

MONARCH NETWORK CAPITAL LIMITED**DISCLOSURE DOCUMENT**

As required under Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

I. Declaration:

- a) The Disclosure Document (hereinafter referred as the “**Document**”) has been filed with Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (“**Regulations**”).
- b) The purpose of the Document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making informed decision for engaging “**Monarch Network Capital Limited**” (hereinafter referred as the “**Portfolio Manager**”) as the portfolio manager.
- c) The Document contains the necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the Document for future reference.
- d) The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager is as follows:

PRINCIPAL OFFICER	PORTFOLIO MANAGER
Name : Md Shaukat Ali	Monarch Network Capital Limited
Phone : +91 9899230857	
E-Mail : shaukat.ali@mncigroup.com	Registered Address: Unit No. 803-804A, 8 th Floor, X-Change Plaza, Block No. 53, Zone 5, Road- 5E, Gift City, Gandhinagar – 382355, Gujarat, India
	Communication Address: 301-302, 3rd Floor, Arunachal Building, Barakhamba Road, New Delhi – 110001, India

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III. Contents:

1. Disclaimer

- a) Particulars of this Document have been prepared in accordance with the Regulations as amended till date and filed with SEBI.
- b) This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.
- c) This Document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person. No part of this Document may be duplicated in any form and/ or redistributed without the prior written consent of the Portfolio Manager.

2. Definitions

In this Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

- (a) **Accredited Investor:** has the meaning as defined under the Regulations.
- (b) **“Agreement”:** Means the agreement executed between the Portfolio Manager and its Clients in terms of Regulation 22 and Schedule IV of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as may be amended, modified, supplemented or restated from time to time, together with all annexure, schedules and exhibits, if any.
- (c) **Applicable Laws:** means any applicable Indian statute, law, ordinance, regulation including the Regulations, circular, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.
- (d) **Capital Contribution:** means the sum of money or Securities or combination thereof, contributed by the Client for investments in accordance with the terms of the Agreement from time to time during the Term.
- (e) **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.

- (f) **Client / Investor:** means such person(s) including Accredited Investors / Large Value Accredited Investor whose money or Portfolio is advised or directed or managed by the Portfolio Manager and is specified in Schedule I of the Agreement.
- (g) **Disclosure Document or Document:** means this document filed by the Portfolio Manager with SEBI and issued to the Client as required under the Regulations and as may be amended by the Portfolio Manager from time to time.
- (h) **Exit Load:** means the withdrawal charge/s payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (i) **Investment Approach:** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current investment approach or such investment approach that may be introduced by the Portfolio Manager, from time to time.
- (j) **Large Value Accredited Investor:** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of INR 10 Crore (Indian Rupees Ten Crore) and/or such amount as may be prescribed under the Applicable Laws.
- (k) **Management Fee:** means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (l) **Performance Fee:** means the performance linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (m) **Portfolio or Client Portfolio:** means the total holdings of Securities and goods belonging to the Client in accordance with the Agreement.
- (n) **Portfolio Entity:** means companies, enterprises, bodies corporate, or any other entities in the Securities of which the monies from the Client Portfolio are invested subject to Applicable Laws.
- (o) **Portfolio Investments:** means investments in Securities of one or more Portfolio Entity/ies made by the Portfolio Manager on behalf of the Client under the PMS from time to time.
- (p) **Portfolio Manager:** means Monarch Network Capital Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Unit No. 803-804A, 8th Floor, X-Change Plaza, Block No. 53, Zone 5, Road- 5E, Gift City, Gandhinagar – 382355, Gujarat, India which pursuant to a contract or arrangement with a

Client/Investor, advises or directs or undertakes on behalf of the Client/Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the Client/Investor, as the case may be.

- (q) **Principal Officer:** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
 - (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the funds of the Client, as the case may be; and
 - (ii) all other operations of the Portfolio Manager.
- (r) **PMS:** means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement, this Document and subject to Applicable Laws.
- (s) **PML Laws:** means the Prevention of Money Laundering Act, 2002, Prevention of Money-laundering (Maintenance of Records) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.
- (t) **Regulations:** means the SEBI (Portfolio Managers) Regulations, 2020 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.
- (u) **Securities:** shall mean and include securities listed or traded on a recognized stock exchange, money market instruments including commercial paper, trade bill, treasury bills, certificate of deposit and usance bills, units of mutual funds or other securities permitted under the Regulations.
- (v) **SEBI:** shall mean the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.
- (w) **Term:** means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.

3. Description

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

The Portfolio Manager is a company incorporated under the provisions of the Companies Act, 1956 having corporate identification number (CIN) L65920GJ1993PLC120014. It has a portfolio manager license (registration number INP000006059) to offer discretionary portfolio management services, non-discretionary portfolio management services, and advisory services to high net-worth individuals (HNIs), institutional clients, corporates, Accredited Investors, Large Value Accredited Investors and other permissible class of investors.

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

(a) **Mr. Vaibhav Shah**, *Managing Director*

Mr. Vaibhav Shah, holding 30+ years of financial market expertise is the co-founder of the Monarch Group. Under his visionary leadership, the Group is propelling towards its next era of progressive growth. His excellent leadership skills and steadfast commitment have earned the company several accolades. He has also played a pivotal role in expanding branch operations, media, and brand functions.

His sharp entrepreneurial acumen has helped identify and capitalise on new business opportunities, driving further expansion. Additionally, his strategic skills have helped foster enduring partnerships with clients, vendors, and external stakeholders. Furthermore, he inspires teams as a focussed sales player with a pragmatic approach.

