

DISCLOSURE DOCUMENT OF PORTFOLIO MANAGEMENT SERVICES

Offered by

ALCHEMY CAPITAL MANAGEMENT PRIVATE LIMITED

SEBI Registration No. INP000000365

(Unless otherwise mentioned, the data has been updated as on March 31, 2021)

- (i) The Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020.
- (ii) The purpose of the document is to provide essential information about Portfolio Management Services (PMS) in a manner to assist and enable the investor to make an informed decision in engaging a Portfolio Manager.
- (iii) This document provides the necessary information about the Portfolio Manager required by an investor before investing. The investor may retain the disclosure document for future reference.
- (iv) Details of Principal Officer:
Mr. Hiren Ved
Alchemy Capital Management Private Limited,
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1. Disclaimer Clause

The particulars in this document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time 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.

2. Definitions

The terms used in the Disclosure Document are defined as follows.

- (a) "**Act**" means the Securities and Exchange Board of India Act, 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 SEBI from time to time.
- (c) "**Accredited Investor**" means any person who fulfils the eligibility criteria as specified by SEBI pursuant to circular dated 26 August 2021 on 'Modalities for implementation of the framework for Accredited Investors' (SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620), as may be amended from time to time, and is granted a certificate of accreditation by an Accreditation Agency.
- (d) "**Agreement**" means Portfolio Management Agreement and shall include any recitals, schedule(s), its Part(s), annexure(s), or exhibit(s), which may be annexed to that Agreement and any amendments made by the Parties in writing.
- (e) "**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 monetary value), in relation to or arising out of the Assets.
- (f) "**Cash Account or Bank Account**" shall mean one or more bank accounts opened, maintained and operated by the Portfolio Manager in the name of the Client or a pool account in the name of the Portfolio Manager to keep the Funds of all clients.
- (g) "**Client(s) / Investor(s)**" means any person / entity including an Accredited Investor and/or a Large Value Accredited Investor that enter into an agreement/ arrangement for availing the Portfolio Management Services with the Portfolio Manager by executing the Agreement.
- (h) "**Client Securities**" mean the Securities which form part of the Portfolio.
- (i) "**Discretionary Portfolio Management Services**" means the Portfolio Management Services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager exercises its sole and absolute discretion with respect to investments or management of the Assets of the Client, entirely at the Client's risk, in such manner as the Portfolio Manager may deem fit.
- (j) "**Depository Account**" or "**DP Account**" means one or more demat accounts opened, maintained, and operated by the Portfolio Manager in the name of the Client or a pool demat account in the name of the Portfolio Manager to keep the securities of all clients, where the securities of each of the Clients would be separately identified for the purpose of the Portfolio Management Services.
- (k) "**Financial Planning**" shall include analysis of Clients' current financial situation, identification of their financial goals, and developing and recommending financial strategies to realise such goals.

- (l) **“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 may include financial planning.
- (m) **“Large Value Accredited Investor”** means an Accredited Investor who has agreed to invest a minimum investment amount of ten crore rupees with the Portfolio Manager.
- (n) **“Non-Discretionary Portfolio Management Services”** means the Portfolio Management Services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager shall provide advice in relation to the Assets and manage the Assets (including the Portfolio and Funds) in accordance with the instructions of the Client at the absolute discretion of the Client with respect to investments or management of the Assets of the Client and entirely at the Client's risk.
- (o) **“Portfolio Manager”** means Alchemy Capital Management Private Limited
- (p) **“Portfolio Management Fees”** means fees payable by the Client to the Portfolio Manager as specified in the Agreement, for the Portfolio Management Services.
- (q) **“Portfolio Management Services”** means the Portfolio Management Services rendered to the Client by the Portfolio Manager, on the terms and conditions contained in the Agreement and in accordance with the applicable laws and Regulations (whether as a discretionary portfolio manager or otherwise), with respect to investments or management of the Portfolio of Securities and the Funds of the Client.
- (r) **“SEBI”** means the Securities & Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.
- (s) **“Securities” includes:-**
- "securities" as defined under the Securities Contracts (Regulation) Act, 1956;
 - shares, scrips, stocks, bonds, warrants, convertible and nonconvertible debentures, fixed return investments, equity linked instruments, negotiable instruments (to the extent permitted by the Regulations), deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and / or by any Mutual Funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and
 - any other instruments or investments as may be permitted by applicable law or Regulations from time to time.
- (t) **“Securities Valuation Policy”** means the policy of the Portfolio Manager, from time to time, for valuation of the Securities forming part of the Assets.
- (u) **“Portfolio”** means the holdings of Securities managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes any further securities placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

3. Description

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

Alchemy Capital Management Pvt. Ltd (ACM) was originally promoted by Alchemy Share & Stock Brokers Pvt. Ltd., (ASSB) and later in 2010 it was owned by Alchemy Investment Managers Private Limited (AIMPL). The National Company law Tribunal (NCLT), Mumbai Bench has on November 28, 2017 approved the Merger of Alchemy Investment Managers Private Limited with the Alchemy Capital Management Private Limited.

ACM was set up for the purpose of providing Portfolio Management & Investment Advisory Services to its clients. To this end, ACM applied and originally received the PMS license under the SEBI (Portfolio Managers) Regulations, 1993 on January 14, 2000 and also received a fresh license on May 16, 2003 which was renewed from time to time and the current renewal is perpetually valid unless it is suspended or canceled by SEBI.

Currently, the company provides Discretionary, Non- Discretionary Portfolio Management and Investment Advisory Services. ACM is exempted to be registered under SEBI (Investment Advisor) Regulations, 2013 for providing investment advice to its clients and is also exempted for registration under SEBI (Research Analyst) Regulations, 2014. ACM also acts as the Sponsor and Investment Manager to the Fund, Alchemy Leaders of Tomorrow and Alchemy Leaders of Tomorrow – Closed Ended Fund, Schemes of Alchemy Alternative Investment Trust and registered with SEBI as a Category III – Alternative Investment Fund vide registration number IN/AIF3/17-18/0381 dated October 24, 2017.

(ii) **Promoters of the Portfolio Manager, directors and their background:**

ACM is owned by Mr. Lashit Sanghvi, Mr. Hiren Ved, Mr. Ashwin Kedia, Alchemy Equity Research Securities Pvt Ltd, Rare Equity Pvt. Ltd and Mr. Rajesh Jhunjunwala in the capacity of the Trustee of Alchemy Capital Management Trust.

