

**PORTFOLIO MANAGEMENT SERVICES
DISCLOSURE DOCUMENT**

**CENTRUM BROKING LIMITED (CBL)
PORTFOLIO MANAGER
(SEBI Registration no. INP000004383)**

Registered & Corporate Office:

Level-9, Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (E), Mumbai
400098 Tel.: +91 22 42159000

Disclosure in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020

This document has been filed with the Board along with the certificate in the prescribed format in terms of Regulations 22 of the SEBI (Portfolio Manager) Regulations, 2020.

- I. 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 informed decision for engaging Centrum Broking Ltd. as a Portfolio Manager.
- II. This Disclosure Document sets forth concisely the necessary information about CBL that a prospective investor ought to know before investing.
- III. The investor should carefully read the Disclosure Document prior to making a decision to avail of the portfolio management services and retain this Disclosure Document for future reference.
- IV. Investor may also like to seek further clarification after date of this document from the service provider.
- V. The name, phone number, e-mail address of the principal officer so designated by the portfolio manager is:

Name of the Principal Officer	: K. Sandeep Nayak
Phone	: 022 42159413
E-mail	: compliance@centrum.co.in
Address	: Level-9, Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (E), Mumbai 400098 .

INDEX

Sr. No.	Particulars	Page No
	FORM “C”	4
1	Disclaimer Clause	5
2	Definitions & Interpretations	5-8
3	History, Present Business and Background of CBL	8-9
4	Background of Promoters, Directors and Key Managerial Personnel of CBL, Portfolio Manager	10-12
5	Group Companies of Portfolio Manager	12-14
6	Details of services being offered	14-16
7	Penalties, pending litigations or proceedings, findings or Inspections or Investigations for which action may be taken or initiated by any regulatory authority	17
8	Portfolios Offered	18-32
9	Risk Factors	32-44
10	Client Representation	44
11	Financial Performance of the Portfolio Manager	44-45
12	Performance of Portfolio Manager	46
	(Annexure-1) –Portfolio wise Yearly Performance	56
13	Disclosure on Transactions with related parties as on March 31, 2021	46-49
14	Audit Observations (Preceding 3 Years)	49
15	Nature of cost and expenses	49-50
16	Taxation	50
17	Accounting / Investment Policies / valuations	50-54
18	Investor services	54
19	General	55

FORM – ‘C’

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

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 Strategy;
- III. The Disclosure Document has been duly certified by M/s. Vinayak P Pai and Associates, Chartered Accountants, FRN No:- 126836W, Address: A-1/202, Saket Complex, Thane (West), 400601, Phone No:- 022-49708970

For Centrum Broking Ltd.,

Date: 28th Feb 2024

Place: Mumbai

Address:

Name: K. Sandeep Nayak

Designation: Principal Officer

Level-9, Centrum House, C.S.T. Road,
Vidyanagari Marg, Kalina, Santacruz (E),
Mumbai 400098.

1. DISCLAIMER CLAUSE:

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended till date and the same is filed with Securities and Exchange Board of India (SEBI). This Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Disclosure Document.

2. DEFINITIONS & INTERPRETATIONS

In this disclosure document, unless the context otherwise requires:

“Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992).

"Portfolio Advisory Services" shall mean the advisory services relating to investment in the securities as more particularly described under clause 4 of the PMS –Advisory agreement

“Agreement” means the agreement to be executed between the Portfolio Manager (CBL) and its clients in terms of Regulation 22 and Schedule IV of SEBI (Portfolio Managers) Regulations, 2020, and subsequent circulars pertaining to Portfolio Managers issued by the Securities and Exchange Board of India and as may be modified from time to time.

“Assets” shall mean and include the (i) Portfolio; (ii) monies of the clients managed by the Portfolio Manager as per the Agreement; (iii) the proceeds from the sale of the Portfolio, Securities; (iv) dividends, interest or any monies arising out of the Securities and/or Portfolio;

“Bank” means scheduled commercial bank, with which the Portfolio Manager will open and operate the Bank Accounts for the purposes of the Portfolio Management Services.

“Board” means the Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992

“Bank Account” means one or more bank accounts opened, maintained in the name of the clients for the purpose of the portfolio management services to be provided by the Portfolio Manager.

“Client” or “Constituent” or “Investor” means any person who registers with the Portfolio Manager for availing the services of Portfolio Manager.

"Custodian" means any person who carries on or proposes to carry on the business of providing custodial services.

“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 of 1949) and who has obtained a certificate of practice under Sub-section (1) of Section 6 of that Act.

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

“Depository Participant” means an entity registered with the depositories CDSL and/or NSDL for providing depository services.

“Depository Account” means an account opened with a Depository Participant

“Demat Account” means the depository participant account styled as “Centrum Broking Ltd. PMS A/c” for all its clients, for all and/or some of their products/Portfolios and/or individual depository accounts for each of their products or individual accounts of clients or a combination of all or any of these at the sole discretion of the Portfolio Manager and opened, maintained and operated by the Portfolio Manager on behalf of the Client with Centrum Broking Ltd. or any other entity, being a Depository Participant, for the purpose of providing the Portfolio Management Services.

“Disclosure Document” means this Disclosure Document issued by the Portfolio Manager for offering Portfolio Management Services, prepared in terms of Regulation 22 and Schedule V of the SEBI (Portfolio Managers) Regulations, 2020.

"Discretionary Portfolio Management Services" mean Portfolio Management Services rendered to the clients by the Portfolio Manager on the terms and conditions contained in the agreement with respect to assets of the client where the Portfolio Manager exercise its sole and absolute discretion to with respect to investments or management of the Assets of the client, entirely at client's risk, in such manner as the Portfolio Manager may deem fit.

“Funds” means the monies managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes the monies mentioned in the Application, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.

"Financial year" means the year starting from April 1 and ending on March 31 of the following year.

"Funds managed" means the market value of the assets of the Client as on a particular date.

"Fund Manager" means any person who pursuant to contract or agreement with the Portfolio Manager appointed for managing its certain Products.

"FPI" means Foreign Portfolio Investors registered with SEBI under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.

“Initial Corpus” means the value of the funds and/ or the market value of securities brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager. Securities so bought in by clients will be values as per valuation policy of Portfolio Manager at the closing price of immediately preceding working day of the date of activating the client's account.

"Non-discretionary Portfolio Management Services" means Portfolio Management Services under which the Portfolio Manager, shall invest assets of the client on client's account, entirely at the Client's risk, as per express prior instructions issued by the Client from time to time for an agreed fee structure and to ensure that all benefits accrue to the Client's Portfolio.

“NRI” means a Non-Resident Indian as defined under the Foreign Exchange Management Act, 1999.

“Portfolio” means the value of total holdings of securities belonging to any person.

“Portfolio Manager” means Centrum Broking Limited (CBL), a company incorporated under the Companies Act, 1956 and having its registered and corporate office at Level 9, Centrum House, CST Road, ,Vidya Nagari Marg, Kalina, Santacruz (East), Mumbai – 400 098. Who pursuant to a contract with a client, advises or directs or undertakes on behalf of the client (whether as discretionary portfolio manager or otherwise) the management or administration of portfolio of securities or goods or the funds of the client, as the case may be.

“Portfolio Management Fees” means the fees payable by the Client to the Portfolio Manager as specified in the Agreement for the Portfolio Management Services.

“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 decision made by the portfolio manager for the management or administration of portfolio of securities or the funds of the clients, as the case may be; and
- ii) All other operations of the portfolio manager.

“Product” means any of the current investment plan or such plans that may be introduced at any time in future designed to suit objectives of various categories of investors according to their risk taking capabilities.

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

“RBI” means Reserve Bank of India, established under the Reserve Bank of India Act, 1934.

“Scheduled Commercial Bank” means any bank included in the second Schedule to the Reserve Bank of India Act, 1934(2 of 1934).

“Securities” means “securities” as defined under section 2(h) the Securities Contracts (Regulation) Act, 1956;

“Services” mean Discretionary Portfolio Management, Non-Discretionary Portfolio Management and Advisory or a combination of these.

“Related party” in relation to a portfolio manager, means—

- (i) a director, partner or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, partner, manager or his relative is a partner; (iv) a private company in which a director, partner or manager or his relative is a member or director; (v) 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; (vi) 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; (vii) 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;

(viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the portfolio manager; or (B) a subsidiary of a holding company to which the portfolio manager is also a subsidiary; (C) 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.

(ix) a related party as defined under the applicable accounting standards; (x) 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 immediate preceding financial year; shall be deemed to be a related party;

3. HISTORY, PRESENT BUSINESS & BACKGROUND OF PORTFOLIO MANAGER

(i) PORTFOLIO MANAGER:

Centrum Broking Ltd. (CBL) is a company incorporated under the Companies Act on 2nd May, 1994 and is a SEBI registered Portfolio Manager (present SEBI Registration no. INP000004383), a registered trading member with BSE and NSE and a registered Depository Participant of CDSL. CBL acquired the BSE and NSE membership from erstwhile Advani Share Brokers Private Limited in 2006. In the year 2011-12, it has undertaken change in shareholding which amounts to change in control. After this change, CBL has become a subsidiary of Centrum Capital Limited. The SEBI registration no. has changed in July 2012.

With a team of several professionals, CBL has built expertise in offering wide spectrum of financial solutions to a cross-section of clients comprising High Networth Individuals, Corporate, NRIs, FPIs, Mutual Funds, Insurance Companies, Banks and Financial Institutions.

Capital Structure of the Company as on December 31, 2023

Authorised Capital	No. Of Shares	Amount (Rs.)
Equity Shares	5,00,00,000	50,00,00,000/-
Preference Shares (Cumulative & Redeemable)	1,00,00,000	10,00,00,000/-
Other Classified Shares	Nil	Nil
Issued , subscribed & Paid Up Capital	No. Of Shares	Amount (Rs.)
Equity Shares	2,32,31,417	23,23,14,170/-
Other Classified Shares	Nil	Nil

Name	Number of Equity shares held	% of total equity capital
M/s. Centrum Retail Services Limited	1,13,79,926	48.99%
M/s. Centrum Capital Limited	1,18,51,485	51.01%
Mr. Shailendra Apte as nominee of Centrum Capital Limited	1	
Mr. Ajay Sharma as nominee of Centrum Capital Limited	1	
Mr. Rajendra Nayak as nominee of Centrum Capital Limited	1	
Ms. Archana Goyal as nominee of Centrum Capital Limited	1	
Mr. Ashok Poojari as nominee of Centrum Capital Limited	1	
Mr. Sriram Venkatasubramanian as nominee of Centrum Capital Limited	1	
TOTAL	2,32,31,417	100.00%

The Company (erstwhile name Centrum Broking Private Ltd) had originally obtained a Certificate of Registration as Portfolio Manager from SEBI effective January 1, 2008 with Registration No. INP000000456. The Registration was valid for a period of 3 years, and had subsequently been renewed for a further period of 3 years. But in view of the change in Shareholding amounting to change in control and change in name as Centrum Broking Limited, a new certificate was issued by SEBI bearing the new Registration No: INP000004383 on August 30, 2012 which was valid upto August 28, 2015. The SEBI Registration Certificate has been renewed from August 29, 2015 to August 28, 2018.

The PMS certificate stand renewed from 4th September 2018 received vide SEBI's letter dated 5th September 2018 and valid until cancelled

4. BACKGROUND OF PROMOTERS & DIRECTORS OF CBL, PORTFOLIO MANAGER:

PROMOTERS

Centrum Broking Limited is now a subsidiary of Centrum Capital Limited (CCL). CCL holds 51.01% stake in the company. CCL is a Category I Merchant Banker registered with SEBI and listed on BSE Limited & National Stock Exchange of India Ltd. It is into Investment Banking business.

DIRECTORS:

Mr. K. Sandeep Nayak

Mr. K. Sandeep Nayak is the Chairman and Whole time Director of the Centrum Broking Limited. Mr. K. Sandeep Nayak, is a Chartered Accountant and Graduate CWA. He has over two decades of experience in capital markets including Equity Broking, Private Client Services, Wealth Management, Portfolio Management and Distribution. His previous assignment was Head- Retail Broking and Wealth Management at HSBC Investdirect Ltd. He started his working career at Kotak Mahindra and worked there from 1995-2010 in different roles across the group and spent more than 10 years in the capital market business at Kotak Securities where he was instrumental in setting up the online and retail brokerage. Sandeep is an all India First Rank both in CA and ICWA examinations.

Nischal Maheshwari

Mr. Nischal Maheshwari has more than 20 years of experience focused on Institutional Equities, having handled both the Research and Sales function for the Institutional Broking Business, Investment Banking, Portfolio Management Services etc. Prior to joining Centrum, Mr. Maheshwari had a long and successful stint at Edelweiss Securities Limited (“Edelweiss”), where he led a large and profitable institutional business and equity research team of over 200 officers, in Asia. He was instrumental in taking Edelweiss to the top spot in the Institutional Broking space. He joined Centrum Broking Limited on August 2018 as CEO, Institutional Equities and he is responsible for expanding Centrum’s Institutional Broking Businesses.