His motivational management style has a proven track record of developing, leading and fostering high performance teams driving accelerated growth, cost optimisation, superior service quality and improved bottom line.

(b) **Mrs. Manju Bafna**, *Director*

Mrs. Manju Bafna has done her Bachelors in Science from Mumbai University. She has over 25+ years of experience in handling administrative affairs of the organization. She has a broad knowledge of organizing, managing and supporting the day to day activities required for running an organization. She is very flexible with strong team-working skills. She is able to work individually and as a part of a group seamlessly. She is involved in a wide variety of tasks in areas such as recruitment, human resource planning and management. With her excellent organizational skills gained through all-round administrative experience, she is enriching the group.

(c) **Mr. Sathish Kumar**, *Independent Director*

Mr. Sathish Kumar brings with him nearly 12 years of finance experience and possesses substantial capital market expertise. He obtained his Masters in International Business from Bharathiyar University, Coimbatore in 2005.

(d) Mr. Ashok Bafna, Director

Mr. Ashok Bafna has an experience of over two decades in the broking services and handles the company's business affairs across India. He develops the organization's financial strategies and contributes in disseminating financial and accounting information and analysis. He also offers his recommendations to the strategic thinking and provides direction for growth by establishing functional objectives in line with organizational objectives. He has a keen understanding of the capital market. He also oversees the administrative and compliance related affairs of the company along with investment of funds and managing associated risks.

He also plays a key role in supervising cash management activities, executing capital-raising strategies to support Group's expansion and also act as a Financial Gatekeeper.

(e) Ms. Avni Chouhan, Independent Director

Ms. Avni Chouhan is a qualified Company Secretary, securing 23rd rank in the All India Rank holder in Company Secretary Professional Examinations. With 8+ years of industry experience, she specializes in various secretarial, legal, accounting and other allied matters

(f) Mr. Chetan Bohra, Independent Director

Mr. Chetan Bohra, holds 16+ years of experience, specialising in financial planning and arrangements within the real estate sector. He graduated with a B. Com degree from the University of Mumbai. He is also a Chartered Accountant, becoming an associate member of ICAI in June 2009. Previously, he was associated with the multinational consulting firm, BSR & Co. (KPMG) for a 3-year period.

(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis (latest audited financial statements may be used for this purpose)

Based on the latest audited financial statements, the following are the group companies of the Portfolio Manager:

- Monarch Network Finserve Private Limited,
- Monarch Naetworth Capital IFSC Private Limited, and
- Monarch Network Investment Advisors Private Limited.

(iv) Details of the services being offered: Discretionary, Non-Discretionary and Advisory

The Portfolio Manager proposes to carry out discretionary portfolio management services and if opportunity arises it also proposes to render non-discretionary portfolio management services and advisory services.

The key features of all the said services are provided as follows:

(a) Discretionary Services:

Under the discretionary PMS, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Securities invested/divested by the Portfolio Manager for Clients may differ from Client to Client. In case of Large Value Accredited Investors, the Portfolio Manager may invest up to 100% of the assets under management of such Investors in unlisted securities, subject to the terms of the Agreement executed. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time except on the ground of fraud, malafide intent, conflict of interest (other than those already disclosed in the Agreement) or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws. Periodical statements in respect of the Client's assets under management shall be sent to the respective Clients in accordance with the Agreement and the Regulations.

(b) Non - Discretionary Services:

Under the non-discretionary PMS, the assets of the Client are managed in consultation with the Client. Under this service, the assets are managed as per the requirements of the Client after due consultation with the Client. The Client has complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager, *inter alia*, manages transaction execution,

accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client. In case of Large Value Accredited Investors, the Portfolio Manager may invest up to 100% of the assets under management of such Investors in unlisted securities.

(c) Advisory Services:

The Portfolio Manager may provide investment advisory services, in terms of the Regulations, which shall include the responsibility of advising on the Portfolio, Investment Approach and investment and divestment of individual Securities on the Client Portfolio, for an agreed fee structure and for a defined period, entirely at the Client's risk to all eligible category of Investors. The Portfolio Manager shall be solely acting as an advisor to the Client Portfolio and shall not be responsible for the investment/divestment of Securities and/or any administrative activities on the Client 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. In case of Large Value Accredited Investors, the Portfolio Manager may advice to invest up to 100% of the assets under management of such Investors in unlisted securities.

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.

Direct Onboarding of Clients:

A direct onboarding facility for Clients is available on the website of the Portfolio Manager to enable Clients to have direct interaction with the Portfolio Manager rather than routing through any distributors or other partners offering referral services of a similar nature.

For more details about the same, the Client is requested to contact Investor Relation officer/ Compliance Officer.

Contact Person	Address	Contact No.	Email
Investor Relation Officer	301-302, 3 rd Floor, Arunachal Building, Barakhamba Road, New Delhi – 110001, India	011-40861303	monarchpms@mncigroup.com
Compliance Officer	301-302, 3 rd Floor, Arunachal Building, Barakhamba Road, New Delhi – 110001, India	011-40851312	pms.compliance@mncigroup.com

Digital Onboarding of Clients:

A digital onboarding facility for Clients is available on the website of the Portfolio Manager for onboarding of client through digital mode. For more details about the same, the Client is requested to contact Investor Relation officer / Compliance Officer or access the following link: www.mnclgroup.com

Contact Person	Address	Contact No.	Email
Investor Relation Officer	301-302, 3 rd Floor, Arunachal Building, Barakhamba Road, New Delhi – 110001, India	011-40861303	monarchpms@mnclgroup.com
Compliance Officer	301-302, 3 rd Floor, Arunachal Building, Barakhamba Road, New Delhi – 110001, India	011-40851312	pms.compliance@mnclgroup.com

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

- i. All cases of penalties imposed by SEBI or the directions issued by SEBI under the SEBI Act or rules or regulations made thereunder.