Background of the Directors of the Portfolio Manager:

1. **Mr. Hiren Ved** is the Co-founder, CEO and CIO at Alchemy Capital Management Pvt Ltd. He started his equity market career in 1991 and worked on both sell side and buy side research roles for the first nine years of his career, before joining Alchemy to spearhead the firms Asset management business in the year 2000. Hiren has deep knowledge across sectors and is known for his bottom up research and stock picking skills. He has built a long-term track record of generating significant alpha over the last 18+ years. Managing / advising funds over USD 782 million (as on 30th Sept 2020) across domestic PMS and offshore institutional mandates for Alchemy.
2. **Mr. Neeraj Roy** is a Commerce Graduate and has a Masters degree in Management. Neeraj founded and leads a vibrant team that is a part of the Hungama group in India, one of Asia's largest Digital Media Entertainment conglomerates. He is also the Chairman Emeritus of the Asia Board of the Mobile Entertainment Forum (MEF). He has been associated with MEF for more than 5 years now.
3. **Mr. Manu Parpia** is the Founder, Managing Director & CEO of Geometric Ltd., and Chairman of 3DPLM Software Solutions Ltd. He served as the Chief Executive of the Electronic Business Equipment Division of Godrej & Boyce from the mid eighties to 1999. During this period, he also founded Godrej Pacific, a joint venture between Tech Pacific and Godrej & Boyce, and served as its Managing Director from 1995 to 1999. Mr. Parpia holds a Bachelor's degree in Chemical Engineering from McGill University, Canada; an MBA from Harvard Graduate School of Business Administration, USA; and a Diploma in Finance & Accounting from England. His areas of specialization include international marketing and business development, business strategy and commercialization of technology.

4. **Mr. Rajiv Agarwal** works for RaRe Enterprises, the investment firm of Mr. Rakesh Jhunjhunwala, where he is responsible for investing, managing and monitoring the firm’s Private Equity investments. Rajiv has experience and deep understanding of B2B and B2C businesses spanning Consumer, Education, Mobile Entertainment, Media, Financial Services and Oil Drilling which form a part of RaRe’s PE portfolio. Rajiv made a career shift from Management Consulting to PE investing and joined Rare Enterprises in 2006, drawn by the growth opportunities that India presents. He has invested in quite a few companies across different industries and made successful exits as well. He serves on the boards of several listed and unlisted companies. He believes that in a Digital era, businesses are heading for rapid change. Companies already face a new level of expectations from consumers, employees and business partners. Every business will have to be reimaged and adapt new technologies to meet rising expectations. This change would present new investment opportunities and de-rating of existing businesses. For 12 years prior to 2006, Rajiv was responsible for Sales & Delivery of Strategy & Operations Consulting work at Accenture, a global management and technology consulting firm. Rajiv has had advised a diverse set of business across geographies such India, UK, UAE, US and Indonesia. Rajiv is a graduate in Chemical Engineering from the Institute of Technology, Benares Hindu University.

(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis are as follows:

Name
Alchemy Investment Management Pte. Ltd
Alchemy India Long Term Fund Limited
Alchemy India Fund Cayman Partners LP
Alchemy India Equity Fund (Cayman) Ltd
Alchemy Alternative Investment Trust

Group entities considered herein are the entities where the Portfolio Manager exercises control. The above listed entities are not listed in the order of their turnover.

(iv) Details of Services being offered

The Portfolio Management Services of the Portfolio Manager have been structured broadly under the following categories:

a) Discretionary Portfolio Management Services

Under the Discretionary Portfolio Management Services, the Portfolio Manager shall deploy the Assets brought in by a Client by investing or divesting suitably in the capital markets as per the Act and Regulations. The Portfolio Manager shall be acting in a fiduciary capacity, as a trustee, with regard to the Client's account consisting of investments, 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 monetary value). The Portfolio Manager will provide Discretionary Portfolio Management Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the Portfolio, buying and selling the 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 period as described, entirely at the Client's risk. The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the Client in any type of security as per executed Agreement and make such changes in the investments and invest some or all of the Funds in such manner and in such markets as it deems fit. The Portfolio Manager's decision (taken in good faith) in 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 currency of the Agreement or any time thereafter except on the ground of malafide,

fraud, conflict of interest or gross negligence. This right 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.

b) Non-Discretionary Portfolio Management Services

Under this 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 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. However, the Portfolio Manager will continue to act and strictly guided by relevant guidelines, Acts, Rules, Regulations and notifications in force from time to time. 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 e-mail, fax, telephone or suitable and secured message and may include managing, renewing and reshuffling the portfolio, buying and selling the 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) Investment Advisory Services

The Portfolio Manager will provide advisory 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 and may include financial planning. Investment Advice shall be for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk; to all eligible categories of investors who can invest in Indian market including NRIs, FPIs, etc. The Portfolio Manager shall be solely acting as an advisor to the Client and shall not be responsible for the investment / divestment of Securities and / or administrative activities on the Client's Portfolio. The Portfolio Manager shall act in a fiduciary capacity towards its Client and shall maintain arms length relationship with its other activities. The Portfolio Manager shall provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and / or the Client, from time to time, in this regard.

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	Status
1	Cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under.	Nil
2	The nature of penalty / direction	Not Applicable
3	Penalties/fines imposed for any economic offence and / or for violation of any securities laws	Nil
4	Any pending material litigation / legal proceedings against the Portfolio Manager / key personnel with separate disclosure regarding pending criminal cases, if any.	Nil
5	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency	Refer Note below*

6	Any enquiry / 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 there under.	Nil
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*Note: SEBI had carried out inspection in Oct 2019. In Aug 2020, they had shared their observation letter to make the disclosures regarding the risks associated with investments/disinvestments in a more prominent manner. The Company was already in compliance with the same, however based on SEBI observation, we have further strengthened the manner of disclosures.

5. Services Offered

(i) **Investment Objectives**

The investment objective of our Services is to deliver long term capital appreciation by delivering better risk-adjusted returns. In Products/ Investment Approaches which are long only in nature, the endeavor is to beat the relevant benchmark over the relevant time horizon. Hence the corner stone of the investment objectives is long term investment performance and endeavor to optimize risks and rewards. However, it needs to be reiterated that investments in securities entail a degree of risk and that there can be no assurance and / or guarantee of such growth/preservation of capital or of there being no capital loss.

(ii) **Products/ Investment Approaches of the Portfolio Manager**

Our Product/Investment Approach is to rely primarily on fundamental analysis. The Portfolio Manager uses a combination of bottoms up and top down research to identify investment opportunities. Apart from fundamental analysis of the relevant sector/company, the approach also involves assessing other qualitative factors like quality, dynamism and depth of management. It may involve management/plant or site visits and interaction with senior managements of companies. In trading oriented strategies a combination of fundamental or pure technical/momentum driven factors are taken into consideration. Once there is a high level of conviction, the Portfolio Manager may take concentrated bets on the investments so chosen. However, adequate care is taken for diversification and allocation across securities. The positions once taken are monitored regularly and rebalancing exercise is undertaken if the situation or triggers impacting the performance change.