Mr. Subrata Kumar Mitra

Mr. Subrata Kumar Mitra is a well-known veteran with hands-on experience in a wide range of financial services businesses in India. In his early years, Mr. Mitra worked with reputed organisations such as American Express Bank as Head of Corporate Banking and Investment Banking in India, Standard Chartered Bank- Merchant Banking Division, GIC Mutual Fund- where he brought one of the earliest foreign investors in the industry. Thereafter, from 1994 to 2007 he served as the Group Director, Financial Services in the Aditya Birla Group and set up the highly successful financial services business.

He has dealt with several global entities for entry into India and as joint venture partners. He has served on the Board of Directors and Committees of several reputed companies in different industries as an Independent Director and Advisor. He is also an advisor to a large international bank for over 12 years. He has been associated with several international and domestic NGOs, Committees and Chambers in India and is a contributor of articles in various publications. He has been the India Correspondent for Asia Asset Management, Hong Kong for more than 10 years.

Mr. Mitra holds M.Sc degree from University of Calcutta and an MBA from the USA

Mr. Shankar Vailaya

Mr. Shankar Vailaya is a commerce graduate and a Chartered Accountant. He has experience of over 25 years in the broking and financial services industry. He had earlier served on the board of S.S. Kantilal Ishwarlal Securities Limited an erstwhile associate company of Sharekhan Limited. He has been appointed as Whole Time Director from September 2001 till July 2021 in Sharekhan Limited.

Mr. Rajendra Naik

Mr. Rajendra Naik has over 30 years of experience across multiple market cycles in ECM, Corporate Finance, Debt Structuring & Placements and Project Finance. He has played a key role as part of the founding team that set up the Centrum Group in 1996. He has contributed to overall growth of business and network which helped to create the "Centrum Brand" as a responsible and trusted market intermediary. He is a Commerce Graduate from Mumbai University, and has also completed his Masters in Management Studies (MMS) from Sydenham Institute of Management Studies, Mumbai. He is presently heading the Investment Banking Team of Centrum Capital Limited and is on the Board of Centrum Housing Finance Limited and Association of Investment Bankers of India.

KEY PERSONNEL FOR PMS**Mr. Manish Jain**

Manish Jain has joined Centrum as Head of Fund Management in the capacity of Executive Director. He leads the Discretionary, Non-discretionary and Equity Advisory business of Centrum Broking Limited.

He comes with a 20 years of experience in the Indian Equities market, managing equity funds, driving high quality equity research and with expertise both on the buy and sell sides.

In his previous stints, he has held senior positions with leading financial institutions such as Nomura/ Lehman Brothers, ICICI Securities and most recent being Ambit Investment Advisors, where he was managing their Coffee Can Portfolio.

Manish is a Chartered Financial Analyst (CFA) and a MBA in Finance from Symbiosis, Pune.

Mr. Rohit Jain

Mr. Rohit Jain is the Chief Financial Officer of CBL

Mr. Rohit Jain, joined Centrum Broking in January 2020 and is currently head Finance, Taxation, Treasury and Accounts. Mr. Rohit Jain has over 15 years of professional experience primarily in financial services sector. Prior to Joining Centrum Broking, he has worked with leading organizations like YES Securities, Axis Securities, Angel Broking etc. Mr. Rohit Jain is Chartered Accountant by qualification.

Mr. Rohit Gala

Rohit Gala comes with rich 17+ yrs of experience & has worked across functions such as Equity Research, Portfolio Management & Wealth Management. He has been with Centrum Since 2018 - core member of the Equity Advisory Desk for last 5 years. In his last assignment, he has worked as Asst. Vice President - Private Wealth at Kotak Wealth (Products Team) - responsible for evaluating / launching of the new PMS/AIF to be on boarded on Wealth desk & reviewing the existing portfolio & Fund Managers performance. Previously, he has also worked with Insync Capital LLP (Rakesh Jhunjhunwala Fund) as Assistant Fund Manager, with Hudson Fair Fax (US - AIG affiliate) – Hedge Fund as Research Analyst, with Sunidhi Securities as Research Analyst & India Capital Markets Research Analyst (Benchmark MF – Group).

Rohit is very passionate about equities with his strength on understanding both fundamentals & technical analysis. He has a great eye on macro/ micro trends in markets, sentiments & psychology of participants. His understanding of client's Risk/Reward matrix & getting the right asset allocation, sector & stock weightage – creates a core strength for the proposition & framework. Rohit holds an MBA degree in Finance from Welinkar Institute, Mumbai.

Mr. Puneet Mahajan

An alumnus of IIM Calcutta, Puneet joined Centrum after having worked with some of the leading Global Banks across asset classes. Having initially started off on in HSBC's Debt Capital Markets he switched to his preferred asset class equities with a stint at a Singapore based Hedge Fund. His experience in advising wealth equities clients stems from his time spent at UBS Wealth, the world's leading wealth management firm and Citi Wealth Management's Mumbai unit.

Other than equities, Puneet is also interested in investments in the unlisted startups space, having run capital raise mandates for a few companies in the small to mid-size range

Mr. Archit Singhal

Arhit comes with a rich 13+ years of experience in Equities across sectors & markets. Previously, he has worked as Vice President & part of the Core Investment Team at Great Eastern Shipping Family office for ~4.5 years. Prior to that, he was part of the Equity Research Team at Nomura Securities (Japan's largest investment bank) for almost ~6 years where he tracked equities across sectors & markets. He has interacted with managements/IRs of 100+ listed companies across sectors during his previous stints.

He is passionate about equities and his strengths include understanding of investor psychology, global markets / macros, big picture view, contra-investing and portfolio allocation / sizing. He has done PGDM Finance from S.P Jain Institute of Management & Research, Mumbai (2008-10).

5. GROUP COMPANIES OF PORTFOLIO MANAGER (as on December 31, 2023)

The following are the group entities of Centrum Broking Ltd.

Sr. No.	Name of the Entity	Membership number	Business Area
1	Centrum Capital Limited	ROC Registration number: L65990MH1977PLC019986 SEBI Category I merchant banker: INM000010445	Category I, Merchant Banker
2	Centrum Retail Services Limited	ROC Registration number U74999MH2014 PLC256774	IT Enabled Services, HR Services & Facilities, Management Services
3	Centrum Wealth Limited	ROC Registration number: U65993MH2008PLC178252 Mutual Fund Distributor Code: 82601 IRDAI Registration No as Corporate Agent:CA0717	Distribution of MF and 3 rd party investment products. Corporate Agent registered with IRDAI
4	Centrum Financial Services Limited	ROC Registration number: U65910MH1993PLC192085 RBI Registration No: B -13.01946	On September 9, 2022, the RBI license has been converted from NBFC – ICC (Investment and Credit Company) to NBFC-CIC (Core Investment Company)

Sr. No.	Name of the Entity	Membership number	Business Area
5	Centrum Capital International Limited (upto 17 Nov 2023)	Registrar of Companies Hong Kong: 1251112	Securities and Futures Commissions License surrendered
6	Acorn Fund Consultants Private Limited	ROC Registration number U74999MH2015PTC267696	Fund Management activity
7	Centrum Investment Advisors Limited	ROC Registration number U74999MH2015PLC268712 SEBI as Investment Adviser: INA000001761 SEBI as Portfolio Manager: INP000007535	Investment Advisory & Portfolio Manager
8	Centrum Housing Finance Limited	ROC Registration Number U65922MH2016PLC273826 Registration under National Housing Bank No. 11.0147.16	To provide all types of finance for industrial development, infrastructure facility, development of housing in India or for constructions or purchase of residential houses / residential projects in India.
9	Centrum Insurance Brokers Limited	ROC Registration Number U66000MH2016PLC273496 License no. 613 date August 14, 2017	Insurance Broking
10	Centrum Alternatives LLP	LLP Identification Number: AAK-1465	Asset Management business
11	Centrum International Services Pte. Ltd (upto 17 Nov 2023)	UEN – 201801844Z Licence No. CMS100770	Fund Management activity
12	CCIL Investment Management Limited (upto 17 Nov 2023)	Republic of Mauritius Registration Number: 105486-	Fund Management activity (subsidiary of Centrum Capital International Limited)
13	Modulus Alternatives Investment Managers Limited (formerly known as Centrum Alternative Investment Manager Limited)	ROC Registration Number U67200MH2019PLC319950	Asset Management Company to Alternative Investment Fund
14	Centrum Capital Advisors Limited	ROC Registration Number U67190MH2019PLC324588	Engaged in credit monitoring, fund raising and also act as an arranger.
15	Kalpavriksh Trust (Fund sponsored jointly by Prowess Advisors and Centrum Capital Limited and managed by Acorn Fund Consultants Private Limited who acts as an Investment Manager)	SEBI Registration No. IN/AIF2/15-16/0202	SEBI – Alternative Investment Fund – Category II
16	Centrum Credit Opportunities Trust (Fund sponsored by Centrum Capital Limited and Managed by Modulus Alternative Investment Managers Limited)	SEBI Registration No. IN/AIF2/18-19/0662	SEBI – Alternative Investment Fund – Category II

Sr. No.	Name of the Entity	Membership number	Business Area
17	Ignis Capital Trust (Fund Sponsored and Managed by Ignis Capital Advisors Limited)	SEBI Registration No. IN/AIF2/22-23/1074	SEBI – Alternative Investment Fund – Category II
18	Unity Small Finance Bank Limited	ROC Registration No. U65990DL2021PLC385568 RBI License No. MUM:149	RBI – Small Finance Bank Unity Small Finance Bank Limited is included in the list of Scheduled Banks, under the second schedule of the RBI Act, vide Notification DoR.LIC.No. S543/16.13.216/ 2022-23 dated April 28, 2022 and published in the Gazette of India (Part III – Section 4) dated July 02- July 08, 2022.
19	Ignis Capital Advisors Limited	ROC Registration No. U74999MH2021PLC361198	Fund Management activity
20	India Credit Opportunities Trust (Fund Sponsored and Managed by Modulus Alternatives Investment Managers Limited)	SEBI Registration No. IN/AIF2/22-23/1220	SEBI – Alternative Investment Fund – Category II
21	Centrum Finverse Limited	ROC Registration No. U66120MH2023PLC411440	It is proposed to have a full- service broking house offering a wide variety of investment services to a cross-section of clients comprising of Retail and High Net-Worth individuals/ non-individuals. It is currently under process of applying to SEBI for Broking/ Depository Participant Licenses.

6. DETAILS OF SERVICES BEING OFFERED

CBL, as a Portfolio Manager, offers the following services to its clients based on their investments needs.

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 agreement executed with the client subject to the applicable Act and Regulations.

The Portfolio Manager shall be acting in a fiduciary capacity, both, as an agent as well as a trustee, with regard to the Client's assets and 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 as described, entirely at the Client's risk. CBL has appointed IL&FS Securities Services Limited, Orbis Financial Services Limited, Axis Bank, HDFC Bank as Custodian.

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 client's funds 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. The right of Portfolio Manager will be exercised strictly in accordance with the relevant acts, rules, regulations, guidelines and notification in force from time to time. Periodical statements in respect Client's Portfolio shall be sent to the respective Client.

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 be 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 recorded lines or through any other media mutually agreed such as e-mail 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, entirely at the Client's risk.

Portfolio profiles, asset allocation range and benchmark for NDPMS AIM portfolios:

The benchmark for each portfolio profile shall be constructed using a 'weighted' approach using the BSE 500 for the equity and equity related allocations and CRISIL Short Term Bond Fund Index for the debt and debt related allocations. The indicative portfolio profile level equity and equity related allocation range has been mentioned in the table below.

Portfolio profile	Equity and equity related allocation %
Conservative	Upto 30%
Balanced	35 to 60%
Aggressive	65 to 100%

The portfolio shall be constructed on the basis of client direction, as per the terms of the non-discretionary portfolio agreement. Under the non-discretionary portfolio management service,

the portfolio manager manages the funds in accordance with the directions of the client. The asset allocation range mentioned may change based on client direction for actual client portfolios.

Benchmark for AIM portfolios:

Crisil Hybrid 50+50 Moderate Index

The Portfolio Manager shall be acting in a fiduciary capacity, both as an agent as well as a trustee, with regard to Client's assets and accretions thereto pertaining to the client account consisting of investments, accruals and monetary and non-monetary corporate actions and benefits, if any.

Under the Non-discretionary portfolio mandate, the portfolio manager may recommend a multi-asset class approach with investments across securities listed or unlisted* as permissible under the definition of 'securities' under the Securities Contracts (Regulation) Act, 1956, and also by SEBI Portfolio Managers Regulations 2020 and circulars issued from time to time.

