Fee i.e.** Fixed Fees charged as agreed with the client-wide terms and conditions mentioned in the agreement relating to the Portfolio Management Services offered to the Clients.

2. **Performance Management Fee i.e.** performance fees based on profit slabs provided in the portfolio agreement is charged as agreed with the client vide terms and conditions mentioned in the agreement. Performance fees will be charged on the performance over the hurdle rate, management fee and any costs of trading. It shall be computed on the basis of high-water mark principle over the life of the investment for charging of performance/profit sharing fees.

   High Water Mark Principle: High Water Mark shall be the highest value that the portfolio/account has reached. The value of the portfolio for computation of a high watermark shall be taken to be the value on the date when performance fees are charged.

   The portfolio manager shall charge a performance-based fee only on an increase in portfolio value in excess of the previously achieved high water mark.

3. **Exit Load:**
   Exit Load will be charged to the Client as per the below-mentioned slabs:
   a. In the first year of investment, a maximum of 3% of the amount redeemed;

   After a period of one year from the date of the investment, no exit load will be charged to the Clients.

4. The fees charged to the client for PMS Service comes under "Fees for technical services" under Sec 1941 of the Income Tax Act 1961. This section calls for withholding tax on the fees that the client pays to the portfolio manager if he or she falls under
   - An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.
   - Corporates.
5. **Custodian fee / Depository Charges& Fund Accounting Charges:** Charges relating to custody and transfer of shares, bonds, and units, opening and operation of demat account, dematerialization and rematerialization, and/or any other charges in respect of the investment etc. The actual fees levied by the custodian for custody, demat charges and fund accounting

shall be charged to the client as mentioned in the agreement with the client and as agreed between the Portfolio Manager and the Custodian from time to time.

6. **Registration and transfer agents' fees:** Fees payable for the Registrars and Transfer Agents in connection with effecting the transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps, and courier charges.

7. **Brokerage, transaction costs, and other services:** The brokerage and other charges like stamp duty, transaction cost and statutory levies such as GST, securities transaction tax, turnover fees, and such other levies as may be imposed upon from time to time.

8. **Fees and charges in respect of investment in mutual funds:** Mutual Funds shall be recovering expenses or management fees and other incidental expenses and such fees and charges shall be paid to the Asset Management Company of the Mutual Funds on behalf of the Client. Such fees and charges are in addition to the portfolio Management fees described above.

9. **Certification charges or professional charges:** The charges are payable to professional services like accounting, taxation, certification, and any other legal services, etc.

10. **Securities lending and borrowing charges:** The charges pertaining to the lending of securities, costs of borrowings, and costs associated with the transfer of securities connected with the lending and borrowing transfer operations.

11. **Any incidental and ancillary out-of-pocket expenses:** All incidental and ancillary expenses not recovered above but incurred by the Portfolio Manager on behalf of the client shall be charged to the Client.

12. The portfolio manager shall deduct directly from the cash account of the client all the fees/costs specified above. Other expenses, which could be attributable to the Portfolio Management, would also be directly deducted and the client would be sent a statement about the same.

13. The fee so charged may be a fixed fee or performance-based fee or a combination of both as agreed in the agreement.

Note: All the Operating expenses excluding brokerage & STT, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM). It shall include charges payable for outsourced professional services like accounting, auditing, taxation, and legal services, etc. for documentation, notarizations, certifications, and attestations required by Bankers or regulatory authorities including legal fees and day-to-day operations charges etc.

12) Taxation:

The following information is based on the law in force in India at the date hereof. This information is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does constitute tax or legal advice. This information is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. Investors/clients should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. Given the individual nature of the tax consequences, each investor/client is advised to consult his/ her/its own professional tax advisor. The information/data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should not be construed as investment advice.

Income on Investment in Securities is subject to tax in the following manner:

a) Dividend
All Dividends received are taxable in the hands of Investor/Shareholder at a rate applicable to the respective PMS client type.

b) Interests on Investment are taxable except in certain cases where it is exempted from tax under Income Tax Act 1961.

c) Capital Gain

In case the securities are sold within 12 months (for listed securities except for units other than units of equity-oriented mutual funds) or within 24 months for all other assets including unlisted securities from the date of purchase, the resultant gains or losses are termed as short-term capital gains or losses. Short term gains arising out of transfer of equity shares if the securities are sold on a recognized stock exchange in India and on which securities transaction tax has been paid are taxed at a concessional rate of 15% (as increased by surcharge plus education cess) before 23rd July 2024 and w.e.f. 23rd July 2024 the same will be increased to 20% (as increased by surcharge plus education cess), in other cases, they would be taxed at the slab rate applicable to the respective PMS client type.