None.

- ii. The nature of the penalty/direction.

The stock exchanges have charged monetary penalty on the Portfolio Manager due to operational defaults.

iii. Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.

Sr. No.	Facts of the case	Observations	Name of the authority	Strictures / penalties imposed / further action
1.	Offsite inspection of books of accounts, other records and documents for the financial year 2022-23	Incorrect margin reporting for a client for trade dated December 23, 2022	NSE	Monetary penalty of INR 4,400
2.	Offsite inspection of books of accounts, other records and documents for the financial year 2020-21	Reconciliation mismatch found in the holding statement submitted to the Bombay Stock Exchange on March 26, 2021	BSE	Monetary penalty of INR 25,000
3.	Internal audit report for the period April 2022 to September 2022	Non-compliance observed on 3 points in internal audit report for quarter ending September 2022: 1. Value base reconciliation not done for 1 client bank, resulting in wrong enhance supervision data submitted to exchanges; 2. Correct bank EOD balances are not submitted to the exchanges for 1 bank; and 3. Correct client ledger balances are not submitted to exchanges due to value base reconciliation not done for 1 bank	NSE	Monetary penalty of INR 3,00,000
4.	Internal audit report for the period April 2022 to September 2022		NSE	Monetary penalty of INR 10,000

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

None.

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

None.

- vi. Any enquiry/ adjudication proceedings initiated by SEBI against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the SEBI Act or rules or regulations made thereunder.

None.

5. Services Offered

- (i) **The present investment objectives and policies including the types of securities in which it generally invests:**

- (a) **Investment Objective**

The investment objective of the Portfolio Manager is to offer portfolio management services and advisory services, where it will have the sole and absolute discretion to deploy assets across Securities as per the Agreement. This may include decisions to buy and sell Securities, reshuffling portfolio holdings, keeping safe custody of the securities and monitoring book closures and corporate actions so that the due benefits accrue to the Client Portfolio, for an agreed fee structure and for a definite time frame as clearly defined, entirely at the Client's risk. The portfolio of a Client may differ from that of another Client investing in the same Investment Approach as per the discretion of the Portfolio Manager.

The Portfolio Manager shall not accept Capital Contribution of less than INR 50,00,000 (Indian Rupees fifty lakh) from the Client and/or such other amount as may be prescribed under the Regulations. In case of Large Value Accredited Investor, the minimum Capital Contribution shall be INR 10 crore (Indian Rupees ten crore) or any other amount as specified under the Applicable Laws. The minimum Capital Contribution per Client shall be applicable for new Clients. However, the said minimum Capital Contribution shall not be applicable to Accredited Investors and shall be as agreed with the Portfolio Manager.

Under discretionary and non-discretionary service, the Portfolio-Manager may invest in various portfolios with different terms and conditions from time to time. Discretionary and non-discretionary services are being offered under various strategies with various terms and conditions.

(b) Type of securities in which Portfolio Manager will invest

The Portfolio Manager may invest Capital Contributions in Securities and any other permissible securities/instruments/products as per the Applicable Laws, in such manner and through such markets as it may deem fit in the interest of the Client. The investment in Securities shall primarily comprise of:

- listed equity and preference shares of Indian companies,
- listed debentures, bonds and secured premium notes, including tax exempt bonds of Indian companies and corporations;
- units and other instruments of mutual funds or ETFs;
- listed InVITs and REITs;
- money market instruments such as government securities, commercial papers, trade bill, treasury bills, certificate of deposit and usance bill;
- listed options, futures, swaps and such other derivatives as may be permitted from time to time;
- unlisted securities;
- such other securities/instruments as specific by SEBI from time to time.

Under the discretionary PMS, the Capital Contribution shall be invested in listed securities only. In case of Large Value Accredited Investors, the Portfolio Manager may invest up to 100% of the assets under management of such Investors in unlisted Securities.

Whereas, under the non-discretionary PMS, the Capital Contribution shall be invested in listed and/or unlisted securities (provided that investment in unlisted securities shall not exceed 25% (twenty-five percent) of the assets under management of such Client) and managed in consultation with the Client. In case of Large Value Accredited Investors, the Portfolio Manager may advice to invest up to 100% of the assets under management of such Investors in unlisted securities.

Following limits shall be followed with respect to investment in debt and hybrid securities:

- Portfolio Managers shall not invest Clients' funds in unrated securities of associate companies / related parties.
- Under Discretionary Portfolio Management Services, no investment shall be made in below investment grade securities.
- Under Non-Discretionary Portfolio Management Services, no investment shall be made in below investment grade listed securities. However, Portfolio Manager may invest upto 10% of Client's asset under management in unlisted unrated debt and hybrid securities of issuers other than associate companies / related parties. Such investment in unlisted, unrated debt and hybrid securities shall be within maximum limit of 25% (twenty-five per cent) for investment in unlisted securities as stated under regulation 24 (4) of the Regulations.
- Investments of Clients' funds shall be basis credit rating as may be specified by SEBI from time to time.

All investments in debt & hybrid securities under all the strategies mentioned herein shall be in compliance with the aforementioned provisions and SEBI circulars issued in this regard from time to time.

Asset classes for investment will always be subject to the scope of investments as may be agreed upon between the Portfolio Manager and the Client by way of any agreement, explicit or implied including this Disclosure Document, addenda thereof, other documents and communications in writing and emails duly authenticated and exchanged between the Client and Portfolio Manager.