(iii) Investment Horizon: An Ideal Investment Horizon for investments has been given below for the different Products/ Investment Approaches, however, the said time periods are not absolute but based on historical perspectives and experience.

(iv) **Details of the Products/ Investment Approaches managed by the Portfolio Manager**

(A) Alchemy High Growth

a	Investment objective	To generate long-term returns by investing in equities and equity related instruments, across all market capitalizations with a mid cap bias.
b	Philosophy & Strategy	Alchemy's Investment Philosophy is "Growth at Reasonable Price". The philosophy behind growth investing is based on the fact that India is a high growth economy with a strong entrepreneurial culture. Our endeavour is to identify and invest in growth companies through a combination of top-down and bottoms up fundamental research to enable long term wealth creation.
c	Description of types of Securities	Equity

d	Basis of selection of types of Securities as part of the Product/Investment Approach	<ol style="list-style-type: none"> 1. Tracking Universe – We have identified a tracking universe of about 400-425 companies based on market capitalisation (above 4000 crores preferably), qualitative governance filters, long term attractiveness and ROE profile of business amongst other parameters. 2. Investible Universe - From this tracking universe, an investible universe of companies is created based on assessment of past and future fundamental variables like revenue and EBIDTA growth, cashflow conversion efficiency and core ROE of the business amongst several other relevant variables which may be unique to a business. In addition to objective fundamental parameters and assessment of qualitative management capabilities, governance standards and competitive ability of the business is also carried out. A comprehensive valuation exercise is also carried out based on one and/or combination of valuation parameters like P/E, P/B, EV/EBIDTA, DCF etc to arrive at an acceptable valuation range for investing in the security. 3. Portfolio Construction – The Portfolio Manager managing the strategy is then free to construct the Clients Portfolio from within the investible universe at his discretion. 														
e	Allocation of Portfolio across types of Securities	<p>Upto 100% in equity (cash portion may be deployed in liquid funds/ debt Securities). The Portfolio allocation across market caps is also given below.</p> <p>Portfolio Construct: A typical Portfolio may generally consist maximum of 25 stocks. Indicative Portfolio construct could be as follows:</p> <table border="1" data-bbox="730 1283 1378 1435"> <thead> <tr> <th>Market capitalization*</th> <th>Portfolio construct</th> </tr> </thead> <tbody> <tr> <td>Large cap stocks</td> <td>25 – 100%</td> </tr> <tr> <td>Mid cap stocks</td> <td>0 – 75%</td> </tr> <tr> <td>Small caps</td> <td>0 – 20%</td> </tr> </tbody> </table> <p>*Market capitalization</p> <table border="1" data-bbox="730 1469 1378 1727"> <tbody> <tr> <td>Large Cap stocks</td> <td>Market capitalization of 100th stock is the cut off for large cap</td> </tr> <tr> <td>Mid Cap stocks</td> <td>Market capitalization between 101st to 250th stock is the cut off for Mid cap</td> </tr> <tr> <td>Small Cap Stocks</td> <td>Market capitalization below 250th</td> </tr> </tbody> </table> <p>Note: Market capitalization cut off will be taken from https://www.amfiindia.com/research-information/other-data/categorization-of-stocks.</p>	Market capitalization*	Portfolio construct	Large cap stocks	25 – 100%	Mid cap stocks	0 – 75%	Small caps	0 – 20%	Large Cap stocks	Market capitalization of 100th stock is the cut off for large cap	Mid Cap stocks	Market capitalization between 101st to 250th stock is the cut off for Mid cap	Small Cap Stocks	Market capitalization below 250th
Market capitalization*	Portfolio construct															
Large cap stocks	25 – 100%															
Mid cap stocks	0 – 75%															
Small caps	0 – 20%															
Large Cap stocks	Market capitalization of 100th stock is the cut off for large cap															
Mid Cap stocks	Market capitalization between 101st to 250th stock is the cut off for Mid cap															
Small Cap Stocks	Market capitalization below 250th															
f	Benchmark	S&P BSE 500														
g	Basis for choice of benchmark	S & P BSE 500 index serves as a comprehensive representation of the Indian economy, covering all 20 major sectors in the country. The index comprises of the top 500 companies listed on the Bombay Stock Exchange, with selection based on a														

		combination of average float-adjusted market capitalization, average value traded, and average total market capitalization. Hence, we believe S&P BSE 500 is the appropriate benchmark which would reflect the realistic comparison with the Portfolio performance.
h	Indicative Tenure or Investment horizon	3-5 years
i	Risk associated with Product/Investment approach	High Risk <ul style="list-style-type: none"> • General risk Please refer “Risk Factors” given in clause 6 of the Disclosure Document • Specific risk The Portfolio Manager doesn’t envisage any specific risks in addition to General Risk factors
j	Other salient features, if any	NA

(B) Alchemy High Growth – Select Stock

a	Investment objective	To generate long-term returns by investing in equities and equity related instruments, across all market capitalizations with a mid cap bias.
b	Philosophy & Strategy	<ol style="list-style-type: none"> 1. Philosophy: The philosophy behind growth investing is based on the fact that India is a high growth economy with a strong entrepreneurial culture. Our endeavor is to identify and invest in growth companies through a combination of top-down and bottoms up fundamental research to enable long term wealth creation. A typical Portfolio may generally consist of between 8-12 stocks. We may construct such concentrated Portfolios as per the Clients need and understanding 2. Strategy: Invest in companies across the market capitalization range, which have high growth potential and potential to deliver long-term capital appreciation
c	Description of types of Securities	Equity
d	Basis of selection of types of Securities as part of the Product /Investment Approach	<ol style="list-style-type: none"> 1. Tracking Universe – We have identified a tracking universe of about 400-425 companies based on market capitalisation (above 4000 crores preferably), qualitative governance filters, long term attractiveness and ROE profile of business amongst other parameters. 2. Investible Universe - From this tracking universe, an investible universe of companies is created based on assessment of past and future fundamental variables like revenue and EBIDTA growth, cashflow conversion efficiency and core ROE of the business amongst several other relevant variables which may be unique to a business. In addition to objective fundamental parameters and assessment of qualitative management capabilities, governance standards and competitive ability of the business is also carried out. A comprehensive valuation exercise is also carried out based on one and/or combination of valuation parameters like P/E, P/B, EV/EBIDTA, DCF etc to

		arrive at an acceptable valuation range for investing in the security. 3. Portfolio Construction – The Portfolio manager managing the strategy is then free to construct the Clients Portfolio from within the investible universe at his discretion.
e	Allocation of Portfolio across types of Securities	Upto 100% in equity (cash portion may be deployed in liquid funds/ debt Securities).
f	Benchmark	S&P BSE 500
g	Basis for choice of benchmark	S & P BSE 500 index serves as a comprehensive representation of the Indian economy, covering all 20 major sectors in the country. The index comprises of the top 500 companies listed on the Bombay Stock Exchange, with selection based on a combination of average float-adjusted market capitalization, average value traded, and average total market capitalization. Hence, we believe S& P BSE 500 is considered to be appropriate benchmark which would reflect the realistic comparison with the Portfolio performance.
h	Indicative Tenure or Investment horizon	3-5 years
i	Risk associated with Product /Investment Approach	High Risk <ul style="list-style-type: none"> • General risk Please refer “Risk Factors” given in clause 6 of the Disclosure Document • Specific risk The Portfolio Manager doesn’t envisage any specific risks in addition to General Risk factors
j	Other salient features, if any	NA