In case the securities are sold after 12 months (for listed securities) or 24 months for all other assets including unlisted securities and units other than units of equity-oriented mutual funds from the date of purchase, the resultant gains or losses are termed as long term capital gains or losses and the gain is arising out of transfer of equity shares which are sold on a recognized stock exchange in India and on which securities transaction tax has been paid would be taxed at 10% (as increased by surcharge plus education cess) in case of listed securities with the exemption limit of Rs. 1 Lakh till 23rd July 2024 and 20% (as increased by surcharge plus education cess) in case of unlisted securities and units other than units of equity-oriented mutual funds. W.e.f. 23rd July 2024, in case of transfer of all capital assets irrespective of securities transaction tax has been paid or not, the tax on Long Term Capital Gain is changed to 12.5% (as increased by surcharge plus education cess) and in case of listed securities and Mutual Funds exemption limit is increased to Rs.1.25 Lakhs (grandfathering clause). Further, w.e.f. 23rd July 2024, indexation will not be provided for any asset which is treated as long term capital asset.

Note: “Listed Securities” as defined under the explanation to section 112(1) of Income Tax Act, means the securities as defined in clause 2(h) of Securities Contract (Regulations) Act, 1956 and listed on any recognized stock exchange in India.

“Unlisted Securities” means securities other than listed securities.

“Units” shall have the meaning assigned to it in clause (b) of Explanation to section 115AB of Income Tax Act, 1961.

The following are the tax provisions presently applicable to clients investing in the Portfolio Management Products under the Income Tax Act, 1961.

TDS
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. Interest would be subject to tax as per prevailing provisions of the Income Tax Act, 1961.

Advance Tax Obligations

It shall be the client’s responsibility to meet the advance tax obligations payable on the due dates as per the Income Tax Act, 1961.

Provisions of Income Tax Act 1961 undergoes change frequently and is also based on the status of the client, thus the client is advised to consult his/her tax consultant for appropriate advice on the tax treatment of income indicated herein.

The fees charged to the client for PMS come under the ambit of "fees for technical services" under Section 194J of the Income Tax Act, 1961("the Act"). As the section calls for withholding tax, the client is required to withhold tax @ 10 % excluding Goods & Service Tax, on the fees that the client pays to the Portfolio Manager if he/she falls under the following two categories:

a) An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.

In respect to the above TDS provision please note that in Act No 23 of Finance Act, 2019 a new section i.e., 194M has been inserted with effect from 01.09.2019 which specifies that:

Any Person being individual or a Hindu undivided family other than those required to deduct income tax as per the provision of section 194J mentioned in (a) above shall at the time of credit of such sum or at the time of payment of such sum in cash or by the issue of cheque or draft or by any other mode whichever is earlier, deduct an amount equal to five percent (two percent w.e.f. 01st October 2024) of such sum as income-tax thereon if the aggregate of sum, credited or paid to a resident during the financial year exceeds fifty lakh rupees.

b) Corporate

This implies the Client (as mentioned in point 'a' and 'b' above) while making payment of the fees would deduct tax at Source. The taxes payable on any transactions entered into or undertaken by the Portfolio Manager on behalf of the client, whether by way of deduction withholding, payment, or other, shall be fully borne by the client. Payment of the tax shall be the personal responsibility and liability of the client. In case the client deducts and pays the withholding tax, the client shall provide a Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of filing return or due date of filing TDS Return for the quarter whichever is earlier. The Portfolio Manager is not by law, contract, or otherwise required to discharge any obligation on behalf of the client to pay any taxes payable by the client.

13) <u>Accounting Policies:</u>

1. **Basis of accounting:**
    a. Books and Records for each product is separately maintained in the Back-office software (with Fund Accountant) 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 Management) Regulations, 2020, and SEBI (Investment Advisers) Regulations, 2013 as amended from time to time.
    b. Accounting under the respective portfolios is done in accordance with Generally Accepted Accounting Principles except with Point (a) of Income/Expenses.
    c. Transactions for purchase and sale of investments are recognized as of the trade date. In determining the holding cost of investments and the gain or loss on sale of investment, the first-in-first-out method is followed. The same is done at the product level. The cost of the investments acquired or purchased would include brokerage, stamp charges, and any charges customarily included in the broker's contract note or levy by any statue except STT (Securities Transaction Tax). Securities Transaction Tax incurred on buying and selling of securities is charged to revenue account.
    d. Realized Gains/Losses are calculated by applying the First in/ First Out method.
    e. Where eligible securities have been received from the client towards corpus, the closing market value of the previous day of activation of account/receipt of securities (in case of the additional corpus) is considered as a capital contribution and deemed to be the cost of investments for the purpose of tracking performance.

f. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
g. Unrealized gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.