***Investment in Unlisted securities:** Under Non-Discretionary Portfolio Management Service (NDPMS), the Portfolio Manager may invest up to 25% of the AUM of a client in unlisted securities, in addition to the securities permitted for discretionary portfolio management. "Unlisted securities" shall include units of Alternative Investment Funds (AIFs), Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), debt securities, shares, warrants, etc. which are not listed on any recognized stock exchanges in India.

For all non-discretionary portfolios apart from AIM, the portfolio benchmark shall be the BSE500 TRI.

C) Portfolio Advisory Services

The Portfolio Manager provides Advisory Services, in terms of the SEBI (Portfolio Manager) Regulations 2020, which is in the nature of advisory and shall include the responsibility of advising on the portfolio strategy and on individual securities in the client's personal portfolio, for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk; to all eligible category of investors who can invest in Indian market including NRIs, FPIs, etc. The Portfolio Manager shall be solely acting as an advisor to the portfolio of the client and shall not be responsible for the execution or administrative activities on the client's portfolio. 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.

D) Direct on Boarding Clients

Pursuant to SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020, Clients have an option to enter into PMS agreement with the Portfolio Manager directly, without intermediation of persons engaged in distribution services. At the time of on-boarding of Clients directly, no charges except statutory charges will be levied.

The minimum amount for Investment through us for availing any of the above services of Portfolio Management is Rs. 50,00,000/- (Rupees Fifty Lakhs Only).

7. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS. FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY

All cases of penalties imposed by the SEBI or directions issued by SEBI under the Act or Rules or Regulations made there under. The nature of the penalty/direction. Penalties imposed for any economic offence and/ or for violation of any securities laws	There are no penalties imposed by SEBI for any economic offence and/ or for violation of any securities laws. However, there was one Administrative Warning pursuant to inspection, issued by SEBI on November 8, 2013, against the broking outfit. The necessary steps were taken in this regard and an Action Taken Report, confirming compliance of the observations was filed with SEBI on January 22, 2014.
Any pending material litigation / legal proceedings against the Portfolio Manager / key personnel with separate disclosure regarding pending criminal cases, if any.	There is no case against Portfolio Manager. One case - Pending at Consumer Forum, Pune related to distribution of corporate Fixed Deposits One case - pending at National Company Law Tribunal (NCLT)whereas the petitioner has filed an application under (erstwhile sections 397-398 of old account before CLB) Section 241 to 246 of Indian Companies Act 2013 against Pan India Motors & others, CBL is impleaded as one of the parties (being the shareholder of Pan India Motors).
Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency.	Nil
Any enquiry/ adjudication proceedings initiated by SEBI against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or Rules or Regulations made thereunder.	Nil

8. Investment Approach

Under the Discretionary Portfolio Management services CBL offers the following investment Portfolios to clients.

I. Centrum Growth Portfolio

Performance Benchmark : BSE 500 TRI Index

Investment Objective

The Portfolio objective is to achieve capital appreciation through participation in large cap companies

Investment Philosophy

Build a portfolio of stocks of companies which have strong fundamentals, sound management, proven and stable business model, consistent operating performance and strong balance sheets to deliver consistent returns over the medium to long term or are likely to gradually reach towards such operating conditions. These could include turnaround cases, long gestation infra oriented companies and other such investment opportunities. The above is not an exhaustive illustration and investment can be in other cases depending on expected return potential.

Investments shall be made in line with investment objectives, risk appetite and investment time horizon of the portfolio. Stocks shall be identified based on fundamental analysis of the companies coupled with technical inputs to time entry / exits as maybe required. The portfolio manager may rely on research (technical and fundamental) from the Centrum group or from other research providers and brokers to make investment decisions.

The portfolio shall target to deliver superior risk adjusted return with a bias for risk mitigation over return maximization.

Portfolio composition

Portfolio shall typically comprise of around 25 stocks with appropriate diversification across large-cap companies, mid-cap & small-cap companies.

Stock/Sector exposure limit criteria:

- Stock exposure limit $\leq 10\%$
- Sector exposure limit $\leq 50\%$

Client Suitability

Investors with an investment horizon of 3 years and above seeking steady moderate market returns with low to moderate risk appetite.

Asset Allocation

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	50%	100%	Moderate
Cash and/or Liquid Funds	0%	50%#	Low

Preferably used when opportunities for investment in stocks are not available.

II. Centrum Flexicap Portfolio

Performance Benchmark : BSE 500 TRI Index

Investment Objective

The Portfolio objective is to achieve long term wealth creation while meeting the liquidity needs

- Large cap stocks to provide liquidity.
- Deep value, mid-cap and small cap stocks to contribute to wealth creation.

Investment Philosophy

Build a portfolio of stocks of companies which have strong fundamentals, sound management, proven and stable business model, consistent operating performance and strong balance sheets to deliver consistent returns over the medium to long term or are likely to gradually reach towards such operating conditions. These could include turnaround cases, long gestation infra oriented companies and other such investment opportunities. The above is not an exhaustive illustration and investment can be in other cases depending on expected return potential.

The portfolio shall target to deliver superior risk adjusted return with a bias for risk mitigation over return maximization – to achieve long term objective of wealth creation while meeting the liquidity needs.

Investment Strategy

- Identify “Outperforming Sectors”
- Identify emerging themes for significant wealth creation
- Identify companies with sound management and high standards of corporate governance
- Identify hidden Gems,
- Identify deep-value stocks
- Identify any other appropriate investment opportunity

Portfolio composition

- Portfolio shall typically comprise of around 25 stocks with appropriate diversification
- Portfolio would comprise a reasonable balance between large-cap, mid-cap and small-cap companies. The weightage between large-cap, mid-cap and small caps will be varied depending upon availability of opportunities and valuations.

Stock/Sector exposure limit criteria:

- Stock exposure limit $\leq 15\%$
- Sector exposure limit $\leq 50\%$

Client Suitability

Investors with an investment horizon of 1- 3 year seeking relatively risk adjusted superior returns with high risk appetite.

Asset Allocation

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	50%	100%	High
Cash and/or Liquid Funds	0%	50%#	Low

Preferably used when opportunities for investment in stocks are not available.

The name of this portfolio has been updated to Centrum Flexicap portfolio from Centrum Wealth creator portfolio with effect from 01st Apr’21 with an objective to better encapsulate the portfolio strategy.

III. Centrum Flexicap Portfolio T

Performance Benchmark : BSE 500 TRI Index

Investment Objective

The Portfolio objective is to achieve long term wealth creation while meeting the liquidity needs

- Large cap stocks to provide liquidity.
- Deep value, mid-cap and small cap stocks to contribute to wealth creation.

Investment Philosophy

Build a portfolio of stocks of companies which have strong fundamentals, sound management, proven and stable business model, consistent operating performance and strong balance sheets to deliver consistent returns over the medium to long term or are likely to gradually reach towards such operating conditions. These could include turnaround cases, long gestation infra oriented companies and other such investment opportunities. The above is not an exhaustive illustration and investment can be in other cases depending on expected return potential.

The portfolio shall target to deliver superior risk adjusted return with a bias for risk mitigation over return maximization – to achieve long term objective of wealth creation while meeting the liquidity needs.

Investment Strategy

- Identify “Outperforming Sectors”
- Identify emerging themes for significant wealth creation
- Identify companies with sound management and high standards of corporate governance
- Identify hidden Gems,
- Identify deep-value stocks
- Identify any other appropriate investment opportunity
- In this strategy the corpus is to be deployed over a longer period of time. Timing and proportion of this deployment are to be decided basis favorability of market conditions and client suitability. This is to be done with the objective of capturing favorable market movements and reducing volatility. Hence we would do allocation of funds in staggered manner instead of deploying the entire corpus at one go.

Portfolio composition

- Portfolio shall typically comprise of around 25 stocks with appropriate diversification
- Portfolio would comprise a reasonable balance between large-cap, mid-cap and small-cap companies. The weightage between large-cap, mid-cap and small caps will be varied depending upon availability of opportunities and valuations. Stock/Sector exposure limit criteria:
- Stock exposure limit $\leq 15\%$
- Sector exposure limit $\leq 50\%$

Client Suitability

Investors with an investment horizon of 1- 3 year seeking relatively risk adjusted superior returns with high risk appetite.

Asset Allocation

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	10%	100%	High
Cash and/or Liquid Funds	0%	90%#	Low

Preferably used when opportunities for investment in stocks are not available.

IV. Centrum Deep-Value – ‘Multi Bagger’ Portfolio

Performance Benchmark : BSE 500 TRI Index

Investment Objective

- To create and actively manage a portfolio of select stocks with a focus to create significant value over the long term by identifying and investing in deep value stocks, some of which may be stocks of relatively unknown small and mid-cap companies.
- The objective is not to necessarily stay invested in a stock idea through-out the life-time of the fund. As the market typically delivers a non-linear return profile, the fund manager shall actively manage the portfolio to capture any possible significant returns and may opportunistically seek to re-allocate monies across stock ideas dynamically.
- We may also exit our investment for loss or insignificant gain if there is any adverse development in our view.

Investment Philosophy & Strategy

- Seek superior returns by identifying companies which are deep value, across sectors and segments; companies that are likely to deliver superior performance over time.
- Identify companies which are on the verge of turnaround due to various factors like change in management, demand-supply scenario, improved business environment, favorable government policies etc.
- Identify “outperforming sectors” for short to medium term gains; identify “hidden gems/emerging themes”, along with concentrated bets for long-term wealth creation.

Portfolio Composition

- Portfolio shall typically comprise around 20 stocks with appropriate diversification.
- Portfolio shall predominantly be invested in mid- and small cap companies which may be illiquid at the time of investment. Some investments may be done in companies at early growth stage and hence the risk would be relatively higher.
- Market Cap criterion:
- Market capitalization \geq Rs. 100.00 crore

Stock / Sector exposure limit criteria:

- Stock exposure limit \leq 25%
- Sector exposure limit \leq 50%

Client Suitability

- For Investors with an investment horizon of 3 years with high risk appetite.

Asset Allocation

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	50%	100%	High
Cash and/or Liquid Funds	0%	50%#	Low

Preferably used when opportunities for investment in stocks are not available.

V. Centrum Portfolio Management Services: Microcap Portfolio

Investment Objective: To seek long term capital appreciation by investing predominantly in equity/equity-related instruments of companies that can be termed as microcaps. Microcaps can be defined as stocks with a total market capitalisation of below Rs 5,000 Cr. In order to provide stability to the portfolio, exposure to large cap stocks may be taken in a weightage that is seen suitable depending on the market condition..

Performance Benchmark: BSE 500 TRI Index

Suggested Investment Horizon: 3 years

Investment Philosophy:

- The strategy would follow a stock specific microcap approach and carry higher risk with a longer investment horizon suggested.
- The portfolio would contain stocks of companies whose business is seen to be emerging over the next few years. Fundamentals may or may not be strong enough at the time of investment however are likely to improve over a period of time. Subject to availability, investment will also be made in companies which have strong fundamentals, sound management and stable business model in the microcap space.
- This is not an exhaustive illustration and the investment can be in other cases depending on expected return potential.
- There would be a portion allocated as a tactical allocation to cash, tactical defined as maintained to take advantage of any short term opportunities which could arise due to market volatility or stock specific reasons. This would also help mitigate some portion of the risk which is inherent in this category.
- In case the client wishes to exit the portfolio, given the portfolio would comprise of stocks with low liquidity, the stocks may be transferred into the clients' depository participant account.

Investment Strategy:

- Identify stock specific ideas which would show potential for outsized returns.
- Identify emerging themes for significant wealth creation
- Identify companies with higher standards of corporate governance
- Identify deep-value stocks
- Identify any other appropriate investment opportunity including turnaround cases

Portfolio composition:

Portfolio shall typically comprise of upto 30 stocks with appropriate diversification in the microcap space.

Stock/Sector exposure limit criteria:

- Stock exposure limit $\leq 15\%$
- Sector exposure limit $\leq 50\%$

Client Suitability: Investors with an investment horizon of 3 years seeking relatively risk adjusted superior returns with high risk appetite.

Asset Allocation:

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	50%	100%	High
Cash and/or liquid funds	0%	50%#	Low

implies preferably used when opportunities for investment in stocks are not available.

VI. Centrum Portfolio Management Services: “Hedged Portfolio” strategy

Investment Objective: To seek long term capital appreciation by investing predominantly in equity/equity-related instruments of the BSE 500 companies along with an effort to protect the portfolio in market downturns. Equity is a volatile asset class hence it is likely that the portfolios will move in line with market direction. The objective of the strategy is to create a portfolio which, over the longer term is likely to give good appreciation by investing a large part of corpus in equity securities. However, the strategy shall attempt to hedge the portfolio depending upon market context to mitigate downside risk. The “Hedge” may be created using various index/stock level derivative strategies. This strategy does not imply a creation of a perfect hedge but endeavours to use Derivatives to mitigate downside risks to the portfolio. As hedging has a cost as well as benefits, portfolio returns may be impacted depending upon market movement.