(C) Alchemy Leaders

a	Investment objective	To generate long-term returns by investing in Large-Cap equities
b	Philosophy & Strategy	The philosophy behind this strategy is to invest in growth companies, which have achieved scale and have reached or have potential to be amongst the leaders in their field/industry segments. Typically, these companies would have experience of operating through good-bad business cycles. Our extensive top-down and bottom-up approach helps build a Portfolio of high conviction ideas to deliver steady returns.
c	Description of types of Securities	Equity
d	Basis of selection of types of Securities as part of the Product/Investment Approach	<ol style="list-style-type: none"> 1. Tracking Universe – Tracking universe primarily comprises of companies which are classified as large cap by market capitalisation, the definition of which is reset every calendar year end and is equivalent to market cap of 100th stock in BSE500. 2. Investible Universe - From this tracking universe, an investible universe of companies is created based on assessment of past and future fundamental variables like

		<p>revenue and EBIDTA growth, cashflow conversion efficiency and core ROE of the business amongst several other relevant variables which may be unique to a business. In addition to objective fundamental parameters and assessment of qualitative management capabilities, governance standards and competitive ability of the business is also carried out. A comprehensive valuation exercise is also carried out based on one and/or combination of valuation parameters like P/E, P/B, EV/EBIDTA, DCF etc to arrive at an acceptable valuation range for investing in the security.</p> <p>3. Portfolio Construction – The Portfolio Manager managing the strategy is then free to construct the Clients Portfolio from within the investible universe at his discretion.</p>														
e	Allocation of Portfolio across types of Securities	<p>Upto 100% in equity (cash portion may be deployed in liquid funds/ debt Securities). The Portfolio allocation across market caps is also given below.</p> <p>Portfolio Construct: A typical Portfolio may generally consist of between 12-15 stocks. Indicative Portfolio construct could be as follows:</p> <table border="1"> <thead> <tr> <th>Market capitalization*</th> <th>Portfolio construct</th> </tr> </thead> <tbody> <tr> <td>Large cap stocks</td> <td>85 – 100%</td> </tr> <tr> <td>Mid cap stocks</td> <td>0 – 15%</td> </tr> <tr> <td>Small caps</td> <td>Nil</td> </tr> </tbody> </table> <p>* Market capitalization#</p> <table border="1"> <tbody> <tr> <td>Large Cap stocks</td> <td>Market capitalization of 100th stock is the cut off for large cap</td> </tr> <tr> <td>Mid Cap stocks</td> <td>Market capitalization between 101st to 250th stock is the cut off for Mid cap</td> </tr> <tr> <td>Small Cap Stocks</td> <td>Market capitalization below 250th</td> </tr> </tbody> </table> <p>Note: Market capitalization cut off will be taken from https://www.amfiindia.com/research-information/other-data/categorization-of-stocks</p>	Market capitalization*	Portfolio construct	Large cap stocks	85 – 100%	Mid cap stocks	0 – 15%	Small caps	Nil	Large Cap stocks	Market capitalization of 100th stock is the cut off for large cap	Mid Cap stocks	Market capitalization between 101 st to 250 th stock is the cut off for Mid cap	Small Cap Stocks	Market capitalization below 250th
Market capitalization*	Portfolio construct															
Large cap stocks	85 – 100%															
Mid cap stocks	0 – 15%															
Small caps	Nil															
Large Cap stocks	Market capitalization of 100th stock is the cut off for large cap															
Mid Cap stocks	Market capitalization between 101 st to 250 th stock is the cut off for Mid cap															
Small Cap Stocks	Market capitalization below 250th															
f	Benchmark	Nifty 50														
g	Basis for choice of benchmark	Nifty 50 index is a broad based stock market index for the Indian equity market and tracks the behavior of a portfolio of blue chip companies, the largest and most liquid Indian securities. It represents the weighted average of 50 Indian company stocks in almost 17 sectors. Hence, we believe Nifty 50 is the appropriate benchmark which would reflect the realistic comparison with the Portfolio performance														
h	Indicative Tenure or Investment horizon	3-5 years														
i	Risk associated with Product/Investment Approach	High Risk <ul style="list-style-type: none"> • General risk 														

		Please refer “Risk Factors” given in clause 6 of the Disclosure Document <ul style="list-style-type: none"> • Specific risk The Portfolio Manager doesn’t envisage any specific risks in addition to General Risk factors
j	Other salient features, if any	NA

(D) Alchemy Liquid Strategy

a	Investment objective	To predominantly make investments in Liquid Mutual Funds, short-term debt funds, exchange traded funds, money market mutual funds, and other debt funds to facilitate investors to take Asset Allocation calls between Cash and Equity
b	Description of types of Securities	Debt/Fixed income
c	Basis of selection of types of Securities as part of the Product/Investment Approach	To generate optimal returns consistent with moderate levels of risk and liquidity by investing in debt Securities and money market securities.
d	Allocation of Portfolio across types of Securities	100% in Units of mutual funds and/ or fixed income instruments
e	Benchmark	NA
g	Basis for choice of benchmark	NA
f	Indicative Tenure or Investment horizon	Short Term i.e. upto 6 months
g	Risk associated with Product/Investment Approach	Low risk <ul style="list-style-type: none"> • General risk Please refer “Risk Factors” given in clause 6 of the Disclosure Document <ul style="list-style-type: none"> • Specific risk The Portfolio Manager doesn’t envisage any specific risks in addition to General Risk factors
h	Other salient features, if any	NA