2. **Income/expenses:**
   a. All investment income and Expenses are accounted on accrual basis except Custodian, Fund Accounting, audit fees & Depository charges which are accounted on cash basis.
   b. The dividend is accrued on the Ex-date of the securities and the same is reflected in the clients' books on the ex-date.
   c. Similarly, bonus shares are accrued on the ex-date of the securities and the same are reflected in the clients' books on ex-date.
   d. In case of fixed income instruments, purchased/sold at Cum-interest rates, the interest component up to the date of purchase/sale is taken to interest receivable/payable account.
   e. Further, Mutual Fund dividend shall be accounted on receipt basis.

3. Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.

4. **Audit:**
   a. The Portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be given to the client.
   b. The client may appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such chartered accountant in course of the audit.

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

14) Agreement:

1. The Portfolio Manager before taking up an assignment of management of funds or portfolio of securities on behalf of the client, enters into an agreement in writing with such client clearly defining the inter se relationship and setting out their mutual rights liabilities and obligations relating to the management of funds or portfolio of securities, containing such details as per the regulations.
2. The money or securities accepted by the portfolio Manager shall not be invested or managed by the Portfolio Manager except as mentioned in terms of the agreement between the Portfolio Manager and the client.
3. The Portfolio Manager shall not change any terms of the agreement without prior written consent (written/email) of the client.
4. Generally, The term of the PMS Agreement shall initially be for a period of one year from the Activation Date ("Term") or longer if agreed mutually and, unless terminated by either Party in accordance with the terms of the PMS Agreement, shall be deemed to be automatically renewed from the next day of date of expiry of the Term on the such terms and conditions as may be mutually agreed upon by the Parties in writing, till any further communication by either of the party to terminate the same. The Client shall be entitled to terminate the PMS Agreement before the expiry of the term according to with the terms/clauses specified in the said agreement.

15) **Rights and Liabilities of the Client:**

1. **Rights**:
   a. The client has a right to obtain a copy of the Disclosure Document prior to signing the agreement.
   b. Client shall obtain reports for a period not exceeding three months containing details as specified in regulation 31(1) and as agreed in the agreement with the portfolio manager except for the auditor's report which shall be submitted annually.
   c. The portfolio manager shall provide to the client with a transaction statement once in a quarter or as stated in the agreement with the client.
   d. The client will be provided a statement reflecting portfolio status and a statement of profit and loss on a quarterly basis.

2. **Liabilities & Duties:**
   a. The liability of the client shall be to the extent of his investments.
   b. The client shall maintain utmost secrecy with regard to investment made by the Portfolio Manager on its behalf. In no case shall the Client replicate for its or for the benefits of others, the investments made by the Portfolio Manager.
   c. The client shall disclose to the Portfolio Manager from time to time whether it is privy to price sensitive information, such that a conflict of interest may arise where the Portfolio Manager to buy Securities on behalf of the Client.
   d. The Client shall pay the agreed fees at the agreed times to the Portfolio Manager in the manner as provided in the agreement.
   e. The Client shall not directly dispose of or acquire any Securities held in the portfolio, except as agreed by the Portfolio Manager. The Custodian appointed under the Custodian Agreement shall not be authorized to accept the instructions directly from the client. The Client shall not issue any direct instructions to the Custodian or the broker in this respect. In case the client issues any instructions directly to the Custodian or the broker, the Portfolio manager shall not be responsible for any loss or claim or damage arising there from. In any such case, in respect of any sale, the sale proceeds shall be made over by the Client to the Portfolio Manager as part of the investible funds and in case of any purchase, the client shall make payment directly to the Seller.
   f. The Client shall within thirty (30) days notify the Portfolio Manager if it notices any discrepancies or shortfalls in the Custodian holding statement. In case the Client does not notify the Portfolio Manager of any discrepancies or shortfalls in the Custodian holding statement the same shall be deemed to be correct.
   g. The Client shall plan and pay any tax (long term or short-term capital gains, income tax etc.) and other governmental liabilities that may arise as a consequence of the portfolio transactions on its account. The Portfolio manager shall during its meeting with the Client be available to help the Client plan its tax outflows. However, it should be clearly understood that tax considerations should not be allowed to supersede investment decisions even though the Portfolio Manager recognizes the desirability post tax returns.
   h. The Client shall render all possible assistance, and provide requisite information for the purpose of assisting the Portfolio Manager in determining, evaluating and investing the available funds of the Client. The Client shall also immediately provide to the Portfolio Manager any information in respect to the investments or possible investments as may be available with it.
   i. The Client agrees that the investments made by the Portfolio Manager shall be at the sole discretion, judgment and opinion of the Portfolio Manager in case of discretionary portfolio management service.