Performance Benchmark: BSE 500 TRI Index

Investment Strategy:

- The long portion of the portfolio would be largely from the BSE 500 Companies. Generally, these have high quality, strong fundamentals, sound management, proven and stable business model. The portfolio would be constituted of cash segment stocks which are part of BSE 500 Index, having around 80% allocation.
- The (long) portfolio value may vary based on individual company performance and market conditions. The endeavour is to try and mitigate fall in the portfolio value when there is a market correction (Downward). Around 20% of the corpus is proposed to be utilised in derivative strategies with an objective to hedge the portfolio against possible downside risk. This would be an endeavour to mitigate the portfolio from downside risks.
- One of the common strategies likely to be used is creating a long position using S&P Nifty put options, with an endeavour to hedge a large part of the portfolio. But this is not a limiting factor, as hedging can be done using various index/stock level derivative strategies.
- The above is not an exhaustive illustration and investment can be made in other cases depending on expected return potential.

Portfolio composition: The cash segment portfolio shall typically comprise around 25 stocks with appropriate diversification.

Stock/Sector exposure limit criteria

- Stock exposure limit $\leq 10\%$
- Sector exposure limit $\leq 50\%$

The total exposure of the client including Derivatives exposure will not exceed his portfolio funds placed with the portfolio manager.

Client Suitability: Investors with a longer term investment horizon seeking relatively moderate, risk adjusted returns.

Risks: The hedge would neither guarantee nor assure that there wouldn't be any losses. For further risks on Derivatives, refer to Derivatives risk disclosure mentioned.

Liquidity Risk: Depending upon market conditions, the portfolio manager may not be able to liquidate the entire portfolio at a short notice. It may take some time to liquidate the cash and the derivative holdings. Further, there may be an impact cost on the portfolio value.

Risk Management: The portfolio shall be hedged based on the market perspective of the fund manager from time to time. A new hedge may be created before or at the time of expiry of the

on-going hedged position. The portfolio would have exposure to risks associated with derivatives.

Asset Allocation:

Proportion % of Net Assets	Ideal	Variance	Risk Profile
Equity Exposure	80%	+10%	Medium to High
Derivatives for hedging	20%	+10%	Medium to High
Cash and/or liquid funds	0-100%#	-	Low

implies preferably used when opportunities for investment in stocks are not available.

Example of a Hedged Portfolio:

Cash Portfolio

Stocks	Allocation	Client 1 (Rs.)
3M INDIA LTD	4.40%	2,20,000
APOLLO HOSPITALS ENTERPRISES LTD	4.40%	2,20,000
ASIAN PAINTS LTD	4.40%	2,20,000
AUROBINDO PHARMA LTD	4.40%	2,20,000
BAJAJ FINANCE LTD	4.40%	2,20,000
BRITANNIA INDUSTRIES LTD	4.40%	2,20,000
GODREJ CONSUMER PRODUCTS LTD	4.40%	2,20,000
KOTAK MAHINDRA BANK LTD	4.40%	2,20,000
LARSEN & TOUBRO LTD	4.40%	2,20,000
LIC HOUSING FINANCE LTD	4.40%	2,20,000
MARUTI SUZUKI INDIA LTD	4.40%	2,20,000
NATIONAL ALUMINIUM COMPANY LTD	4.40%	2,20,000
PIDILITE INDUSTRIES LTD	4.40%	2,20,000
SHREE CEMENTS LTD	4.40%	2,20,000
SUN PHARMACEUTICAL INDUSTRIES LTD	4.40%	2,20,000
TATA MOTORS LTD	4.40%	2,20,000
YES BANK LTD	4.40%	2,20,000
ZEE ENTERTAINMENT ENTERPRISES LTD	4.40%	2,20,000
Equity Total	79.20%	39,60,000
Cash	20.80%	10,40,000
Total	100%	50,00,000

Manner of usage of Derivatives

Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Future	Futures Price *lot size* number of contracts
Short Future	Futures Price *lot size* number of contracts
Option bought	option premium paid *lot size *number of contracts
Option sold	(strike price + option premium paid) * lot size * number of contracts

Below is the example of a strategy that would be used to hedge the portfolio: (Selection of strategy is at the discretion of the Portfolio manager)

**Long Put
Illustration**

Client 1	CMP	Qty	Net Outflow (Rs)	Cash Deployed	Exposure/ Maximum Loss
Leg 1 Buy Nifty Dec 2017 9000 Puts	252	450	1,13,400	1,13,400	1,13,400

Type of Derivatives positions: OPTIDX

Exposure: Overall exposure limit of 80/20 Cash segment to Derivatives to be maintained

Exposure: Overall exposure limit of 80/20 Cash segment to Derivatives to be maintained

(Note: Quantity of Long Put Strategy would be decided as per the Beta calculation of the portfolio. The beta of the portfolio in the above example is taken as 1 for illustration purpose.)

Summary

Derivatives Strategy Exposure (No of Spreads)			6
Derivatives Strategy Exposure (Nifty/leg)			450
Net Derivatives Deployment Rs			1,13,400
Liquid Cash Rs			9,26,600
Liquid Cash % 384660			18.53%

Type of Derivatives positions: Type of Derivatives positions: OPTIDX

To the extent the fund shall invest in Equity derivatives the position taken in the portfolio would be guided by the following principles.

The fund manager may take spread positions in order to reduce the overall cost of hedge from time to time.

Position limits shall be in line with the Exchange and SEBI regulations from time to time and the current limits are as under:

i. Position limit in Index option contracts

a. The position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.

b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit in index futures contracts:

a. The position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.

b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Hedging

In addition to the position limits at point (i) and (ii) above, the Fund manager may take exposure in equity index derivatives subject to the following limits:

Short positions in index derivatives (short futures and long puts) shall not exceed (in notional value) the clients funds or stock held.

iv. Position limit for stock based derivatives contracts

The position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, is defined in the following manner:-

For stocks having applicable Market Wise Position Limit (MWPL) of Rs. 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.

For stocks having applicable Market Wise Position Limit (MWPL) less than Rs. 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crore whichever is lower.

v. Position limit for stock based derivative contracts

The position limit / disclosure requirements shall be –

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock shall not exceed the higher of:
1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

vi. Position limits for NRI:

Position limits would be applicable on the combined position in all derivative contracts on an underlying stock at an Exchange. Position limits for NRIs shall be same as the client level position limits specified by SEBI from time to time.

For Index based contracts - Disclosure requirement for any persons or persons acting in concert who together own 15% or more of the open interest of all derivative contracts on a particular underlying Index.

For Stock option and single stock futures contracts –

The gross open position across all the derivative contracts for a security for each specific client shall not exceed higher of:

- 1% of the free float market capitalization (in terms of number of shares)
OR
- 5% of the open interest in all derivative contracts in the same underlying stock (in terms of number of shares)

Note on closure of the agreement

The terms of valuing and liquidating derivative contracts in the event of termination of portfolio management agreement, will be at the prevailing market rates. On termination of the portfolio management services agreement (account closure), the portfolio manager shall unwind the positions as soon as possible or on a best effort basis.

VII. Centrum Good to Great Portfolio

Performance Benchmark : BSE 500 TRI Index

Investment Objective:

To build a concentrated mid/small cap portfolio focused on creating significant value over the long term. The portfolio seeks to invest in high quality businesses, some of which may be relatively under researched and under owned companies.

The portfolio will largely adopt a Buy and Hold strategy. It will hold the stocks till the expected return from the potential opportunity is not fully realized. At the same time, the objective is not to stay invested in a stock idea through-out the life-time of the portfolio. As the market typically delivers a non-linear return profile, the fund manager may opportunistically seek to re-allocate money across stock ideas dynamically. The portfolio may also exit an investment with losses or insignificant gains if there are any adverse developments as per fund manager's view.

Investment Philosophy:

Build a portfolio of select mid-cap/small-cap companies across sectors which are expected to deliver superior growth on a sustainable basis, have a credible governance history, showcase large-cap like qualities in terms of disclosures and quality of management, and could be under-researched/ under-owned.

The portfolio shall target to deliver superior risk adjusted return with a bias for risk mitigation over return maximization – to achieve long term objective of wealth creation.

Portfolio composition:

- The portfolio shall comprise of around 20-25 securities. There may be a higher concentration leading to a higher risk to the portfolio, however this may also increase the potential to earn higher returns
- Portfolio will predominantly be invested in mid-cap and small-cap companies which may be illiquid at the time of investment
- Minimum Market Cap criterion shall be Rs.500 crore and above
- Concentration Risk shall be controlled through Stock & Sector exposure limits
- Stock exposure limit $\leq 20\%$ at cost
- Sector exposure limit $\leq 50\%$ at cost

Investment Strategy:

- Bottom up stock picking
- Sector agnostic approach but strict adherence to stock selection criteria
- Portfolio of around 20-25 stocks
- Staggered approach of buying in case of deployment of cash in individual stocks
- Can keep higher cash levels to be deployed at opportune time
- Growth – High growth on sustainable basis
- Strong governance – Credible promoter/management
- Under researched/under owned by institutions
- Long term horizon

- Operating ratio evaluation – positive ROIC trends, strong cash flow, class leading Cash Flow to EBITDA and low leverage
- Companies with robust operating profit growth

Client Suitability:

Suitable for equity investors with high risk appetite seeking relatively superior returns and with long term investment horizon

Asset Allocation:

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	50%	100%	High
Cash and/or Liquid Funds	0%	50%#	Low

Preferably used when opportunities for investment in stocks are not identified

VIII. Centrum Built to Last Portfolio

Performance Benchmark : BSE 500 TRI Index

Investment Objective:

The Portfolio objective is to achieve long term wealth creation by investing in large cap stocks

Investment Philosophy:

Build a portfolio of companies which exhibit below mentioned characteristics -

- strong fundamentals
- sound management
- proven and stable business model
- consistent operating performance and strong balance sheets to deliver consistent returns over the medium to long term or are likely to gradually reach towards such operating conditions
- These could include turnaround cases, long gestation infra oriented companies and other such investment opportunities

The above characteristics are not an exhaustive and investments could be in other cases depending on expected return potential.

Investment Strategy:

- Build a Core portfolio of companies that have a long history of superior operating performance
- Invest in the Top 100 companies
- Overweight positions backed by fundamental research
- Continuous monitoring of investments and quick to act on non-performing businesses
- Universe of stocks – CNX 100
- Apply overweight, neutral and underweight criteria to the stocks in the index
- Ensure participation across most of the sectors

Portfolio composition:

Portfolio shall typically comprise of around 30 stocks with appropriate diversification

- Portfolio would comprise large caps companies. Stock/Sector exposure limit criteria:
- Stock exposure limit $\leq 20\%$
- Sector exposure limit $\leq 50\%$

Client Suitability:

Investors with an investment horizon of 2- 3 year seeking relatively risk adjusted superior returns with high risk appetite.

Asset Allocation:

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	50%	100%	High
Cash and/or Liquid Funds	0%	50%#	Low

Preferably used when opportunities for investment in stocks are not available

IX. Centrum Good to Great – T Portfolio

Performance Benchmark : BSE 500 TRI Index

Investment Objective:

To build a concentrated mid/small cap portfolio focused on creating significant value over the long term. The portfolio seeks to invest in high quality businesses, some of which may be relatively under researched and under owned companies.

The portfolio will largely adopt a Buy and Hold strategy. It will hold the stocks till the expected return from the potential opportunity is not fully realized. At the same time, the objective is not to stay invested in a stock idea through-out the life-time of the portfolio. As the market typically delivers a non-linear return profile, the fund manager may opportunistically seek to re-allocate money across stock ideas dynamically. The portfolio may also exit an investment with losses or insignificant gains if there are any adverse developments as per fund manager's view.

Investment Philosophy:

Build a portfolio of select mid-cap/small-cap companies across sectors which are expected to deliver superior growth on a sustainable basis, have a credible governance history, showcase large-cap like qualities in terms of disclosures and quality of management, and could be under-researched/ under-owned.

The portfolio shall target to deliver superior risk adjusted return with a bias for risk mitigation over return maximization – to achieve long term objective of wealth creation.