(ii) Investment Approach of the Portfolio Manager

Please refer to **Annexure I** for more details.

(iii) The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.

The Portfolio Manager will before investing in the securities of the associates/group companies, will evaluate such investments to be made under the Portfolio. Investments under the Portfolio of the securities of the group companies will be subject to the limits prescribed under Agreement and the same will be subject to the Applicable Laws.

6. [Risk factors]

General Risk:

- Investments in securities are subject to market risks which include price fluctuation risks. The extent of market risk can change dynamically from time to time. There is no assurance or guarantee that the objectives of investments will be achieved. The investments may not be suited to all categories of Clients. The principal value of portfolio invested by the Client may be subject to risk during the tenor of the investment as well as at the end of the portfolio tenor. The Portfolio Manager may/may not be able to protect the Portfolio from market risk. The liquidity risk of the Portfolio shall be subject to market conditions. Also, the market is subject to wild volatility which may be beyond Portfolio Manager's control and investment decisions on account of that could lead to potential losses for the Clients.
- The Portfolio Manager has no previous experience/track record in the field of portfolio management services and has obtained a license to function as a portfolio manager only on July 11, 2018 and has not commenced operations. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience in securities analysis/ risk management/ capital markets.
- Without prejudice to the above, the past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed or indicative returns by the Portfolio Manager.
- The name of the Investment Approach do not in any manner indicate its prospects or returns. The performance of the Investment Approach with equity focused may adversely affect by the performance of individual companies, changes in the market place and industry specific and macro-economic factors.
- Equity and equity related instruments on account of its volatile nature are subject to price fluctuations on daily basis. The volatility in the value of the equity and equity related instruments is due to various micro and macro-economic factors affecting the securities markets. This may have adverse impact on individual securities /sector and consequently on the Client Portfolio. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the Portfolio Investments.

- Portfolio's Investment in unlisted securities could increase the risk of the Portfolio as these unlisted securities are inherently illiquid in nature and carry larger liquidity risk as compared to the listed securities or those that offer other exit options to the Clients.
- The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- In the case of stock lending, risks relate to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks. The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the same.
- Investors are not being offered any guaranteed or assured return/s i.e. either of principal or appreciation on the Portfolio.
- The liquidity of the Portfolio Investments is inherently restricted by trading volumes in the Securities in which it invests.
- The Portfolio Manager may, considering the overall level of risk of the Portfolio, invest in lower rated/unrated Securities offering higher yield. This may increase the risk of the Portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- Clients may note that the Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends.
- The Portfolio Manager may, subject to authorization by the Client in writing, participate in securities lending. The Portfolio Manager may not be able to sell/lend out securities, which can lead to temporary illiquidity.
- Portfolio Investments shall be at the full discretion of the Portfolio Manager and the Client shall not be able to influence the decisions of the Portfolio Manager. The Portfolio may be at risk of portfolio investment approach/investment decisions or asset allocation undertaken by the Portfolio Manager not delivering results in line with the portfolio objective.
- Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager.

- The Client Portfolio may be affected by settlement periods and transfer procedures.
- The PMS is subject to risk arising out of non-diversification as the Portfolio Manager under its PMS may invest in a particular sector, industry, few/single Portfolio Entity/ies. The performance of the Client Portfolio would depend on the performance of such companies/industries/sectors of the economy.
- There are no transactions of purchase and/or sale of securities by Portfolio Manager and employees who are directly involved in investment operations that conflicts with transactions in any of the Client Portfolio, as the Portfolio Manager has not commenced any operations under portfolio management services.
- The provisions of the Agreement and the principal and returns on the Securities subscribed by the Portfolio Manager may be subject to force majeure and external risks such as war, natural calamities, pandemics, policy changes of local / international markets and such events which are beyond the reasonable control of the Portfolio Manager. Any policy change / technology updates / obsolescence of technology would affect the investments made by the Portfolio Manager.

Other risks arising from the investment objectives, investment strategy, Investment Approach and asset allocation are stated as under:

Risks associated with investments in equity and equity linked securities

- Equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- Investment in each stock faces unique risk associated with the underlying business, divergent from the overall market risk. Although unique risk associated with each stock in portfolio gets partially offset by diversification across different businesses/Industries, clients' portfolios will be exposed to residual unsystematic risk.
- In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.
- In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.

- The value of the Client Portfolio, 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 policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.
- Client may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.

Risks associated with investments in fixed income securities/products

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not restricted to:

- **Interest Rate Risk:** As with all debt securities, changes in interest rates affects the valuation of the portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of portfolios.
- **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.
- **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Due to this risk, debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

- **Rating Risk:** Different types of debt securities in which the Client invests, may carry different levels and types of risk. Accordingly, the risk may increase or decrease depending upon its investment pattern, for instance corporate bonds carry a higher amount of risk than government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.
- **Price Volatility Risk:** Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these Securities may be less liquid than that for other higher rated or more widely followed Securities.

Investment and Liquidity Risks: There may be no active secondary market for investments of the kind the Portfolio Manager may make for the Client Portfolio. There are a variety of methods by which unlisted investments may be realized, such as the sale of investments on or after listing, or the sale or assignment of investments to joint-venture partners or to third parties subject to relevant approvals. However, there can be no guarantee that such realizations shall be achieved, and the Portfolio's investments may remain illiquid.

Since the Portfolio Manager may only make a limited number of investments, poor performance by one or a few of the investments could severely adversely affect the total returns of the PMS.

Identification of Appropriate Investments: The success of the PMS as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

Management and Operational risks

Reliance on the Portfolio Manager

- The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of portfolio entities and the structuring of investments. Furthermore, the team members of the Portfolio Manager may change from time to time. The Portfolio Manager relies

on one or more key personnel and any change/removal of such key personnel may have material adverse effect on the returns of the Client.