16) **Rights, Duties and Liabilities of the Portfolio Manager**

1. The Portfolio Manager shall act in fiduciary capacity with regard to the Client's funds. It shall not derive any benefit from the Client's funds or Securities purchased for the Client and shall strive to safeguard the Client's interests to the best of its ability at all times.

2. The Portfolio Manager shall provide the Client with a formal Portfolio Valuation Statement. The Portfolio Manager shall make itself available for consultation with the Client at least once every six months.
3. The Portfolio Manager shall ensure proper and timely handling of complaints from the Clients and take appropriate action immediately.
4. The Portfolio Manager will make best efforts to safeguard the Client's interests with regard to dealings with capital market intermediaries such as brokers, custodians, bankers etc. Any contract or understanding arrived at by the Portfolio Manager with any such intermediary shall be strictly on behalf of the Client, and the Portfolio Manager shall not be responsible for the due performance of the contract or understanding by the intermediary.
5. The Portfolio Manager shall on a best effort basis, assist the Custodian in attending to the complaints of the Client in respect of the non-receipt of dividends, bonus shares, interest, receipt of entitlements and subscription of right shares, transfer of shares and the like. However, the responsibility and liability in respect of the aforesaid shall be entirely that of the Custodian.
6. The Portfolio Manager:
    a. Shall not trade on margin or on a speculative basis on behalf of the Client. All transaction shall be on delivery basis.
    b. Shall not pledge or give on loan securities held on behalf of Client to a third person without obtaining a written permission from the Client.
    c. The portfolio manager can also invest funds of his clients in derivatives or as specified in the contract but will not leverage portfolio in respect of investment in derivatives.
7. The Portfolio Manager shall furnish the following reports periodically to the Client (not exceeding a period of three months and as and when required by the client). Such report shall contain the following details namely.
    a. the composition and the value of the portfolio, description of securities and goods, number of securities, value of each security held in the portfolio, units of goods, value of goods, cash balance and aggregate value of the portfolio as on the date of report;
    b. transactions undertaken during the period of report including date of transaction and details of purchases and sales;
    c. beneficial interest received during that period in the form of interest, dividend, bonus shares, rights shares, etc;
    d. expenses incurred in managing the portfolio of the client;
    e. details of risk foreseen by the portfolio manager and the risk relating to the securities recommended by the portfolio manager for investment or disinvestment
    f. default in payment of coupons or any other default in payments in the underlying debt security and downgrading to default rating by the rating agencies, if any;

    details of commission paid to distributor(s) for the particular client.
8. The Portfolio Manager shall, ordinarily purchase or sell securities separately for each Client. However, in the event of aggregation of purchases or sales for economy of scale, allocation shall be done on a pro-rata basis at the weighted average price of the day's transactions. The Portfolio Manager shall not keep any open position in respect of allocation of sales or purchases affected in a day.

17) <u>Disclaimer by Portfolio Manager:</u>

Prospective investors should review / study this Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the 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 Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of 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.

18) Investor Services:

(i) The details of the investor relation officer who shall attend to the investor queries and complaints are mentioned here below:

Name of the person	Mr. Himanshu Kanojia
Designation	Compliance Officer
Address	Office no.210, 2nd Floor, S.S Plaza, Sector 47, Gurugram, Haryana, India 122002
Email	Himanshu@prudentequity.com
Investor Grievance Email ID	pmscompliance@prudentequity.com
Telephone	+918376014449

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

Grievance's redressal and Dispute settlement mechanism.

Grievances, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of the court in Mumbai only and are governed by Indian laws.