Portfolio composition:

- The portfolio shall comprise of around 20-25 securities. There may be a higher concentration leading to a higher risk to the portfolio, however this may also increase the potential to earn higher returns
- Portfolio will predominantly be invested in mid-cap and small-cap companies which may be illiquid at the time of investment
- Minimum Market Cap criterion shall be Rs.500 crore and above
- Concentration Risk shall be controlled through Stock & Sector exposure limits
- Stock exposure limit $\leq 20\%$ at cost
- Sector exposure limit $\leq 50\%$ at cost

Investment Strategy:

- In this strategy the corpus is to be deployed over a longer period of time. Timing and proportion of this deployment are to be decided basis favorability of market conditions and client suitability. This is to be done with the objective of capturing favorable market movements and reducing volatility. Hence we would do allocation of funds in staggered manner instead of deploying the entire corpus at one go.
- Bottom up stock picking
- Sector agnostic approach but strict adherence to stock selection criteria
- Portfolio of around 20-25 stocks

- Staggered approach of buying in case of deployment of cash in individual stocks
- Can keep higher cash levels to be deployed at opportune time
- Growth – High growth on sustainable basis
- Strong governance – Credible promoter/management
- Under researched/under owned by institutions
- Long term horizon
- Operating ratio evaluation – positive ROIC trends, strong cash flow, class leading Cash
- Flow to EBITDA and low leverage
- Companies with robust operating profit growth

Client Suitability:

Suitable for equity investors with high risk appetite seeking relatively superior returns and with long term investment horizon

Asset Allocation:

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	10%	100%	High
Cash and/or Liquid Funds	0%	90%#	Low

Preferably used when opportunities for investment in stocks are not identified

X. Centrum Built to Last Portfolio – T

Performance Benchmark : BSE 500 TRI Index

Investment Objective:

The Portfolio objective is to achieve long term wealth creation by investing in large cap stocks

Investment Philosophy:

Build a portfolio of companies which exhibit below mentioned characteristics –

- strong fundamentals
- sound management
- proven and stable business model
- consistent operating performance and strong balance sheets to deliver consistent returns over the medium to long term or are likely to gradually reach towards such operating conditions
- These could include turnaround cases, long gestation infra oriented companies and other such investment opportunities

The above characteristics are not an exhaustive and investments could be in other cases depending on expected return potential.

Investment Strategy:

- In this strategy the corpus is to be deployed over a longer period of time. Timing and proportion of this deployment are to be decided basis favorability of market conditions and client suitability. This is to be done with the objective of capturing favorable market movements and reducing volatility. Hence we would do allocation of funds in staggered manner instead of deploying the entire corpus at one go.
- Build a Core portfolio of companies that have a long history of superior operating performance
- Invest in the Top 100 companies
- Overweight positions backed by fundamental research
- Continuous monitoring of investments and quick to act on non-performing businesses
- Universe of stocks – CNX 100

- Apply overweight, neutral and underweight criteria to the stocks in the index
- Ensure participation across most of the sectors

Portfolio composition:

- Portfolio shall typically comprise of around 30 stocks with appropriate diversification
- Portfolio would comprise large caps companies. Stock/Sector exposure limit criteria:
- Stock exposure limit $\leq 20\%$
- Sector exposure limit $\leq 50\%$

Client Suitability:

Investors with an investment horizon of 2- 3 year seeking relatively risk adjusted superior returns with high risk appetite.

Asset Allocation:

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	10%	100%	High
Cash and/or Liquid Funds	0%	90%#	Low

Preferably used when opportunities for investment in stocks are not available.

XI. Centrum Built to Grow Multicap Portfolio

Performance Benchmark : BSE 500 TRI Index

Investment Objective

The Portfolio objective is to achieve long term superior returns while meeting the liquidity needs

- Large cap stocks to provide liquidity.
- Mid-cap, small-cap stocks to contribute to wealth creation.

Investment Philosophy

Build a portfolio of stocks of companies which have strong fundamentals, sound management, proven and stable business model, consistent operating performance and strong balance sheets to deliver consistent returns over the medium to long term or are likely to gradually reach towards such operating conditions. These could include turnaround cases, long gestation infra oriented companies and other such investment opportunities. The above is not an exhaustive illustration and investment can be in other cases depending on expected return potential.

The portfolio shall target to deliver superior risk adjusted return with a bias for risk mitigation over return maximization – to achieve long term objective of generating higher returns while meeting the liquidity needs.

Investment Strategy

- Combination of top down and bottom up stock picking
- Sector agnostic approach but strict adherence to stock selection criteria
- Staggered approach of buying in case of deployment of cash in individual stocks
- Can keep higher cash levels to be deployed at opportune time
- Fundamentally strong companies – companies with high growth and return ratios
- Transformational companies or turnaround companies
- Strong governance – Credible promoter/management
- Under researched/under owned by institutions
- Long term horizon

Portfolio composition

- Portfolio shall typically comprise of around 50 stocks with appropriate diversification
- Portfolio would comprise a reasonable balance between large, mid-caps and smallcap companies. The weightage between large and mid-caps/small-caps will be varied depending upon availability of opportunities, clients risk profile and valuations.
- Stock/Sector exposure limit criteria:
- Stock exposure limit $\leq 15\%$
- Sector exposure limit $\leq 50\%$

Client Suitability

Investors with an investment horizon of 1- 3 year seeking relatively risk adjusted superior returns with high risk appetite.

Asset Allocation

Proportion % of Net Assets	Minimum	Maximum	Risk Profile
Equity Exposure	10%	100%	High
Cash and/or Liquid Funds	0%	90%#	Low

Preferably used when opportunities for investment in stocks are not available.

9. RISK FACTORS**General risk factors applicable to all the portfolios-**

- a. Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the investments will be achieved.
- b. Past performance of the Portfolio Manager does not indicate the future performance of the Portfolio Manager.
- c. Investors are not being offered any guaranteed or assured return/s i.e. either of Principal or appreciation on the portfolio.
- d. Investors may note that Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends.
- e. The liquidity of the Portfolio's investments is inherently restricted by trading volumes in the securities in which it invests.
- f. 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 Clients when the composition/ asset allocation pattern changes.
- g. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments. 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 manager 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.

- h. 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.
- i. Returns of the Portfolio could depend on the dividend earnings and capital appreciation, if any, from the underlying investments. The dividend earnings of the portfolio may, vary from year to year based on the philosophy and other considerations. Further, it should be noted that the actual distribution of dividends and frequency thereof - by the companies would depend on the quantum of profits available for distribution by each of the companies. Dividend declaration by companies will be entirely at the discretion of the shareholders of the companies, based on the recommendations of its Board of Directors. Past track record of dividend distribution may not be treated as indicative of future dividend declarations.
- j. 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.
- k. 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.
- l. 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.
- m. 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.
- n. 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.

- o. Reinvestment Risk: This risk refers to the interest rate levels at which cash flows received from the securities under a particular Portfolio are authorities in India. To the extent that the portfolio of the Strategy 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.
- p. Concentration Risk: This risk arises when the Portfolio is not sufficiently diversified across a large number of securities. Depending on the portfolio objective, the Portfolio Manager shall attempt to spread the investment across a set of securities.
- q. The Portfolio Manager may use derivatives instruments like Stock Futures / Options, Index Futures / Options, Interest Rate Futures / Options / Swaps, Forward Rate Agreements or other derivative instruments, as' are permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to derivatives.
- r. The Portfolio Manager may change the Fund Manager in the interest of the product(s) at any time without any reason assigning to it and / or without any information to the investors.
- s. The employees or directors of the Portfolio Manager, associates / group companies of the Portfolio Manager and /or employees & directors of such associates / group companies may also subscribe to any of the portfolio(s) offered by the Portfolio Manager.
- t. Investment decisions made by the Portfolio Manager may not always be profitable. Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
- u. Derivatives Risk Disclosure

The purpose of using Derivatives is mainly for hedging and portfolio rebalancing. The quantum of exposure to derivatives will be limited to clients' funds/aggregate assets (net of existing derivatives investments) at the disposal of the Portfolio Manager. The type of derivative instruments would include stock futures, index futures, stock options and index options.

- v. Conflict of Interest

The employees of Portfolio Manager i.e. Centrum Broking Limited who are directly involved in investment operations (including their dependent relatives) have holding, positions /exposure or contrary positions in the securities forming part of Investment or recommendation under the Investment Approach described under the Portfolio Management Services. Below is the list of securities where the Fund Managers and their team have positions in the scrips recommended in the Investment Approach during the period August 2022 to August 2023.

Sr. No	Scrip Name
1	BHARTI AIRTEL LTD
2	CROMPTON GREAVES CONSUMER ELECTRICAL LTD
3	GATI LTD
4	HDFC ASSET MANAGEMENT COMPANY LTD
5	MALLCOM (INDIA) LTD
6	METROPOLIS HEALTHCARE LTD
7	NELCO LTD
8	NIPPON LIFE INDIA ASSET MANAGEMENT LTD
9	PIRAMAL ENTERPRISES LTD
10	SYRMA SGS TECHNOLOGY LTD
11	AMBER ENTERPRISES INDIA LTD
12	THYROCAR TECHNOLOGIES LTD
13	VAIBHAV GLOBAL LTD
14	HDFC BANK LTD
15	POLYCAB INDIA LTD
16	EICHER MOTORS LTD
17	RAJRATAN GLOBAL WIRE LTD
18	INTELLECT DESIGN ARENA LTD
19	PITTI ENGINEERING LTD
20	LEMON TREE HOTELS LTD
21	CAMLIN FINE SCIENCES LTD
22	UNIPARTS INDIA LTD
23	H G INFRA ENGINEERING LTD
24	TANLA PLATFORMS LTD
25	OBEROI REALTY LTD
26	VARDHMAN SPECIAL STEELS LTD
27	GUFIC BIOSCIENCES LTD
28	PRICOL LTD
29	GOKALDAS EXPORTS LTD
30	APLAPOLLO
31	HDFCBANK
32	JAMNA AUTO INDUSTRIES LTD
33	NEOGEN CHEMICALS LTD
34	INFOSYS LTD
35	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD
36	RADICO KHAITAN LTD
37	ITC LTD
38	ALEMBIC PHARMACEUTICALS LTD
39	RBL BANK LTD
40	GRANULES INDIA LTD
41	BIOCON LTD
42	LAURUS LABS LTD
43	INDOCO REMEDIES LTD
44	MULTI COMM. EXC.
45	NOCIL LTD
46	RALLIS INDIA LTD

Sr. No	Scrip Name
47	FEDERAL BANK LTD
48	NCC LTD
49	UNITED SPIRITS LTD
50	SCHAEFFLER INDIA LTD
51	CRISIL LTD
52	PFIZER LTD
53	AARTI DRUGS LTD
54	SUN PHARMACEUTICAL INDUSTRIES LTD
55	JSW STEEL LTD
56	DIXON TECHNOLOGIES (INDIA) LTD
57	IDFC LTD
58	COROMANDEL INTERNATIONAL LTD
59	GLOBUS SPIRITS LTD
60	SANOFI INDIA LTD
61	ORACLE FINANCIAL SERVICES SOFTWARE LTD
62	THERMAX LTD
63	PETRONET LNG
64	BAJAJ HOLDINGS AND INVESTMENT LTD
65	IDFC FIRST BANK LTD
66	DHANUKA AGRITECH LTD
67	MANAPPURAM FINANCE LTD
68	FSN E-COMMERCE VENTURES LTD
69	STRIDES PHARMA SCIENCE LTD
70	KOTAK MAHINDRA BANK LTD
71	SYNGENE INTERNATIONAL LTD
72	TATA ELXSI LTD
73	INDIAMART INTERMESH LTD
74	HERO MOTOCORP LTD
75	PSP PROJECTS LTD
76	APL APOLLO TUBES LTD
77	JIO FINANCIAL SERVICES LTD
78	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD
79	SBI LIFE INSURANCE COMPANY LTD
80	RELIANCE INDUSTRIES LTD

The portfolio Managers, officers, directors, and employees may from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies) mentioned or recommended in any of the investment approaches mentioned in this Disclosure Document or any associate or group companies or their officials maybe engaged in any other transaction involving securities of such Company(ies) and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) or act as advisor or lender / borrower to such company(ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions.

CBL or its associates might have managed or co-managed public offering of securities of such company(ies) or might have been mandated by the such company(ies) for any other assignment. CBL or its associates might have received any compensation from such

company(ies) mentioned or recommended in the investment approaches or strategy as described in the disclosure document or for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

The research analysts division of CBL may have any material conflict of interest in publication of their research reports.

CBL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this Disclosure Document

However the investments/positions /exposures held by such fund manager/employees/ officials/directors are subject to Centrum's group employee trading policy, SEBI (Prohibition of Insider Trading) Regulations 2015 or amendments thereof or any other regulations circulars issued from time to time by the market regulators.

Key considerations

A. Purpose of using derivatives:

The portfolio manager may use derivatives with an objective of either hedging or balancing the portfolio. By the use of derivatives for the purpose of hedging, the Portfolio Manager attempts to protect the portfolio specially when markets are uncertain or have a downward bias.

B. Use of Derivatives:

SEBI, in terms of Securities and Exchange Board of India (Portfolio Managers) Amendment Regulations, 2002, has permitted Portfolio Managers to invest in derivatives subject to observance of guidelines issued in this behalf (hereinafter referred to as "Guidelines"). Pursuant to these Guidelines, portfolio managers may invest in derivatives, including transactions for the purpose of hedging and portfolio rebalancing through a recognized stock exchange with the objective of protecting the value of the portfolio and in client interest. Accordingly, the Portfolio Manager may use derivatives instruments like Stock/Index Futures, Stock/Index Options or any other derivative instruments as may be introduced from time to time. There will be no derivative positions taken for Non-resident Indian investors (NRI), and any NRI portfolio may differ to that extent as compared to the other investors.