(E) Alchemy Ascent

a	Investment objective	To generate long term risk adjusted returns
b	Philosophy & Strategy	A High Risk High Return oriented strategy where capital allocation is as important as stock selection and which aims at generating long term return by investing in companies with Market Capitalisation of 4000 crores and above, using data intensive research driven product/investment approach, to identify companies based on various parameters such as growth, valuation, quality earning and balance sheet health
c	Description of types of Securities	Equity
d	Basis of selection of types of Securities as part of the Product/ Investment Approach	Equity stocks are chosen for investment on the basis of 3 factors : 1) The company fundamentals, as reflected in reported numbers, 2) Investment strategy research regarding various market cycles, and 3) Risk & Reward ratios

		Cash or cash equivalents are chosen when an appropriate equity opportunity is not available
e	Allocation of Portfolio across types of Securities	Upto 100% in equity (cash portion may be deployed in liquid funds/ debt Securities). Portfolio Construct: Average of 25-30 stocks (Additional investments would be managed as a separate Portfolio)
f	Benchmark	S&P BSE 200
g	Basis for choice of benchmark	Since our investible universe is an average market capitalization of Rs. 4000 crore and above and since the last stock in BSE 200 also tends to hover around a market cap of approximately Rs. 4000 crore, we have chosen the S&P BSE 200 index as our benchmark.
h	Indicative Tenure or Investment horizon	3 to 5 years
i	Risk associated with Product/Investment Approach	High Risk <ul style="list-style-type: none"> • General risk Please refer “Risk Factors” given in clause 6 of the Disclosure Document • Specific risk The Portfolio Manager doesn’t envisage any specific risks in addition to General Risk factors
j	Other salient features, if any	NA

Note: All clients have an option to invest in the above Products/Investment Approaches directly, without intermediation of persons engaged in distribution services.

(v) Investments in associates / group companies:

The Portfolio Manager presently does not propose to effect any investments out of Clients Funds in any of the Alchemy group entities. The Portfolio Manager may consider investments in the group entities strictly on justifiable commercial terms and only as Regulations permit and provide for.

6. (a) Risk Factors (General risks applicable to all Product /Investment Approaches)

- (i) Investments in Securities are subject to market risk and there is no assurance or guarantee that the objectives of the investments will be achieved.
- (ii) The past performance of the Portfolio Manager does not indicate its future performance.
- (iii) Risk arising from the product/investment approach, investment objective, investment strategy and asset allocation, market risk, political and geopolitical risk and risk arising from changing business dynamics may affect Portfolio returns.
- (iv) Risk arising out of concentration - At times, Portfolios of individual Clients may be concentrated in certain companies / industries. The performance of the Portfolios would depend on the performance of such companies / industries / sectors of the economy.
- (v) The Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the portfolios.
- (vi) The liquidity of the Portfolio investment is inherently restricted by trading volumes in the Securities in which it invests.
- (vii) Investments in general and in the Product/Investment Approaches / Services which the Clients / Investors have opted are subject to wide range of risks which inter alia also include:

- a) Economic slowdown.
 - b) Volatility and illiquidity of the stocks.
 - c) Poor corporate performance, economic policies, change of Government and its policies.
 - d) Acts of god, acts of war, civil disturbance, sovereign action, epidemics, global pandemic and such other acts.
- (viii) Other risks including cancellation and postponement of settlements, default, legal actions, third party non-performance, misjudgment / incapacitation of the Portfolio Manager.
 - (ix) The Portfolio Manager does not guarantee or assure any return on investment, either of principal or appreciation on the Portfolio or preservation of capital.
 - (x) The Portfolio Manager may, considering the overall level of risk of the Portfolio, invest in lower rated / unrated securities offering higher yields. This may increase the risk of the Portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
 - (xi) The valuation of the Portfolio's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. There will be no prior intimation or prior indication given to the Client when the composition / asset allocation pattern changes.
 - (xii) Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Portfolio. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. By the same rationale, the inability to sell Securities held in the Portfolio due to the absence of a well developed and liquid secondary market for debt Securities would result, at times, in potential losses to the Portfolio, in case of a subsequent decline in the value of Securities held in the Portfolio.
 - (xiii) Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The Portfolio Manager may choose to invest in unlisted Securities that offer attractive yields. This may however increase the risk of the Portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
 - (xiv) While Securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Portfolio(s) and may lead to the investment(s) incurring losses till the security is finally sold.
 - (xv) The Portfolio Manager may, subject to applicable regulations and authorization by the Client in writing, participate in securities lending. The Portfolio Manager may not be able to sell / lend out Securities, which can lead to temporary illiquidity. There are risks inherent in Securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary as defined under prevalent Securities Lending Scheme to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.
 - (xvi) To the extent that the Portfolio will be invested in Securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.
 - (xvii) Interest Rate Risk: As with all debt Securities, changes in interest rates may affect valuation of the Portfolios, as the prices of Securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term Securities generally fluctuate more in response to interest rate changes than prices of short-term Securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.

- (xviii) Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- (xix) Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.
- (xx) 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 is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- (xxi) Currency Risk: The Portfolio Manager may also invest in overseas Fixed Income or other Securities / instruments as permitted by the concerned regulatory authorities in India. To the extent that the Portfolio of the Product/Investment Approaches / Services will be invested in Securities / instruments denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes / fluctuation in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.
- (xxii) Risks associated with investments in derivatives: The Portfolio Manager may use derivatives instruments like Stock / Index Futures, Stock Options, Interest Rate Swaps, Forward Rate Agreements or other derivative instruments, as permitted under the Regulations and guidelines. As and when the Portfolio Manager trades in the derivatives market, there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the Portfolio and the ability to forecast price or interest rate movements correctly. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India.

6 (b) Disclosures on Conflict of Interest: The Portfolio Manager hereby confirm to the best of their knowledge the following:

Particulars	Disclosures
Any transactions of purchase and sale of Securities by Portfolio manager and its employees who are directly involved in investment process are found having conflict of interest with the transactions in any of the Client's Portfolio?	<ol style="list-style-type: none"> 1. The Company has stringent policy to deal with conflict of interest transactions by the Portfolio Manager and its employees, who are directly involved in investment process. 2. No violations of material nature were observed during the relevant period.
Does the Portfolio Manager avail any services offered by its group companies or associates?	No

7. (i) Client Representation

Year	Client Categories	No of Clients*	Funds Managed (Rs Crs)*	Nature of Services
2020-2021	Associates/ group companies	1	1151.85	Advisory
	Other Clients	4282	4898.71	Discretionary
	Total	4283	6050.57	
2019-2020	Associates/ group companies	1	891.83	Advisory
	Other Clients	6075	4,134.34	Discretionary
		1	0.84	Non - Discretionary
	Total	6077	5,027.02	
2018-2019	Associates/ group companies	1	1184.74	Advisory
	ACM (Proprietary Funds)	1	12.21	Discretionary
	Other Clients	5704	5,691.25	Discretionary
		1	1.35	Non-Discretionary
	Total	5707	6889.55	

* All data is as on March 31 of the respective financial years

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

The complete disclosure as on March 31, 2021 is enclosed as Annexure 1.