- The 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 objectives, Investment Approach, investment strategy and asset allocation.

Exit Load: Client may have to pay a high Exit Load to withdraw the funds/Portfolio (as stipulated in the Agreement with the Client). In addition, they may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

No Guarantee: Investments in Securities are subject to market risks and the Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, the value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as delisting of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

Ongoing risk profiling risk: The Client would be subject to ongoing risk profiling in accordance with the Regulation. If in case during such ongoing risk profiling, it is found that the Client is not suitable for the investments in Securities or doesn't have risk appetite, the Portfolio Manager may terminate the Agreement with the Client.

India-related Risks

Political, economic and social risks: Political instability or changes in the government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The Portfolio Entity's business may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. Nevertheless, the government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the government's economic liberalization and deregulation policies in the future could affect business and economic

conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the Portfolio Entity/ies.

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

Many countries had experienced outbreaks of infectious illnesses in recent decades, including severe acute respiratory syndrome and the COVID-19. The COVID-19 outbreak had resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale. The spread of the COVID-19 has, had, a material adverse impact on portfolio entities, local economies and also the global economy, as cross border commercial activity and market sentiment due to the government and other measures seeking to contain its spread. Additionally, the Portfolio Manager's operations could be disrupted if any of its member or any of its key personnel contracts the COVID-19 and/or any other infectious disease. Any of the foregoing events could materially and adversely affect the Portfolio Manager's ability to source, manage and divest its investments and its ability to fulfil its investment objectives. Similar consequences may arise with respect to other comparable infectious diseases.

Legal and Tax risks:

Tax risks: Clients/ Investors are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Client Portfolio are subject to change, and tax liabilities could be incurred by the Clients/ Investors as a result of such change. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. The tax consequences of an investment in the Portfolio Entities are complex, and the full tax impact of an investment in the Portfolio Entities will depend on circumstances particular to each Client/ Investor. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes. Alternative tax positions adopted by the income tax authorities could also give rise to incremental tax liabilities in addition to the tax amounts already paid by the Client/Investors. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability.

Bankruptcy of Portfolio Entity: Various laws enacted for the protection of creditors may operate to the detriment of the PMS if it is a creditor of a Portfolio Entity that experience financial difficulty. For example, if a Portfolio Entity becomes insolvent or files for bankruptcy protection, there is a

risk that a court may subordinate the Portfolio Investment to other creditors. If the PMS/Client holds equity securities in any Portfolio Entity that becomes insolvent or bankrupt, the risk of subordination of the PMS's/Client's claim increases.

Change in Regulation: Any change in the Regulation and/or other Applicable Laws or any new direction of SEBI may adversely impact the operation of the PMS.

Risk pertaining to Investments

Investment in Securities/Instruments

- The Client Portfolio may comprise of investment in unlisted securities, fixed income securities, debt securities/products and in case of such securities, the Portfolio Manager's ability to protect the investment or seek returns or liquidity may be limited.
- In case of in-specie distribution of the Securities by the Portfolio Manager upon termination or liquidation of the Client Portfolio, the same could consist of such Securities for which there may not be a readily available public market. Further, in such cases the Portfolio Manager may not be able transfer any of the interests, rights or obligations with respect to such Securities except as may be specifically provided in the agreement with Portfolio Entities. If an in-specie distribution is received by the Client from the Portfolio Manager, the Client may have restrictions on disposal of assets so distributed and consequently may not be able to realize full value of these assets.
- Some of the Portfolio Entities in which the Portfolio Manager will invest may get their Securities listed with the stock exchange after the investment by the Portfolio Manager. In connection with such listing, the Portfolio Manager may be required to agree not to dispose of its securities in the Portfolio Entity for such period as may be prescribed under the Applicable Law, or there may be certain investments made by the Portfolio Manager which are subject to a statutory period of non-disposal or there may not be enough market liquidity in the security to effect a sale and hence Portfolio Manager may not be able to dispose of such investments prior to completion of such prescribed regulatory tenures and hence may result in illiquidity.
- The Client Portfolio may be invested in listed securities and as such may be subject to the market risk associated with the vagaries of the capital market. Further, investment in each stock faces unique risk associated with the underlying business and it can only be partially offset by diversification across different businesses/Industries. Consequently, clients' portfolios will be exposed to residual unsystematic risk.

The Portfolio Manager may also invest in portfolio entity/ies which are investment vehicles like mutual funds/trusts. Such investments may present greater opportunities for growth but also carry a greater risk than is usually associated with investments in listed securities or in the securities of established companies, which often have a historical record of performance. Provided investments in mutual funds shall be through direct plans only.

7. Client Representation:

- (i) The Portfolio Manager has no previous experience/track record in the field of portfolio management services and has obtained a certificate of registration to function as a portfolio manager only on July 11, 2018, and has not commenced operations. Therefore, the Portfolio Manager has no record of representing any persons/entities in the capacity of a portfolio manager.
- (ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.