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: -

(a) SEBI SCORES PORTAL:

With effect from September 2011, SEBI has launched a new web-based centralized grievance system called SCORES i.e., SEBI Complaints Redressal System, for online filing, forwarding, and tracking of resolution of investor complaints. The Client may also make use of the SCORES facility for any escalations on redressal of their grievances. Following is the link to visit the website and inform their dispute/complaints against the Portfolio Manager. https://scores.sebi.gov.in/scores-home

SEBI vide press release PR No. 80/2012 dated 30th August 2012 has extended its toll-free helpline service for Investors (1800 22 7575 / 1800 266 7575) to Saturday and Sunday from the existing Monday to Friday. The service on Saturday and Sunday would be available initially to investors from all over India in English, Hindi, Marathi, and Gujarati from 9:30 a.m. to 5:30 p.m. For any queries/ feedback or assistance, the Client may also email.

(b) ONLINE DISPUTE RESOLUTION ("ODR") MECHANISM:

Disputes between Clients (including institutional/corporate clients) and Portfolio Managers can be resolved in accordance with the ODR mechanism or by harnessing online conciliation and/or online arbitration as specified in the Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated 20 December, 2023 as updated from time to time.

(c) **DISPUTE SETTLEMENT MECHANSIM**:
All disputes, differences, claims and questions whatsoever arising from the PMS Disclosure Document or PMS Agreement between the Client and the Portfolio Manager and/or their respective representatives touching any clause mentioned herein or otherwise in any way relating to or arising from these presents or in the event of failure by the parties to resolve the dispute in the manner set out above within 30 days from the date when the dispute arose, the dispute shall submitted to a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by the Board.

(d) **ARBITRATION**:
If the Arbitration mechanism is adopted for dispute resolution, the dispute shall be referred to a sole arbitrator to be appointed by the Parties mutually or in case of disagreement as to the appointment of sole arbitrator, to a panel of three arbitrators with each Party nominating one arbitrator and the arbitrators so appointed appointing third arbitrator and such arbitration shall be in accordance with and subject to the provisions of the Arbitration and Conciliation Act 1996, or any other statutory modification or reenactment thereof from the time being in force. Such arbitration proceedings shall be held at Gurugram Haryana and conducted in the English language. The arbitrator / arbitral panel shall also decide on the costs of the arbitration proceedings.

The agreement with the client shall be governed by construed and enforced in accordance with the laws of India. Any action or suit involving the agreement with a client or the performance of the agreement by either party of its obligations will be exclusively in courts located at Gurguram, Haryana.

19) Details of investments in the securities of related parties of the portfolio manager:

Investments in the securities of associate / related parties of Portfolio Manager:

Sr.no	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
1	NOT APPLICABLE				

20) Details of the diversification policy of the portfolio manager

The Portfolio Manager follows a rule-based approach for investing in its Investment Approach. It should be noted that the Portfolio Manager does have associates or related parties as mentioned in Point 3. iii above.

21) Anti-Money Laundering Compliances:

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). PMLA 2002 and the Rules notified there under (PMLA Rules) came into effect from July 1, 2005. Director, FIU-IND, and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act. Consequently, SEBI has mandated that all registered intermediaries formulate and implement a comprehensive policy framework on anti-money laundering and adopt 'Know Your Customer' (KYC) norms.

Further, SEBI vides Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/104 dated 06th June 2024 (which supersedes all the earlier circular) issued a **'Master Circular for Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules frame thereunder'** consolidating all the requirements/instructions/obligations of Securities Market Intermediaries.

Accordingly, the investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Prevention of Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti-money laundering laws and regulations in all of its operations. Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client doesn't comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements.

The Portfolio Manager shall not be held liable in any manner for any claims arising whatsoever on account of freezing the account/rejection or refund of the application etc. due to non-compliance with the provisions of any of the aforesaid Regulations or Applicable Laws.

Investors are requested to note that KYC is mandatory for all investors. SEBI vide circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011, and CIR/MIRSD/ 11/2012 dated September 5, 2012, has mandated that the uniform KYC form and supporting documents shall be used by all SEBI registered intermediaries in respect of all new clients from January 1, 2012. Further, SEBI vides circular no. MIRSD/Cir-23/2011 dated December 2, 2011, has developed a mechanism for centralization of the KYC records in the securities market to bring about uniformity in securities markets.

Accordingly, KYC registration is being centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus, each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA. Applications shall be liable to be rejected if the investors do not comply with the aforesaid KYC requirements.

As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005 (the rules), every reporting entity shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the Rules, as per the KYC template for 'Individuals' finalized by CERSAI. Accordingly, the KYC template finalized by CERSAI shall be used by the registered intermediaries as Part I of AOF for individuals.