8. Financial Performance

The Financial Performance of the Portfolio Manager (based on audited financial statements) is as follows.

Particulars	(Rs. in lakhs)		
	2018-2019	2019-2020	2020-2021
Paid up capital	97.41	97.41	97.41
Reserves	16100.20	19528.55	23097.62
Total Income	13593.45	13811.58	10460.93
Profit / (Loss) Before Tax	4543.51	4695.44	4703.08
Profit / (Loss) After Tax	3337.48	3428.35	3569.07

9. Performance of Portfolio Manager

Performance of the Portfolio Manager for the last three years:

Name of the Product/Investment Approach	Period#	Portfolio Performance (%), Net of all fees and expenses and taxes (if any)	Benchmark Performance (%)
DISCRETIONARY SERVICES			
Alchemy High Growth (Portfolio Inception Date: 08 May 2002) Benchmark Index: S&P BSE 500	2018-2019	0.30%	8.35%
	2019-2020	-31.47%	-27.48%
	2020-2021	45.45%	76.62%
Alchemy Leaders (Portfolio Inception Date: 21 December 2006) Benchmark Index: NIFTY 50	2018-2019	2.90%	14.85%
	2019-2020	-17.24%	-26.03%
	2020-2021	29.47%	70.87%
Alchemy High Growth Select Stock (Portfolio Inception Date: 19 December 2008) Benchmark Index: S&P BSE 500	2018-2019	7.74%	8.35%
	2019-2020	-30.61%	-27.48%
	2020-2021	61.70%	76.62%
Alchemy Liquid Strategy (Portfolio Inception Date: 5 September 2017) Benchmark: NA	2018-2019	7.50%	-
	2019-2020	6.14%	-
	2020-2021	2.99%	-
Alchemy Ascent (Portfolio Inception Date 3 rd Sep 2019) Benchmark Index: BSE200	2019-2020	-24.08%	-20.08%
	2020-2021	75.86%	74.25%
NON DISCRETIONARY SERVICES			
(Portfolio Inception Date: 30 December, 2016) Benchmark Index: S&P BSE 500 (Closed on 20th Oct 2020)	2018-2019	-4.32%	8.35%
	2019-2020	-37.52%	-27.48%
	2020-2021	30.42%	39.33%

Notes:

1. The Company commenced its Portfolio Management Services on 08 May 2002.
2. The Portfolio Performance figures are computed as per the Time weighted rate of return (TWRR) methodology prescribed by SEBI and the previous year's numbers are restated accordingly.
3. All data is as from 1st April (or the portfolio inception date) to 31st March of the respective financial years.

NOTE : Performance data for Product /Investment Approaches provided herein above is not verified by SEBI.

10. Audit Observations

Audit Observations by the statutory auditors of the Company for the preceding 3 years are as below:

Financial Year	Audit Observations
2018-2019	NIL
2019-2020	NIL
2020-2021	NIL

11. Nature of Expenses

A) The following are indicative types of costs and expenses for Clients availing the Portfolio Management Services:

i) Portfolio Management Fees:

Portfolio Management Fees relates to the fee payable by the Client for the Portfolio Management Services offered to the Clients by the Portfolio Manager. This fee is (as a percentage) related to the Net Realizable Value* or NRV of the Portfolio under investment management and may be fixed, variable or a combination of both, as set out in the Agreement. Brief details of the fees are given below:

a) Fixed management fees:

- The Fixed Fees are charged to the Client at the end of every calendar Quarter at pre-defined fixed rate on daily weighted average NRV. In the event Client makes any partial or complete withdrawal(s), the Client shall be liable to pay the Fixed Fees thereon on pro rata basis calculated up to and until the date of such withdrawal(s).

b) Performance Fee:

- Frequency of charging Performance Fee varies from 1 year to 3 year
- and is generally charged on the Client's anniversary date
- Performance fee is subject to the Portfolio Manager achieving a minimum investment return i.e. hurdle rate or achieving nifty performance
- In the first instance hurdle rate is applicable on starting NRV and thereafter on the High Water Mark

Performance fee is calculated as below,

➤ Where hurdle is %

Performance Fee = fee % * (Return-Hurdle)

(Where in the first instance:

Return = NRV (as on the date of calculation of fees)-starting NAV ; and thereafter:

Return = NRV (as on the date of calculation of fees)-High water mark).

➤ Where hurdle is Nifty

Performance Fee = fee% * (X - Y),

Where X = Return of the Portfolio, and

Y = Notional Nifty Return

Where in the first instance,

Return of the portfolio = NRV (as on the date of calculation of fees) - Starting NRV and

Thereafter:

Return of the portfolio = NRV (as on the date of calculation of fees)- High Water Mark]

- In the event Client makes any partial or complete withdrawal(s), the Client shall be liable to pay the Performance Fees thereon on pro rata basis calculated up to and until the date of such withdrawal(s) and the Hurdle rate shall be applicable pro rata.
- The hurdle rate shall be applicable pro rata in respect of any further sums placed by the Client from the date of such placement till the date of calculating performance fee .

*"Net Realizable Value" or "NRV" means the net realizable value of the Assets and shall be aggregate of (i) the amount of cash in the Bank Account and (ii) the value of the Client Securities calculated as per the Securities Valuation Policy of the company on the end of any day, net of the liabilities accrued in the Portfolio.

a) Exit fee:

- Applicable on any withdrawal(s) from the Portfolio before the completion of the specified period as per Agreement.
- This fee is charged on partial and full withdrawals
- On partial withdrawal, fee is charged on the day of corpus withdrawal.
- On full withdrawal, fee is charged on the date when account is marked as closed.

ii) **Depository & Custodian charges:**

- These charges relate to opening and maintenance of Depository Accounts (wherever required), dematerialization of scrips and their transfer charges in connection with the operation and management of the Client's Portfolio account.
- These charges are accrued and charged to Clients at actuals on monthly basis.
- The Custodians charge the Portfolio Manager based on rates negotiated with them .
- The indicative rates are given in the table below.

iii) **Brokerage and transaction costs:**

- These costs relate to charges payable to the broker for execution of transactions on the stock exchange or otherwise on purchase and sale of shares, bonds, debentures, units, and other instruments.
- These charges are on actual basis as charged by the broker.
- The brokers charge the Portfolio Manager on each transaction and the same is passed on to the Client as a part of transaction cost and is included in cost of investment.
- The indicative rates are given in the table below

iv) **Registrar and transfer agent fee: NIL**

v) **Miscellaneous Expenses:**

- Expenses in connection with, operation of bank accounts, documentation, Auditing and certification such as stamp duty attestations, notary, legal services, goods and service tax, insurance charges and any other outsourcing/administrative charges, etc. All charges are on an actual basis
- The indicative rates are given in the table below

An approximate range of fee and expenses that may be charged to Clients are indicated below. It may be noted that the exact charge may vary depending upon the time and the exact nature of the services that is provided to Clients.