The following information provides a basic idea as to the nature of the derivative instruments broadly to be used by the Portfolio Manager with the benefits and risks associated with each one.

Index Futures:

Benefits

- Investment in Index Futures can give exposure to the Index without directly buying individual stocks. Appreciation in Index stocks can be effectively captured through investment in Index Futures. The pricing of an index future is the function of the underlying Index and other factors.
- The Portfolio Manager can sell index futures to hedge against market movements.

Stock Futures:

Benefits

- Investment in stock futures can give exposure a stock without directly buying the stock. Appreciation in stocks can be effectively captured through investment in stock futures.

- The Portfolio Manager can sell stock futures to hedge against adverse movements effectively without actually selling the stocks it holds.

The net impact will be in terms of the difference between the closing price of the index and cost price (ignoring margins, for the sake of simplicity). Thus, it is clear that the profit or loss of the position will be the difference of the closing price and the purchase price. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of any possible illiquidity and hence mispricing of the futures at the transaction time.

Buying Options:

Benefits of buying a call option

Buying a call option on a stock or index gives the owner the right but not the obligation to buy the underlying stock or index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Benefits of buying a put option

Buying a put option on a stock originally held by the buyer gives the buyer the right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Spread Strategy:

A spread position is entered by buying and selling equal number of options of the same class on the same underlying security but with different strike prices or expiration dates.

Bear Spread

A bear spread is an options strategy seeking maximum profit when the price of the underlying security declines. The strategy involves the simultaneous purchase and sale of options; puts or calls can be used. A higher strike price is purchased and a lower strike price is sold.

Risks associated with investing in Derivatives:

Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks. The use of a derivative requires an understanding not only of the underlying but also of the derivative instrument 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 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.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the client. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is evolving in India.

Risk Factors – Derivatives

- Market risk: Derivatives carry the risk of adverse changes in the market price.

- Illiquidity risk: The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.
- Model Risk: This is the risk of mis-pricing or improper valuation of derivatives. The Portfolio Manager may use techniques built using derivative instruments that are / may be permitted under SEBI regulations. The portfolio's ability to use these techniques may be limited by market conditions and regulatory limits.
- Mark to Market (MTM) Requirement: Option spreads might have an MTM requirement to be fulfilled. These would be provided for adequately out of client's funds while taking the initial position. At no point would client's funds be exceeded.

The Client is advised to carefully review the Disclosure Document, Client Agreement and other related documents carefully and in entirety and consult their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of investing under the Portfolio, before making an investment decision.

Note on closure of the agreement

The terms of valuing and liquidating derivative contracts in the event of termination of portfolio management agreement, will be at the prevailing market rates. On termination of the portfolio management services agreement (account closure), the portfolio manager shall unwind the positions as soon as possible.

x. Risks specifically relating to the issuance of market linked principal-protected debentures

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale to sophisticated investors capable of understanding the risks involved in such instruments.

The return on the Debentures is not guaranteed, and even the return of the principal amount may be at risk if the Debentures are not held till or for any reason, have to be sold or redeemed before the maturity date. The Debentures are principal protected only if held till maturity.

The Debentures are complex structured products and an investment in the Debentures may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till maturity date. The Debenture holder shall receive at least the face value of the Debenture only if he/she/it holds and is able to hold the Debentures till the maturity date. Prior to investing in the Debentures, a prospective investor should ensure that such prospective investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective investor in light of such prospective investor's experience, objectives, financial position and other relevant circumstances.

Prospective investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective investors consider necessary in order to make their own investment decisions.

These Debentures are based on certain mathematical and/or pricing models which are complex in nature. These mathematical and/or pricing models are based on various factors and may utilise various analytical models which in turn determine the hedging strategy of the Issuer.

A detailed list of risks in this regard may be found below

(a) Structure Risks

An investment in Debentures, where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other underlying asset or basis of reference and the holder of the Debentures may receive a lower (or no) amount of premium, coupon or other consideration than was expected.

Issuer has no control over a number of matters that are important in determining the existence, Magnitude and longevity of such risks and their results, including: economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

(b) Uncertain Trading Markets and Liquidity Risk

Investors should be prepared to hold the Debentures until the Maturity Date as the Investors may not be able to liquidate or sell some or all of the Debentures as and when they require or at an amount equal to or more than the invested amount. The Issuer cannot assure holders of the Debentures that a trading market for their Debentures will ever develop or be maintained.

Many factors independent of the creditworthiness of the Issuer affect the trading market of the Debentures. These factors include:

- i. The complexity and volatility of the index or formula or other basis of reference applicable to the Debentures;
- ii. The method of calculating the principal, premium and coupon, if any, or other consideration, if any, in respect of the Debentures;
- iii. The time remaining to the maturity of the Debentures;
- iv. The outstanding amount of the Debentures;
- v. The redemption features of the Debentures;
- vi. The amount of other debt securities linked to the index or formula or other basis" of reference applicable to the Debentures; and
- vii. The level, direction and volatility of market interest rates generally.

There can be no assurance that anyone intends to make a market in the Debentures, or that if anyone does so, that they will continue to do so, or that a market maker in Debentures (if any) will offer an amount greater than or equal to the invested amount, or that if a market maker does offer a price for the Debentures which is greater than or equal to the amount invested by an Investor, that it will continue to do so. In addition, these Debentures cater to specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Further, the transfer of the Debentures can only be made subject to the relevant transfer and selling restrictions set out herein. Therefore, Debenture holders may not be able to sell such Debentures readily or at prices that will enable them to realize their anticipated yield. Liquidity in these investments is relatively less than similar grade non structured fixed coupon debentures.

As there is no liquid market for the Debentures, it may be difficult to obtain reliable information about the value of the Debentures and the extent of the risks to which it is exposed. While the issuer intends under the ordinary market conditions to indicate and *I* or procure indication of prices for any such Debentures there can be no assurance as to the prices that would be indicated or that the issuer will offer and *I* or cause to purchase any Debentures. The price given; if any, will be affected by many factors including, but not limited to, the remaining term and the outstanding principal amount of the Debentures, the level of Reference Value (as defined below), fluctuation in interest rates *and or* exchange rates, volatility in the Reference Value used to calculate the amount of any coupon or principal payments and credit spreads. Consequently; prospective Investors must be prepared to hold the Debentures until the redemption or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of the applicable Reference Value and the factors described above.

No Investor should purchase Debentures unless such Investor understands and is able to bear the risk that such Debentures may not be readily saleable, that the value of such Debentures will fluctuate over time, that such fluctuations may be Significant and that such Investor may lose all or even a substantial portion of its investment in the Debentures if the Debentures are not held till or for any reason have to be sold or redeemed before the maturity date.

(c) Early Redemption Risk

The Debenture holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures and the Debentures are not sold or redeemed or bought back till the maturity date, If an Investor elects to redeem or otherwise dispose of the Debentures' prior to the maturity date, or Issuer redeems the Debentures early, the value recoverable by the Investors may be substantially less than the face value of the Debentures, being redeemed.

(d) Risks relating to Debentures due to linkages to the Reference Index

An investment in any series of Debentures that has payments of principal, coupon-or both, indexed to the value of any equity share, index or any other rate, asset or index, or a basket including one or more of the foregoing *and/or* to the number of observation of such value, falling within or outside a pre-stipulated range (each of the foregoing, a "**Reference Value**") will entail significant risks not associated with a conventional fixed rate or floating rate debt security, Such risks include, without limitation, changes in the applicable Reference Value and how such changes will impact the, amount of any principal or interest payments linked to the applicable Reference Value. The issuer has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including economic, financial and; political events. Past performance of any Reference Value to which any principal or interest payments may be linked is not necessarily indicative of future performance. Investors should be aware that a Reference Value may go down as well as up *and/or* be volatile and the resulting impact such changes will have on the amount of any principal or interest payments will depend on the applicable index formula.

(e) Potential Return Risk

Potential return on the Debentures may be less than the returns on a bank deposit or a non-structured fixed or floating coupon debt instruments or direct investment in the Reference Value or other investments. There can be no assurance that the Debentures will return at maturity more than the amount initially invested, in which case, investors in the Debentures would have foregone any potential return that may have been earned on a direct investment in

securities, indices, commodities, interest rates, fixed income investments or bank deposit of a similar amount and tenor. Additionally, any potential return on an investment in any Debenture, does not take into account consideration any fees charged by the intermediaries relating to investments in the Debentures (including, but not limited to, any fees relating to the purchase or transfer of Debentures, custody services and payments of interest/coupon and the invested amount).

(f) Model Risk

The investment in the Debentures is subject to model risk. The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The underlying for the Debentures is an Index currently comprising shares of companies listed or traded on the NSE. The index sponsor may at any time change its approach to the compilation of the index, the weighting given to any security comprising the index or the frequency of rebalancing and such other event which may have an impact on the level or value of the Index.

(g) No claim against Reference Index

The holders of the Debentures do not have any interest in or rights to the underlying Reference Index.

(h) The Basis of calculating the level of the Reference Index may Change over Time

The basis of calculating the level of the Underlying may from time to time be subject to change (as described in “Information relating to the Underlying”) which may affect the market value of the Debentures at any time and therefore the cash amount payable on settlement.

(i) The historical performance of the Reference Index is not an Indication of Future Performance

The historical value (if any) of the Reference Index in respect of the Debentures does not indicate the future performance of the underlying. Changes in the value of the underlying will affect the trading price of the Debentures, but it is impossible to predict whether the value of the basket constituents will rise or fall.

(j) Leverage risk

Borrowing capital to fund the purchase of the Debenture (leveraging) can significantly increase the risks of the investment such that if the value of the Debentures decreases on a mark to market basis, leveraging will magnify that decrease in value. Any statement on the potential risks and return on the Debentures does not take into account the effect of any leveraging. Investors must factor in and consider the potential impact of, amongst other things, the cost of funding and possibility of margin calls due to a decrease in the daily mark to market value of the Debentures prior to their maturity. Investors considering borrowing capital to leverage their investment in the Debentures should obtain further detailed information as to the applicable risks from their lender.

(k) Investment in the Debentures which are linked to shares or indices is not the same as investing directly in the shares or indices underlying the Debentures.

An investment in the Debentures which are linked to shares or indices is not an investment directly in the shares or the indices themselves. An investment in the Debentures entitles the holder to certain cash payments calculated by reference to the shares or indices to which the Debentures are linked. The Debenture holder will have no beneficial interest in the shares or basket of shares constituting the Reference Index to which the Debentures are linked and accordingly will not have voting rights in those shares. The Debentures will not represent a claim against the issuer of any shares, and in the event of any loss, a Debenture holder will not have recourse under the Debentures against such companies, or against such securities issued by such companies.

Similarly, the Debenture holders will not have the right to receive the stocks underlying any index or basket of indices underlying the Debentures at any point in time.

The return on investment in the Debentures may differ from the return an investor might earn on a direct investment in the shares or indices over a similar period. Debenture holders should be aware that:

- They may lose all or a substantial portion of their investment in case of an early redemption and/or if the Debentures are not held till maturity;
- The market price of such Debentures may be volatile;
- They may receive no interest;
- The relevant underlying Reference Index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other shares or indices;
- The timing of changes in the relevant underlying shares or index may affect the actual yield to the Debenture holders, even if the average level is consistent with their expectations;

(l) Credit Risk

Even if the debentures are Principal/ Capital Protected Market Linked Debentures, the principal amount is subject to the credit risk of the issuer whereby the investor may or may not recover all or part of the funds in case of default by the issuer.

Risk factors for Non-Discretionary Portfolio Management clients (NDPMS)

1. For NDPMS clients, the portfolio manager submits each portfolio action for the approval of the client prior to execution; this is timed as per the e-mail timestamp with an assurance that the portfolio manager shall do its utmost to execute the transaction within prescribed timelines. Since such transactions come under the aegis of Non-Discretionary Portfolio Management Services and require express client approval, there may be an execution lag due to delays in receipt of said approval/market volatility/operational/logistics related reasons due to which the transaction may be executed on the immediate next possible date.
2. As an NDPMS client, any reservation/concern/apprehension over recommendation should be advised to the portfolio manager using prescribed means so that decision to invest/ divest in a particular security/ instrument is undertaken by the portfolio manager in the client account. The portfolio manager is available to provide a deeper explanation/ fundamental reason behind such recommendations, before seeking client's consent to carry out the aforementioned transaction in such security/ instrument.

3. The portfolio manager depends on third party applications/data sources for providing the securities transaction related information contained in the client performance and other portfolio related reports. Hence, such information should be considered to be on an 'as is' basis. The portfolio manager does not provide any warranty on the accuracy/guarantee completeness of the information provided, however any queries with respect to anomalies, completeness, accuracy in the report will be resolved on best effort basis.