Please find below the details of the related parties as per the standalone financial statements of the Portfolio Manager as on March 31, 2024:

I. Subsidiary Companies

- 1 Monarch Network Finserve Private Limited
- 2 Monarch Network Investment Advisors Private Limited
- 3 Monarch Network Capital IFSC Private Limited
- 4 Monarch Network Money Changers Private Limited (ceased to be a subsidiary w.e.f. quarter ended September 30, 2023)

II. Associate Companies

- 1 Network Financial Services Limited (ceased to be an associate w.e.f. quarter ended September 30, 2023)

III. Enterprises over which Directors/ Promoter/ KMP and their relatives exercise significant influence

- 1 Premjayanti Properties
- 2 Monarch Infra Ventures
- 3 Krone Investments
- 4 Vibrant Investments
- 5 Mahaveer Equibiz

- 6 Monarch Comtrade Private Limited
- 7 Monarch Infraparks Private Limited
- 8 Premjayanti Enterprises Private Limited
- 9 Yantra E Solar Private Limited
- 10 Krone Finstock Private Limited
- 11 R K Investments
- 12 Opp Basket Private Limited
- 13 Sur-Man Investment Limited
- 14 Simandhar Securities Private Limited
- 15 Samarpan Properties Private Limited
- 16 MNCL Compounder Fund
- 17 MNCL Compounder Fund-I

IV. Promoters and their relatives

- 1 Mr. Vaibhav Shah (Managing Director/ Promoter)
- 2 Mrs. Manju Bafna (Wholetime Director/ Promoter)
- 3 Mr. Ashok Bafna (Wholetime Director/ Promoter)
- 4 Mrs. Kinnari Shah (Promoter)
- 5 Mr. Bankim Shah (Promoter/ Operation Head)
- 6 Mr. Himanshu Shah (Promoter)
- 7 Mr. Suresh Bafna (Promoter)
- 8 Mrs. Bela Shah (Promoter)
- 9 Mr. Shailen Shah (Promoter /President Institutional Desk)
- 10 Mrs. Hemangi B. Shah (Promoter)
- 11 Mr. Vaidik Ashok Bafna (Son Of Promoter)
- 12 Mrs. Darshika Shailen Shah (Spouse Of Promoter)
- 13 Ms. Dimple Bafna (Related To Promoter)
- 14 Ms. Khushi Ashok Bafna (Daughter Of Promoter)
- 15 Ms. Mahek Shailen Shah (Daughter Of Promoter)
- 16 Mr. Manish Bafna (Brother Of Promoter)
- 17 Manish Bafna HUF (Related To Promoter)
- 18 Mrs. Manjula Ramesh Shah (Mother Of Promoter)
- 19 Ms. Norma Shailen Shah (Daughter Of Promoter)
- 20 Mr. Nitin Ramesh Shah (Brother Of Promoter)
- 21 Nitin Ramesh Shah HUF (Related To Promoter)
- 22 Mrs. Savita Ashok Bafna (Spouse Of Promoter)
- 23 Ms. Anushree Shah (Daughter Of Promoter)
- 24 Mr. Kavish Shah (Son Of Promoter)
- 25 Mrs. Premilaben Jayantibhai Shah (Mother Of Promoter)
- 26 Mr. Jayantilal Shah (Father of Promoter)
- 27 Ashok Bafna HUF (Related To Promoter Director)
- 28 Vaibhav Shah HUF (Related To Promoter Director)

- 29 Himanshu Shah HUF (Related To Promoter)
- 30 Bankim Shah HUF (Related To Promoter)

V. Directors / Key Management Personnel

- 1 Mr. Vaibhav Shah (Managing Director)
- 2 Mrs. Manju Bafna (Wholetime Director)
- 3 Mr. Ashok Bafna (Wholetime Director)
- 4 Mr. Chetan Bohra (Independent Director)
- 5 Ms. Avni Chouhan (Independent Director)
- 6 Mr. Satish Kumar (Independent Director)
- 7 Mr. Gaurav Bhandari (CEO)
- 8 Ms. Rupali Verma (Company Secretary) resigned w.e.f. February 16, 2024
- 9 Mrs. Hetvi Gandhi (CFO) resigned w.e.f. May 25, 2023
- 10 Mr. Nitesh Tanwar (Company Secretary) appointed w.e.f. March 12, 2024

For details of transactions with the related parties, please refer to the financial statements available on the website (www.mnclgroup.com) of the Portfolio Manager.

8. The Financial Performance of Portfolio Manager (based on audited financial statements)

INR in lakhs

	As on March 31, 2022	As on March 31, 2023	As on March 31, 2024
Paid-up Share Capital	3,104.95	3,386.95	3,386.95
Free reserves (excluding revaluation reserves)			
Securities premium reserve	3,475.69	5,224.09	5,224.09
Retained earnings	8,348.39	11,521.70	22,834.39
Gross Receipts	13,755.94	14,564.30	25,276.76
Profit/(Loss) Before Tax	6,576.52	4,720.45	15,514.59

Profit/(Loss) After Tax	4,874.92	3,483.81	11,651.39
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9. Performance of the Portfolio Manager

The Portfolio Manager has no previous experience/track record in the field of portfolio management services. Accordingly, the same is not applicable.

10. Audit Observations for preceding three years

There have been no audit observations by the statutory auditors.

11. Nature of expenses

The following are the general costs and expenses to be borne by the Clients availing the services of the Portfolio Manager. However, the exact nature of expenses relating to each of the following services is annexed to the Agreement in respect of each of the services provided.

An indicative management fee structure for the Investment Approach (Please refer to the Annexure 1) under the Discretionary Portfolio Management Services is given below:

Fee Head	Year 1	Year 2	Year 3	Year 4 onward
Fixed Management Fee	NIL	1%	1%	1%
Hurdle Rate	15%	15%	15%	15%
Performance Fee	15%	15%	15%	15%
Exit Load	1%	1%	NIL	NIL

i. Management Fee:

The Management Fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed as

mutually agreed in the Agreement.

ii. Advisory fees:

The advisory fees relate to the advisory services offered by the Portfolio Manager to the client.