I. Portfolio Management Fees:

Nature of Fee	Frequency	Approximate range of fee
Fixed fees	End of every calendar quarter OR on withdrawal whichever is earlier	0% to 2.5% p.a
Performance Fee	Varies from 1 year to 3 year and is generally charged on Client's anniversary date and also applicable on complete withdrawal	Between 15% to 25% subject to the Portfolio Manager achieving a minimum investment return i.e. hurdle rate
Exit Fees	Applicable on partial and complete withdrawal	1st year of investment– upto 3% of redeemed value 2 nd year of investment - upto 2% of redeemed value 3 rd year of investment - upto 1% of redeemed value > 3 years - NIL

II. Brokerage charges (excluding STT charges and Other Transaction charges)- These costs are charged at actuals and which is currently in the range of 0.10% of market rate. STT charges and other charges as collected by stock exchanges such as stamp duty, transaction charges etc shall be charged at actuals.

III. Operating expenses excluding Brokerage

Nature of Fee (Indicative)-	Frequency of charge	Approximate range of charges
Applicable to all categories of Clients		
Custody charges	Monthly.	Charges by respective Custodians given below: <ul style="list-style-type: none"> HDFC 0.055% and ICICI 0.07% p.a calculated on the daily average holding value in demat account plus taxes.
Activation charges	Onetime at the time of signing of the agreement and its amendments thereon	Franking & Notary expenses upto Rs 1400 *
Audit charges	Annual	Upto Rs 1700 plus taxes
Applicable to Non-Resident Indian (NRI's)Clients **		
Transaction Charges	Transaction based	Rs 50 for each transaction plus taxes
CA Certification Charges	Monthly	Rs. 500 per transaction or maximum 7500 Per month (on Sell transactions) - whichever is lower plus taxes
PIS Approval charges	One time at the time of PIS approval	Upto Rs. 4,000/- plus taxes

Applicable to Corporates **		
AMC Fees	Annually	Rs.500/- p.a plus taxes

*Subject to revision of the provisions of the underlying applicable laws.

**Applicable only to NRI's having accounts with the Custodian, ICICI Bank Ltd

Operating expenses excluding brokerage, 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).

- A) The Portfolio Manager shall deduct all such fees and expenses directly from the Cash Account of the Client or require the Client to make the payments separately to the Portfolio Manager, at the option of the Portfolio Manager. Other expenses which could be attributable to the Portfolio Management Services would also be directly deducted and the Client would be provided details of the same.
- B) The fees charged for rendering Portfolio Management Services subject to the limits prescribed by SEBI from time to time and do not guarantee or assure, either directly or indirectly, any return on the investment made by the Client.
- C) The exact fees charged to the Client relating to each of the above services will vary depending upon the exact nature of the services to be provided. These shall be annexed to the Agreement depending upon the services to be provided by the Portfolio Manager to the Client at the time of execution of the Agreement with the Client.

12. Taxation

The Client shall be liable for all tax liabilities on income arising out of his investments in the portfolio management services or advisory services. The Client is best advised to consult his / her / their tax advisor / consultant for appropriate advice on tax treatment arising on such income.

Tax deducted at source ('TDS') on interest / TDS on dividend received on equity shares and TDS on capital gain (for Non resident Indian clients) is shown as withdrawal from corpus. For clarification, TDS on capital gains is not deducted for resident clients and is the responsibility of the Client to pay such taxes to the authorities.

13. Accounting policies

Accounting policy followed by the Portfolio Manager while accounting for the Portfolio investments of the Clients.

Basis of Accounting

- (a) Books and Records for each Product/Investment Approach is separately maintained in the back office software 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, amended from time to time.
- (b) Accounting under the respective Portfolios is done in accordance with Generally Accepted Accounting Principles.
- (c) Transactions for purchase and sale of investments are recognized as of the trade date at cost of acquisition/ disposal. In determining the holding cost of investments and the gain or loss on sale of investment, the "first-in-first-out" method ("FIFO") is followed. The same is done at Product/Investment Approach 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 levied by any statute except STT (Securities Transaction Tax). Securities Transaction Tax incurred on buying and selling of securities is charged to revenue account. Investments in equity shares/ units of mutual funds are reported at cost of acquisition as at the reporting date
- (d) Where eligible Securities have been received from the Client towards initial/additional corpus, the closing market value of the previous day of activation of account / receipt of securities (in case of additional corpus) is considered as capital contribution and deemed to be the cost of investments for the purpose of tracking

performance. Closing market value of the investments is based on last quoted closing price on the 'BSE' (in case the Securities are not listed on BSE, the last quoted closing price on the 'NSE' is used).

- (e) Where Securities have been withdrawn by the Client towards Partial/Full redemption, the closing market value of the previous day of such Securities is considered for the purpose of determining the capital withdrawal value. Closing market value of the Securities is based on last quoted closing price on the 'BSE' (in case the securities are not listed on BSE, the last quoted closing price on the 'NSE' is used). Difference in cost and market value of the Securities at the time of partial/ full redemption is recorded as gain/loss of the Portfolio, for accounting purpose.

Income/expenses:

- (a) All investment income and expenses are accounted on accrual basis except Custodian & Depository charges which are recorded on payment basis based on the actual bills received.
- (b) Dividend is accrued on the Ex-date of the Securities and the same is reflected in the Clients' books on the ex-date. Dividend income on investments in units of Liquid Exchange Traded Fund (viz. Liquidbees) (in the form of daily dividend re-investments) is recognized on an accrual basis. During the year, dividend income in the form of reinvested units is accounted based on the receipt of information from the custodian w.e.f. 5th Aug 2019. As at the year-end, such dividend and corresponding unit reinvestment is accrued from the last custody intimation date till the balance sheet date.
- (c) Similarly, Corporate actions such as Bonus / split / rights entitlements are recognized as investments on the ex-bonus / ex-split / ex-rights date respectively.
- (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.