4. Profit & Loss or other financial information provided therein is derived from the client's security transaction history as available and should be considered as indicative in nature. Since the report may not give a complete and updated position of profit/loss, it is incumbent upon the Client/recipient on behalf of the client, to use the services of a professionally qualified tax advisor/chartered accountant to generate a complete P&L statement, for any purposes including meeting any requirements of the Income Tax Act/any other applicable regulatory body.

10. CLIENT REPRESENTATION

Category of Clients	No. of Clients			Funds Managed (Rs. Cr.)		
	As on 31.03.23	As on 31.03.22	As on 31.03. 21	As on 31.03.23	As on 31.03.22	As on 31.03. 21
<u>Associate / Group Companies</u>	Nil	Nil	Nil	Nil	Nil	Nil
<u>Others</u>						
Discretionary	617	495	321	580.56	581.56	299.20
Non-Discretionary	34	29	19	158.18	149.18	69.97
Advisory Services	301	316	220	992.23	944.23	679.19
	952	840	560	1730.97	1674.97	1048.36

11. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

Summarised Financial Statements (as per audited annual accounts) *(Figures In Rs. Lacs)*

Balance Sheet as per audited accounts (Rs in Cr)

Particulars	Mar-23	Mar-22	Mar-21
Financial Asset			
Cash & Bank Balance	95.2345	89.37	71.02
Trade Receivable	18.4876	14.72	16.89
Loans		-	10.7
Other Financial Asset	22.4512	7.47	15.82
(A)	136.1733	111.56	114.43
Non-Financial Asset			
Current & Deferred Tax	12.3642	13.02	13.67
Property, Plant Equipment	1.0341	1.15	1.42

Right to Use	-	-	-
Other Intangible Asset	0.9583	0.57	0.72
Other Non-Financial Asset	0.8016	1	0.88
(B)	15.1582	15.74	16.71
TOTAL C (A+B)	151.33	127.34	131.12

Particulars	Mar-23	Mar-22	Mar-21
Liabilities			
Trades Payable	61.2046	77.66	79.46
Borrowing	42.5458	0.29	1.5
Subordinated Liabilities	2.5	2.5	2.5
Other Financial Liabilities	8.6904	7.43	6.94
Non-Financial Liabilities			
Provision	1.7563	1.94	1.21
Other non-Financial Liabilities	2.4642	2.42	2.09
Total of Liabilities	119.1613	92.24	93.7
Equity			
Equity Share Capital	19.2907	19.29	19.29
Other Equity	12.8795	15.81	18.13
Total Equity	32.1702	35.09	37.42
Total Liability & Equity	151.33	127.34	131.12

Profit and Loss as per audited accounts (Rs in cr)

Particulars	Mar-23	Mar-22	Mar-21
Income			
Revenue from Operations & Other Income	70.1565	78.48	53.44
Expenses			
Finance Cost	3.5098	2.29	2.06
Impairment of Financial Instruments	-0.8532	2.87	-0.02
Employee Benefit Expenses	35.0845	34.71	30.3
Other expenses	35.6334	40.38	21.65
Profit Before Depreciation	-3.218	-1.78	-0.55
Depreciation	0.3714	0.49	0.66
Profit / Loss before tax	-3.5894	-2.26	-1.2
Taxes	0.3227	-0.02	-1.61
Profit / Loss for the year	-3.9121	-2.24	0.41

12. PERFORMANCE OF THE PORTFOLIO MANAGER

The following exhibit captures the past performance of the Portfolio Manager based on Time weighted return method in terms of Regulation 22(4) of SEBI Portfolio Managers Regulations 2020. The Performance Related information provided herein is not verified by SEBI

- **Refer Annexure 1**

13. DISCLOSURES ON TRANSACTIONS WITH RELATED PARTIES AS ON FOR MARCH 31, 2023

A) List of Related Parties:

Associates with whom transactions have been entered into in the ordinary course of business:

- Centrum Retail Services Limited
- Centrum Wealth Limited
- Centrum Financial Services Limited
- Centrum Microcredit Limited
- Centrum Investments Advisors Limited
- Centrum Alternative LLP
- Centrum Capital Advisors Limited
- Acorn Fund Consultants Ltd.
- Modulus Alternatives Investment Managers Limited
- Club 7 Holidays Limited
- Centrum ESPS Trust
- Unity Small Finance Bank
- Acapella Food & Restaurants Private Limited
- Ignis Capital Advisors Limited
- Centrum Insurance Brokers Limited

Key Management Personnel:

- K Sandeep Nayak
- Nischal Maheshwari
- Balakrishna Kumar (Till 31.10.2021)
- Sunita Gohil (from 28.07.2022)
- Rohit Jain

Related Parties of Key Management Personnel or having Controlling Interest where transactions have taken place:

Ms. Deepika Nayak
Mr. Koni Ganapathy Nayak
Mr. Koni Navinchandra Nayak
Mr. Koni Uttam Nayak
Ms. Pritika Nayak
Mrs. Priya S Nayak
Mr. Sanjay Nayak
Mrs. Shobhaa Nayak
A N Equity Search Private Limited
Anjana Maheshwari
Devanshu Maheshwari
K. K. Infoparks Private Limited
Kothari Capsec Management Private Limited

Krishna Kanta Maheshwari
Naveen Maheshwari
Nischal Maheshwari HUF
Ram Chandra Maheshwari
Ritika Maheshwari
Asmita Gohil
Dhanashvi Gohil
Harsha Gohil
Naranbhai Gohil
Anish Jain
Dishi Jain
Poonam Jain
Rajani Jain
Sajjan Jain

B) Transaction with related parties:

(Rs in lacs)

Nature of Transactions	Related parties (Excluding KMPs) Rs.	Key Managerial Personnel Rs.	Total Rs.
	2022-2023	2022-2023	2022-2023
Loans and advances taken / repayment			
- Centrum Retail Services Limited	40,835		40,835
- Centrum Wealth Limited	27,300		27,300
Loans and advances given / repayment			
- Centrum Retail Services Limited	38,335		38,355
- Centrum Wealth Limited	27,300		27,300
Brokerage & Commission Received			
- Key Managerial Personal and Relatives		0.08	0.08
- Centrum Capital Limited	0.01		0.01
- Centrum Financial Services Limited	-		-
- Centrum Retail Services Limited	0.02		0.02
- Centrum ESPS Trust	0.04		
- Centrum Wealth Limited	91.43		91.43
- Unity Small Finance Bank	0.88		0.88
- Centrum Capital Limited (Demat & Delayed charges)	0.02		0.02
- Centrum Wealth Limited (Demat & Delayed charges)	0.46		0.46
- Centrum Financial Services Limited	0.13		0.13
- Centrum Capital Advisors Limited	0.02		0.02
Expenses Recovered			
Centrum Capital Ltd	0.73		0.73
Centrum Retail Services Limited	0.15		0.15
Centrum Capital Advisors Ltd	-		-
Acron Fund Consultants Ltd	0.03		0.03

Nature of Transactions	Related parties (Excluding KMPs) Rs.	Key Managerial Personnel Rs.	Total Rs.
	2022-2023	2022-2023	2022-2023
Centrum Investment Advisors Ltd	0.80		0.80
Centrum Insurance Brokers Limited	0.04		0.04
Modulus Alternatives Investment Managers Limited	0.10		0.10
Unity Small Finance Bank	-		-
Centrum Wealth Limited	49.71		49.71
Ignis Capital Advisors Limited	0.10		0.10
Interest Paid			
Centrum Retail Services Limited	95.32		95.32
Centrum Wealth Limited	10.47		10.47
Investment in Bonds			
Centrum Capital Limited	890.06		890.06
Unity Small Finance Bank	6524.98		6524.98
Rent Paid			
- Centrum Retail Services Limited	200		200
Commission Paid			
- Centrum Wealth Limited	1369.81		1369.81
Remuneration paid		286.54	286.54
Interest Received			
- Centrum Retail Services Ltd	35.48		35.48
Other Expenses Paid			
- Centrum Retail Services Limited	242.80		242.80
- Club 7 Holidays Limited	2.65		2.65
- Acorn Fund Consultants Ltd.	0.06		0.06
- Centrum Capital Limited	224.73		224.73
- Centrum Wealth Limited	61.97		61.97
- Acapella Food & restaurants Private Limited	31.52		31.52
-			
Corporate Guarantees Received			
- Centrum Capital Limited	15000		15000
Closing Balances:			
Receivables			
- Centrum Capital Advisors Limited	0.02		0.02
- Unity Small Finance Bank	0.04		0.04
- Centrum Retail Services Limited – Trading	0.56		0.56
Payables			

Nature of Transactions	Related parties (Excluding KMPs) Rs.	Key Managerial Personnel Rs.	Total Rs.
	2022-2023	2022-2023	2022-2023
Centrum Wealth Limited	513.41		513.41
Centrum Wealth Limited –Trading Ledger	0.36		0.36
Centrum Retail Services Ltd – Others	2.13		2.13
Centrum Retail Services Ltd- Loan	2500		2500
Centrum Financial Services Limited	0		-
Acapella Food & Restaurant Private Limited	2.65		2.65

Note: No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables.

14. AUDIT OBSERVATIONS (PRECEDING 3 YEARS)

There are no audit observations by statutory auditors of Centrum Broking Limited pertaining to its PMS business for the preceding three financial years.

15. NATURE OF COSTS AND EXPENSES:

The following are indicative types of costs and expenses for clients availing the Portfolio Management services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements.

15.1 Portfolio Management Fees

Professional charges relate to the Portfolio management services offered to clients. The fee may be a fixed charge or a fixed percentage of the quantum of funds managed and may be return/performance based or a combination of any of these, as agreed by the clients in the PMS Agreement.

Maximum Fees chargeable to client will be Fixed – 5% of AUM & Variable 40% of Profit or a combination of both as agreed in the PMS Agreement.

15.2 Custodian/Depository Fees

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

15.3 Registrar and Transfer Agent fee

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

15.4 Brokerage and transaction costs

The brokerage charges and other charges like statutory charges, turnover tax, exit and entry loads on the redemption of portfolio, bonds, debt, deposits, units and other financial

instruments. All the investments / disinvestments by the portfolio manager will be made by using its own broking services and other external brokers.

15.5 Certification and professional charges

Charges payable for out sourced professional services like accounting, taxation and legal services, notarisations, etc. for certifications, attestations required by bankers or regulatory authorities, audit fees paid to independent Chartered Accountants to get the individual client accounts audited under regulation.

15.6 Incidental Expenses

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

15.7 Besides the above indicative costs and charges, all other reasonable costs, fees, charges and expenses incurred by the Portfolio Manager or any other person appointed by the Portfolio Manager arising out of or in connection with or in relation to the management, acquisition, holding, custody, sale and/or transfer, of the Client's Portfolio or the rendering of the Portfolio Management Services or the performance of any act pursuant to or in connection with the Client Agreement shall be recovered by the Portfolio Manager from the respective Clients. 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. Further, Charges for all transactions in a financial year (Broking, Demat, custody etc.) through self or associates shall be capped at 20% by value per associate (including self) per service. Any charges to self/associate shall not be at rates more than that paid to the non-associates providing the same service.

15.8 Centrum Broking Limited may receive referral fee from the issuer of the Market Linked Debentures, on MLDs invested through the PMS strategy.

15.9 The Portfolio Manager may deduct directly from the account of the client all the fees/ costs as specified above and shall send a statement to the client for the same.

16. TAXATION

The Client shall be liable for all tax liabilities arising out of his investments in Securities and availing services hereunder. In view of the individual nature of tax consequences the Client is best advised to consult his / her / their tax advisor /consultant for appropriate advice on tax treatment. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the client tax obligations.

17. ACCOUNTING / INVESTMENT POLICIES / VALUATIONS

The following Accounting policy will be applied for the portfolio investments of clients and Accounting under the respective portfolios is being done in accordance with general accounting principles:

17.1 Basis of Accounting:

Books and Records would be separately maintained in the name of the client to account for the assets and any additions, income, receipts and disbursement in connection therewith as provided by the SEBI (Portfolio Managers) Regulations, 2020, as amended from time to time.

As SEBI (Portfolio Managers) Regulations, 2020, do not explicitly lay down detailed accounting policies, accounting policies followed by the Portfolio Manager while accounting for the portfolio investments of the clients accounting under the respective portfolios is being done in accordance with general accounting principles. The existing policies are:

1. Dividend income earned by the Portfolio shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on the stock exchange, dividend income would be recognized on the date of declaration of dividend.
2. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase should not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale must not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
3. Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year.
4. Bonus shares to which the portfolio becomes entitled shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the Stock Exchange, Mumbai on an ex-bonus basis. Accordingly, date of recognition of bonus shares is construed as date of acquisition for the purpose of computing short term/ long-term capital gain. Similarly, rights entitlements shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-right basis.
5. In cases of corporate action of demerger, the ex-date is reckoned as date of acquisition for demerged stock.
6. The cost of investments acquired or purchased shall include brokerage but does not include taxes / levies such as Goods & Services Tax (GST), service tax, security transaction tax (STT) and other charges customarily/statutory. Similarly, sale consideration of investments sold shall be reduced by amount of brokerage but does not reduce Goods & Services Tax (GST), service tax, security transaction tax (STT) and other charges customarily/statutory.
7. In determining the holding cost of investments and the gain/loss on sale of securities, the First In First Out (FIFO) method is followed for each security.
8. Management Fees and Custody fees are recognized /accrued in accordance with the Discretionary Portfolio Management Services Agreement.
9. Goods & Services Tax (GST) and Securities Transaction Tax (STT) are recognized on the trade day when the securities are accounted for on which such Goods & Services Tax and Securities Transaction Tax are levied.
10. In case of corpus received in form of stock, date on which such shares are in ward as corpus shall be construed as date of acquisition and value at which they are in ward as corpus is considered as cost of acquisition for the purpose of computing gains / returns.