The fee may be a fixed charge or a percentage of the quantum of the funds being advised as mutually agreed in the Agreement.

iii. Performance Fee:

The performance fee relates to the share of profits charged by the Portfolio Manager, subject to achieving a minimum mutually agreed return on investment i.e., hurdle rate and high water mark principle as per the details provided in the Agreement.

iv. Exit Load:

The Portfolio Manager may charge early withdrawal fee as a percentage of the value of the Portfolio /withdrawn Portfolio as per the terms and conditions of a particular product as agreed in the Agreement.

In case of Large Value Accredited Investors, the quantum and manner of Exit Load applicable to such Large Value Accredited Investor shall be as per the Agreement.

v. Certification and professional charges:

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

vi. Other fees and expenses:

The Portfolio Manager may incur the following expenses which shall be charged on actuals to the Client:

- (a) Transaction expenses including, but not limited to, statutory fees, documentation charges, statutory levies, stamp duty, registration charges, commissions, charges for transactions in Securities, custodial fees, fees for fund accounting, valuation charges, audit and verification fees, depository charges, and other similar or associated fees, charges and levies, legal fees, incidental expenses etc.;
- (b) Brokerage shall be charged at actuals;
- (c) Legal and statutory expenses including litigation expenses, if any, in relation to the Portfolio;
- (d) Statutory taxes and levies, if any, payable in connection with the Portfolio;
- (e) Valuation expenses, valuer fees, audit fees, levies and charges; and
- (f) All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above, whether agreed upon in the Agreement or not, arising out of or in the course of managing or operating the Portfolio.

Following charges are common across all the strategies and are charged on actual basis as negotiated by the portfolio manager with the concerned agencies/service provider:

(a) Custodian related Charges:

Head	Yes Bank Custodial Services
Fund Accounting Service	2 bps P.A. on the value of AUC
Custody Service	2 bps P.A. on the value of AUC
Transaction Charges	Rs25/- per transaction

(b) Brokerage & Transaction Cost:

Head	Monarch Network Capital Ltd.
Brokerage	0.2% of the turnover value
STT	As per the prevailing rates
SEBI Turnover Fee	As per the prevailing rates
Exchange fees/ charges	As per the prevailing rates
Stamp Duty	As per the prevailing rates
GST	As per the prevailing rates

(c) Depository Charges:

Head	Monarch Network Capital Ltd.
Annual Maintenance Charges	At actual (based on the plan chosen by the client)
Transfer (Debit), Market Transfer MNCL Pool	At actual (based on the plan chosen by the client)
Market Off Market Transfer	At actual (based on the plan chosen by the client)

Provided the Portfolio Manager shall not charge any up-front fees to the Client whether directly or indirectly. Notwithstanding the above, the Portfolio Manager may charge up-front costs and expenses so attributable to the Client in terms of the Agreement.

12. Taxation

The general information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client only vis-à-vis the investments made through the Portfolio Management Services of the Company. This information gives the direct tax implications on the footing that the securities are/will be held for the purpose of investments. In case the securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be examined on a case-to-case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment shall endure indefinitely.

Implications of any judicial decisions/double tax avoidance treaties etc. are not explained herein. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter.

It is the responsibility of all prospective clients to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding, or disposal of the units.

I. Taxation in hands of Investors:

Taxation of resident and non-resident investors:

Following are the incomes that might accrue as a result of investment with Monarch Portfolio:

- (a) Dividend Income;
- (b) Interest Income;
- (c) Capital Gains
 - i. Long Term Capital Gain
 - ii. Short Term Capital Gain
- d) Gains arising on buy-back of shares by company

These incomes are taxable under income tax act of India. The rate of taxation may differ person to person and on the basis of circumstances and provisions in law.

II. Special consideration in case of Non-residents:

- (a) Tax Treaty Benefits for non-resident investors.
- (b) Other than India, Non-residents might have to show the income from Indian securities in the country of their tax residence and offer it for tax.
- (c) Tax credit of taxes paid in India, might be allowed to be set off from tax liability in country of residence.
- (d) Income of Non-residents earned from investment in India, might be subject to "Tax Deduction at Source" or TDS. Credit of TDS can be taken at the time filing on income tax return in India.

III. Other key points to consider:

- (a) Treatment of losses booked on sale of security including set-offs and carry forward.
- (b) Securities Transaction Tax and its impact on taxation on capital gain.

- (c) Bonus Stripping.
- (d) In some cases, the income generated from buying and selling of securities might be treated as business income. In such cases, the taxes might change drastically.
- (e) Crossing a threshold income in a year might attract surcharge.
- (f) Indian financial year starts from 1st of April and ends on 31st of March.
- (g) Income tax return has to be filed after the end of financial year. The return format will differ on the basis of type of person and type of income.

Note: There is no guarantee that the above position regarding taxation would be necessarily accepted by the Indian Tax Authorities under the Income Tax Act, 1961.

No representation is made either by the Portfolio Manager or any Employee, Director, Shareholder, or agent of the manager in regard to the acceptability or otherwise of the above position regarding taxation by the Indian Tax Authorities under the Income Tax Act, 1961. Investors are urged to consult their own Tax Advisers in this regard.

13. Accounting policies

For our proposed Portfolio Management Services, we will maintain Scheme wise accounts separately for each Client. The following accounting policy/valuation norms will be applied to the Portfolio Investments of the Clients:

- a) The market value of any Securities for computing Net Assets Value of the Portfolio shall be the closing market price of the concerned Securities on the Bombay Stock Exchange Limited (BSE) or National Stock Exchange Limited (NSE) on the relevant date or in the event any security not traded on BSE on the relevant date then the closing price, if any, on the NSE on that date will be taken.
- b) Debt Security will be valued on YTM (Yield To Maturity Basis).
- c) The market value of F&O for computing the NAV of Portfolio shall be mark to market as per the prevailing price on the NSE or BSE, as the case may be.
- d) In the event of any Security not traded on any Exchange on the relevant date Valuation of such Securities will be the last quoted closing price on the BSE. If for any reason any Security is not traded or not listed, such security will be valued at cost.