14. Investors services

- (i) **Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints are as follows:**

Primary Contact

Name : Mr. Anil Ture
 Designation : Head - Operations
 Address : B-4, Amerchand Mansion, 16 Madame Cama Road, Colaba, Mumbai – 400001
 Phone : +91 22 66171700
 Email : anil.ture@alchemycapital.com

Secondary Contact

Name : Mr. Chirag Pandya
 Designation : Group Head - Compliance & Legal
 Address : B-4, Amerchand Mansion, 16 Madame Cama Road, Colaba, Mumbai - 400001
 Phone : +91 22 6617 1740
 Email : chirag.pandya@alchemycapital.com

- (ii) **Grievances Redressal & Dispute Settlement Mechanism:**

The Portfolio Manager shall endeavor to address and settle all queries, complaints, grievances arising out of deficiencies in service during the subsistence of the agreement between the Portfolio Manager and the Client. In the event that the Client / Investor continues to be dissatisfied on any of the issues consequent to the Portfolio Management Services and the Agreement, both the parties shall follow the mechanism stated below:

- a) All disputes, differences, claims and questions whatsoever will in the first place be tried to be settled by mutual discussions.

- b) In the event of failure of settlement through mutual discussions between the Client and the Portfolio Manager and / or their representatives, the disputes shall be resolved through arbitration or through Ombudsman authorized or appointed for the purpose by any regulatory authority, as applicable. In case the dispute is presented for arbitration then the same shall be referred to a sole arbitrator to be appointed by the Parties mutually or in case of disagreement as to the appointment of the sole arbitrator, to a panel of three arbitrators with each Party nominating one arbitrator and the arbitrators so appointed appointing the third arbitrator. Such arbitration shall be in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force.
 - c) The arbitration shall be held in Mumbai and be conducted in English language.
 - d) The Agreement with the Client shall be governed by, construed and enforced in accordance with the laws of India.
 - e) The Agreement shall at all times take effect as having been made, entered into and to be performed in the city of Mumbai and the Portfolio Manager and Client shall be deemed to have submitted to the exclusive jurisdiction of the competent courts / appropriate forums of / at Mumbai in respect of all matters relating to or arising out of the arbitration proceedings, including applications for interim or interlocutory relief.
- (iii) **SEBI SCORES Platform:** 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.

The Clients may lodge their grievances to SEBI at <http://scores.gov.in>. For any queries/feedback or assistance, the Clients may also contact at the toll free helpline service number (1800 266 7575 or 1800 22 7575) which is available on all days from 9:00 a.m to 6:00 p.m (excluding declared holidays).

It would, however, be advisable that Clients may initially contact with Investor Relation Officers mentioned above in pt (i) for redressal of investor grievances.

For Alchemy Capital Management Private Limited

Sd/-

Director

Sd/-

Director

ANNEXURE 1

Related Party Disclosures for the year ended 31st March 2021 :

- (A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard 18 issued by the Institute of Chartered Accountants of India and where control exists.

Holding Company

None

Subsidiaries

Alchemy Investment Management Pte Ltd.

Associates & Joint Ventures

Not Applicable

Persons owning interest in voting power and their relatives having a significant influence

Ashwin Kedia

Rakesh Jhunjunwala

Lashit Sanghvi

Key Management Personnel

Hiren Ved ,Whole-time Director, CEO & CIO (CEO w.e.f 1st Oct 2020)

Lashit Sanghvi, Whole-time Director & CEO up to 30th Sep 2020

Manu Parpia, Non-Executive Director

Neeraj Roy, Non-Executive Director

Rajiv Agarwal, Non-Executive Director

Relatives of Key Management Personnel

Raunaq Roy

Nimisha Sadarjoshi

Enterprises over which persons owning interest in voting power, key management personnel and relatives have significant influence and with whom transactions have been entered into:

Hungama Digital Media Entertainment Pvt. Ltd.

ALCHEMY CAPITAL MANAGEMENT PVT. LTD.

RELATED PARTY TRANSACTIONS FOR THE YEAR

Transactions	Subsidiary		Interest in Voting Power		Key Mngt Personnel & their Relatives		Enterprises in which Significant Influence is exercised		Enterprises over which persons having interest in voting power have significant influence		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2019-20	2020-21	2020-21	2019-20	2020-21	2019-20
Advisory Fees Charged												
Alchemy Investment Management Pte Ltd.	81,71,922	95,36,514					-	-				
	81,71,922	95,36,514	-	-	-		-	-	-	-	81,71,922	95,36,514
Reimbursement of Expenses												
Alchemy Investment Management Pte Ltd.	3,32,460	43,45,621										
	3,32,460	43,45,621	-	-	-		-	-	-	-	3,32,460	43,45,621
PMS Fees received from												
Neeraj Roy					3,20,110	2,75,599						
Raunaq Roy					30,636	35,482						
Manu Parpia					6,93,311	11,62,405						
Nimisha Sadarjoshi					32,208	8,086						
	-	-	-	-	10,76,265	14,81,572		-	-	-	10,76,265	14,81,572
Remuneration Paid/Accrued												
Hiren Ved					1,82,75,004	1,49,05,007						
Lashit Sanghvi					24,076	1,56,03,781						
	-	-	-	-	1,82,99,080	3,05,08,788		-	-	-	1,82,99,080	3,05,08,788
Directors Sitting Fees												
Manu Parpia					2,50,000	1,50,000						
Neeraj Roy					2,50,000	50,000						
Rajiv Ambrish Agarwal					2,00,000	1,50,000						
	-	-	-	-	7,00,000	3,50,000		-	-	-	7,00,000	3,50,000
Rent Paid to												
Lashit Sanghvi			4,50,000	-	4,50,000	9,00,000						
Ashwin Kedia			9,00,000	9,00,000	-	-						
Rakesh Jhunjhunwala			9,00,000	9,00,000	-	-						
	-	-	22,50,000	18,00,000	4,50,000	9,00,000		-	-	-	27,00,000	27,00,000
Event Expenses paid to												

Hungama Digital Media Entertainment Pvt Ltd									-	5,65,000		
	-	-	-	-	-		-	-	-	5,65,000		5,65,000

FORM C

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

ALCHEMY CAPITAL MANAGEMENT PRIVATE LIMITED
B-4, Amerchand Mansion, 16 Madame Cama Road, Mumbai 400 001
Phone: (91-22) 6617 1700. Fax: (91-22) 6617 1701
hiren@alchemycapital.com

We confirm that:

- i) 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;
- ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management;
- iii) The Disclosure Document has been duly certified by M/s Gandhi Paleja & Associates, Chartered Accountants (Firm registration No. 112041W) represented by partner Mr. Rajen Gandhi (Membership No: 045345) having office at I-12, Everest Bldg., Tardeo, Mumbai 400 034, Tel No. 91-22-23520250 on September 08, 2021.

Sd/-

Date: September 8, 2021
Place: Mumbai

Name of the Principal Officer: Hiren Ved
Address: c/o Alchemy Capital Management Pvt. Ltd.
B-4, Amerchand Mansion,
16 Madame Cama Road,
Mumbai 400 001.