11. In case of corpus redeemed in form of stock, date on which such shares are recorded in books as corpus handed over shall be construed as date of sale and value at which they are recorded as corpus handed over is considered as sale consideration for the purpose of computing gains / returns.
12. In case of futures and options, mark-to-market margin on outstanding position as at the balance sheet date which is actually paid/ received to/from broker is considered in Profit and Loss account under the head “Mark To Market on Futures” even though the same represent unrealized loss or gain.

17.2 Portfolio Valuation

Equity Shares

Investments in listed Equity Shares shall be valued at the closing price announced by The Bombay Stock Exchange Limited (BSE). When on a particular valuation day, a security has not been traded on BSE but has been traded on National Stock Exchange of India Limited (NSE), the value at which it is traded on NSE shall be used. When a scrip is not traded on any stock exchange on a particular valuation day, the value at which it was traded on NSE, BSE or any other stock exchange as the case may be, on the earliest previous day may be used, provided that such day is not more than thirty days prior to the valuation date. When a security is not traded on the valuation date and no quote is available for earliest previous day upto 30 days, the security shall be valued at zero.

In case the security is not traded on any exchange, in the exceptional circumstances such as, merger and acquisitions and interim period, restructuring of the company and the interim period of non trading, and similar other exceptional circumstances, it shall be valued ‘in –good faith’ by the Portfolio Manager on the basis of appropriate valuation methods approved by valuation committee of Portfolio Manager.

Equity shares allotted in Initial Public Offering (IPO) would be valued at the IPO cut-off price at which allotment is made till they are listed.

Rights Equity Shares

If the right renunciation form is traded on the exchange, the closing price of the exchange in the manner stated in case of equity share above shall be taken for right renunciation for the purpose of valuing right entitlement.

If the price is not available or the right renunciation forms are not traded, the right entitlement shares shall be valued until applied for as under

$$V_r = n/m * (P_{ex} - P_{of})$$

Where V_r = Value of rights,

n = number of rights offered,

m = number of original shares held,

P_{ex} = Ex-rights price

P_{of} = Rights offer price

Once right share are subscribed for, they shall be valued as equity shares to the extent of the entitled shares. Additional Shares, if any, subscribed shall be taken as share application money pending allotment and shall be valued at the amount applied for till they are allotted.

In case original shares on which the right entitlement accrues are not traded on the Stock Exchange on an ex-right basis, right entitlement should not be recognized as investments.

Where right entitlements are not traded and it was decided not to subscribe the rights, the right entitlements shall be valued at zero.

In case the Rights Offer Price is greater than the ex-rights price, the value of the rights share is to be taken as zero.

Warrants

Listed warrants shall be valued at closing price announced by NSE or as the case may be, BSE or any other exchange similar to the manner mentioned herein above in case of listed Equity Shares.

Non traded warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. The value of the share for the said purpose shall be the same as stated above in Equity Shares. A discount at the appropriate rate on account of non-tradability of Warrants shall be deducted to account for the period, which must elapse before the warrant can be exercised.

In case, the amount payable on exercise of the warrants is higher than the value of the share, the value of the warrants is to be taken as zero.

Units of Mutual Funds

Units of the Mutual Funds will be valued at the latest Repurchase Net Asset Value declared for the relevant plan of a scheme of the mutual fund on the date of the report.

Equity Option Derivatives

Valuation methodology adopted so far and upto statements as on August 31, 2017

Market values of traded open option contracts shall be determined with respect to the exchange on which contracted originally, i.e. an option contracted on The National Stock Exchange (NSE) would be valued at the closing option price on the NSE. The price of the same option series on the BSE cannot be considered for the purpose of valuation, unless the option itself has been contracted on the BSE.

The Exchanges give daily settlement prices in respect of all derivatives positions. These settlements prices would be adopted for the positions, which are not traded.

Valuation methodology proposed to be adopted for statements since September 1, 2017

Open option contracts will be valued at 'fair value', which will be either basis the traded price on the NSE (wherever available and reflective), or on the basis of a widely accepted model i.e. Black-Scholes model, or sourced from independent data provider like Bloomberg, etc.

Equity Futures Derivatives

Market values of traded futures contracts shall be determined with respect to the exchange on which contracted originally, i.e. futures position contracted on the National Stock Exchange (NSE) would be valued at the closing option price on the NSE. The price of same futures contract on BSE cannot be considered for the purpose of valuation, unless the futures contract

itself has been contracted on the BSE.

The Exchanges give daily settlement prices in respect of all derivatives positions. These settlements prices would be adopted for the positions, which are not traded.

Fixed deposit with Banks

Fixed Deposits with Bank should be valued at cost.

Fixed Income Instruments

Fixed Income Instruments will be valued at cost plus interest accrued till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instrument.

17.3 The policy for investments in associates/ group companies of the Portfolio Manager and the maximum percentage of such investments therein are subject to the applicable laws/ regulations/ guidelines issued from time to time

Following is the policy for investing in the securities/ instruments of the associates/ group companies of the Portfolio Manager:

- The Portfolio Manager shall evaluate investments in associates/ group companies on merits and the same shall be done on arm's length basis;
- The investments made shall be backed by justification;
- The investments shall be made in accordance with the investment objective, investment philosophy and portfolio composition of the portfolio/ strategy;
- The Portfolio Manager shall not derive any direct or indirect benefit out of the client's funds or securities while investing in the securities/ instruments of the associates/ group companies of the Portfolio Manager.
- This policy shall be applicable to all investments in group companies / associates, irrespective of mode of investment, whether by way of subscribing to issues / placements / by way of secondary purchases / on-market purchases.
- With respect to cap on investments in the securities/ instruments of the associates/ group companies of the Portfolio Manager, same shall be within the overall framework of Regulations, applicable from time to time and shall not exceed 50% of the client's money invested in a portfolio/ strategy (at the time of investments). Further, same shall depend upon the portfolio/ strategy selected by the Client.

18. INVESTOR SERVICES:

(a) Name, address and telephone number of the investor relations officer who shall attend to investor queries and complaints.

For Investor Queries:

Mr. K. Sandeep Nayak

Centrum Broking Ltd.

Centrum House, CST Road, Near Bandra Kurla Complex,

Vidyanagri Marg, Kalina, Santacruz (East), Mumbai - 400098

Tel No: 022 – 42159000

Email Id: compliance@centrum.co.in

For Investor Grievances:

investor.grievances@centrum.co.in

(b) Grievance Redressal and Dispute settlement mechanism:

The Portfolio Manager shall attend to and address any client query or concern as soon as possible to mutual satisfaction.

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

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

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 the either party of its obligations will be conducted exclusively in courts located within city of Mumbai in the state of Maharashtra or such other places as Portfolio Manager think fit.

(c) In case of any grievance / complaint against the Portfolio Manager, the client can write to the Portfolio Manager at investor.grievances@centrum.co.in. The client can also lodge grievances with SEBI at <http://scores.gov.in>. For any queries, feedback or assistance, the client can also contact SEBI office on toll-free helpline at 1800227575 / 18002667575.

If the investor/client is not satisfied with the outcome, he/she/they can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.

19. GENERAL:

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

For CENTRUM BROKING LIMITED

K. SANDEEP NAYAK
CHAIRMAN & WHOLE-TIME DIRECTOR

NISCHAL MAHESHWARI
WHOLE-TIME DIRECTOR

Date: 28th February 2024
Place: Mumbai

ANNEXURE-1**PORTFOLIO WISE YEARLY PERFORMANCE**

Name of Investment Approach		April 2022 – Mar-2023		April 2021 - Mar-2022		April 2020 - Mar-2021	
				Portfolio Return	Bench Mark	Portfolio Return	Bench Mark
Centrum Built to Grow Multi Cap Portfolio	BSE 500 TRI	-10.36%	-0.91%	20.07%	22.26%	56.39%	78.63%
Centrum Built To Grow Multicap NRI	BSE 500 TRI	-14.07%	-0.91%	10.46%	22.26%	--	--
Centrum Built to Last NRI	BSE 500 TRI	-16.73%	-0.91%	14.53%	22.26%	55.01%	78.63%
Centrum Built to Last Portfolio	BSE 500 TRI	-4.48%	-0.91%	15.68%	22.26%	54.62%	78.63%
Centrum Built to Last Portfolio T NRI	BSE 500 TRI	-5.26%	-0.91%	--	--	--	--
Centrum Deep Value IV	BSE 500 TRI	-16%	-0.91%	23.28%	22.26%	120.10%	78.63%
Centrum Deep Value IV NRI	BSE 500 TRI	-17.03%	-0.91%	23.20%	22.26%	131.34%	78.63%
Centrum Deep Value Multi Bagger NRI	BSE 500 TRI	-15.82%	-0.91%	28.25%	22.26%	105.34%	78.63%
Centrum Deep Value Multibagger Portfolio	BSE 500 TRI	-15.07%	-0.91%	25.48%	22.26%	136.15%	78.63%
Centrum Good to Great T	BSE 500 TRI	-15.42%	-0.91%	26.24%	22.26%	65.96%	78.63%
Centrum Good to Great NRI	BSE 500 TRI	-15.92%	-0.91%	25.09%	22.26%	93.98%	78.63%
Centrum Good to Great T NRI	BSE 500 TRI	-14.08%	-0.91%	27.29%	22.26%		
Centrum Good to Great Portfolio	BSE 500 TRI	-16.38%	-0.91%	27.90%	22.26%	111.67%	78.63%
Centrum Growth Portfolio	BSE 500 TRI	-6.52%	-0.91%	--	--	--	--
Centrum Hedged Portfolio	BSE 500 TRI	-4.33%	-0.91%	12.70%	22.26%	46.52%	78.63%
Centrum Manufacturing Opportunities Portfolio	S&P CNX NIFTY	--	--	--	--	93.12%	75.99%
Centrum Microcap Portfolio	BSE 500 TRI	5.93%	-0.91%	31.05%	22.26%	112.41%	78.63%
Centrum Pharma & Health care Strategy Portfolio	BSE 500 TRI	--	--	--	--	69.18%	78.63%
Centrum String of Pearls DVIII	BSE 500 TRI	-15.94%	-0.91%	24.26%	22.26%	125.38%	78.63%
Centrum String of Pearls DVIII NRI	BSE 500 TRI	-16.05%	-0.91%	26.28%	22.26%	126.40%	78.63%
Centrum Flexicap Portfolio	BSE 500 TRI	-11.98%	-0.91%	21.81%	22.26%	68.14%	78.63%
Centrum Flexicap Portfolio T	BSE 500 TRI	-11.73%	-0.91%	--	--	--	--
Centrum Flexicap NRI	BSE 500 TRI	-10.08%	-0.91%	21.23%	22.26%	72.80%	78.63%
Centrum Flexicap Portfolio T NRI	BSE 500 TRI	-11.30%	-0.91%	--	--	--	--
Centrum Built to Last T	BSE 500 TRI	-2.38%	-0.91%	16.24%	22.26%		
Non-Discretionary	BSE 500 TRI	-2.99%	-0.91%	18.71%	22.26%	56.93%	78.63%

Note: All the returns are calculated on TWRR basis.



VINAYAK P PAI & ASSOCIATES
CHARTERED ACCOUNTANTS

A-1/202, Saket Complex, Thane (West) - 400601. Mob: 9920935552/9082837112

CERTIFICATE

To,

The Board of Directors
Centrum Broking Limited
Centrum House, CST Road,
Near Bandra Kurla Complex,
Vidyanagari Marg, Kalina,
Santacruz (East),
Mumbai – 400 098

We have examined the Disclosure Document dated 28th February 2024 (Copy attached) for Portfolio Management prepared in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations 2020 by **Centrum Broking Limited** (Portfolio Manager) Registration No. **INP000004383** having its registered office at at Centrum House, CST Road, Near Bandra Kurla Complex, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098

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

We have relied on the representations given by the Portfolio Manager about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure Document.

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

For Vinayak P Pai & Associates
Chartered Accountants
F.R.N.: 126836W

CA. Vinayak Pai (Membership No. 118587)
Proprietor

UDIN: 24118587BKBGBJ6265

Dated:- 28th February 2024
Place: Mumbai