Further, in terms of Rule 9 (1A) of the PML (Maintenance of Records) Rules, 2005 (the rules) and, as per the circular/guidelines issued by the respective regulator, every reporting entity shall capture the KYC information pertaining to Legal Entities from 01st April 2021.

22) List of Approved Share Brokers involved for Portfolio Management activities:

Sr. No.	Name	SEBI Registration No
1	HDFC Securities Limited	INZ000186937
2	FYERS Securities Private Limited	INZ000008524
3	PHILLIPCAPITAL (INDIA) Private Limited	INZ000169632
4	JM FINANCIAL Services Limited	INZ000195834

23) Other Disclosures by Portfolio Manager:

- The company has outsourced its fund accounting and custodial service.
- 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.
- The company may undertake proprietary investment in its independent capacity.

For Prudent Equity Private Limited

MR. SIDDHARTH OBEROI
MANAGING DIRECTOR
DIN No. 07735734

MRS. SHILPI OBEROI
DIRECTOR
DIN No. 07735736

Place: Gurugram
Date: 29th May, 2025

FORM C

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

We confirm that:

The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020, and the guidelines and directives issued by the Board from time to time;

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

The Disclosure Document has been duly certified by an independent Chartered Accountant M/s. B Y & Associates, Chartered Accountants, 8A-2, Chander Mukhi Building, 8th Floor, Opposite Nirmal Building, Nariman Point, Mumbai 400 021, Phone No. 022- 40172000, firm registration number 123423W on 29th May 2025.

Date: 29.05.2025
Place: Gurugram

Signature of the Principal Officer

Mr. Diwakar Rana

Annexure – A

Disclosure regarding related parties' transactions as per AS 18 specified by the ICAI of the latest financial statements (if any)

Related Party Transaction for the period Apr 24-Mar 25 Amount In ₹

S.no	Name of the Related Party	Relation with the Company	Gross Transaction Amount	Nature of Transaction
1	Siddharth Oberoi	Managing Director	60,00,000	Director Remuneration
2	Saturn Dess Foundation	Company with the same Management	19,00,000	Donation

Turnover of the Group companies for the period Apr 24-Mar 25 Amount In ₹

S.no	Name of the Related Party	Relation with the Company	Turnover for the year
1	Saturn Dess Private Limited	Company with the same Management	13,27,27,927
2	Saturn Dess Foundation	Company with the Same Management	- Section-8 Company (Registered as NGO)

CERTIFICATE

We hereby certify that we have reviewed the Disclosure Document dated **29th May, 2025**, prepared by **M/s. Prudent Equity Private Limited (SEBI Registered Portfolio Manager – INP000008686)** having address as Office no. 210, 2nd Floor, S.S Plaza, Sector 47, Gurugram - 122002, Haryana, India, in accordance with Disclosure Document as stated in Schedule V of Regulation 22(3) of Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 2020, ('the Regulations').

Management Responsibility:

The Management of the Company is responsible for the preparation of the attached Disclosure Document in accordance with the Regulations.

Our Responsibility:

Our responsibility is to issue the certificate based on our review which is primarily limited to inquiries of the Company's personnel, tracing the financial information from the audited financial statements for the year ended March 31, 2023, March 31, 2024, and March 31, 2025 and other relevant records, the information, explanations, and representations furnished by the Management.

We have relied on the representation given by the Management about the penalties or litigations, group companies, performance calculation of the Portfolio Manager, and audit observations (if any) against the Portfolio Manager mentioned in the Disclosure Document.

Opinion:

Further to our comments, we certify that the disclosures made in the Disclosure Document dated 29th May 2025 are true, fair, and adequate to enable the investors to make well-informed decisions.

8A-2, Chander Mukhi, Opp. Nirmal Building, Nariman Point,
Mumbai - 400021. Tel.: 91(22) 40172000. Web: www.byca.in

Restrictions on Use:

This Certificate has been issued pursuant to Schedule V of Regulation 22 (3) of the Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 2020, ('the Regulations') and at the request of **M/s. Prudent Equity Private Limited** for the purpose of submitting the same to SEBI and the Portfolio Management Service Clients. The same should not be used or referred to for any other purpose without our prior written consent.

Place: Mumbai
Date: 29th May 2025

For B Y & Associates
Chartered Accountants
Firm Reg. No. 123423W

KIRIT RAMCHANDRA JAIN
Digitally signed by KIRIT RAMCHANDRA JAIN
Date: 2025.05.29 18:34:53 +05'30'

CA Kirit Jain
Partner
M. No: 179354
UDIN: 25179354BMKYKT8581