- e) Security is valued at the last quoted closing price on the Stock Exchange where it is principally traded. When a security is not traded on any stock exchange for 30 days prior to the valuation date then non traded securities shall be valued at “in good faith” by the Portfolio Manager.
- f) Realized gains/losses will be calculated by applying the First in First out (FIFO) method. For example, the earliest purchased quantity will be reckoned for the current /most recent sale at the respective prices at both in time.
- g) Transactions for purchase or sale of Securities will be recognized as of the trade date and not as of the settlement date so that effect of all investments traded during any financial year are recoded and reflected in the financial statements for that year.
- h) Issue of Bonus shares and/or any security to be issued on account of merger/de-merger/re-organization/restructuring/split/consolidation will be recognized in the Portfolio on the date on which it goes ex- corporate benefit at the stock Exchange for the purpose of the Portfolio valuation.
- i) Unrealized gain/losers are the differences between the current market values or NAV of the even date and the historical cost of the Securities.
- j) Investments in the units of Mutual Funds will be valued at latest repurchase Net Asset Value (NAV) declared for the relevant scheme on the date of valuation of the Portfolio Investment.
- k) Dividend on shares and units of the mutual funds, interest on debt instruments, stock lending fees earned etc. shall be accounted on accrual basis except interim dividend, which would be accounted on receipt basis.

Management fees will be charged on the above portfolio value as per the scheme offer document.

Any regulations, circulars and guidelines issued by APMI with respect to valuation and accounting policy for securities shall be followed by the Portfolio Manager.

14. Investors services

The Portfolio Manager seeks to provide the Clients a high standard of service. The Portfolio Manager is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology. The Client servicing essentially involves:

- (a) Reporting Portfolio actions and Client's statement of accounts at pre-defined frequency;
- (b) Attending to and addressing any Client query with least lead time;
- (c) Ensuring Portfolio reviews at predefined frequency.

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

If client is having any grievance/complaint, he/she/it has to follow the following Escalation Matrix for registering the Grievances/complaint

Contact Person	Address	Contact No.	Email
Grievance Officer	301-302, 3rd Floor, Arunachal Building, Barakhamba Road, New Delhi - 110001	011-40861303	pms.grievance.mnclgroup.com
Compliance Officer	301-302, 3rd Floor, Arunachal Building, Barakhamba Road, New Delhi - 110001	011-40851312	pms.compliance@mnclgroup.com

(ii) Grievance redressal and dispute settlement mechanism:

The aforesaid personnel of the Portfolio Manager shall attend to and address any Client query/concern/grievance at the earliest. The Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle Client complaints. The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the Client.

Grievances/concerns, if any, which may not be resolved/satisfactorily addressed in aforesaid manner shall be redressed through the administrative mechanism by the designated Compliance Officer, namely Ms. Diksha Jha subject to the Regulations. The Compliance Officer will endeavor to address such grievance in a reasonable manner and time. The coordinates of the Compliance Officer are provided as under:

Name	Ms. Diksha Jha
Address	301-302, 3rd Floor, Arunachal Building, Barakhamba Road, New Delhi - 110001
Contact No.	011-40861303
Email id	pms.grievance@mnclgroup.com

If the Client still remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, the Client and the Portfolio Manager shall abide by the following mechanisms:

Any dispute unresolved by the above internal grievance redressal mechanism of the Portfolio Manager, can be submitted to mediation / conciliation/arbitration under online dispute resolution as specified by SEBI vide its circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 updated as on December 20, 2023 and further amendments thereto.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI COmplaints REdress System), post which the complaint will be either routed to the Portfolio Manager or to SEBI (as applicable), which may then forward the complaint to the Portfolio Manager and the Portfolio Manager will suitably address the same. SCORES is available at <http://scores.gov.in>.

15. Details of investments in the securities of related parties of the portfolio manager

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

Sr. No.	Investment Approach, if any	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	percentage of total AUM as on last day of the previous calendar quarter
Nil					

16. Details of diversification policy for portfolio manager:

This policy has been laid down to ensure the risk is spread across different asset classes, issuers and time horizon within the framework laid down in the specific Investment Approach. The Portfolio Manager follows a rule-based approach to investments. In this approach, Securities are eliminated by analyzing past data and selected based on rules / bottom-up or top-down research approach. This results in a well-diversified portfolio with broad based caps for weightages on individual stocks as well as sector. The Portfolio Manager shall periodically review the portfolios to maintain appropriate portfolio mix depending upon investment goals, market conditions, risk tolerance and liquidity requirement to ensure diversification and meet long term goals. However, the Clients need to understand that too much diversification require large capital investment and may also lead to

mutated returns. Further, portfolio churning for achieving diversification may not be effective on a long term basis in achievement of investment goals. Accordingly, diversification shall be undertaken while balancing risk and return to achieve desired results in achieving investment goals. Following broad diversification policy have been laid out to mitigate the unsystematic risks of the Client Portfolio:

The Portfolio Manager shall invest up to a maximum of 30% (thirty percent) of the Client's assets under management in the Securities of its own associates/related parties. Further, the Portfolio Manager shall ensure compliance with the following limits:

Security	Limit for investment in single associate/related party (as percentage of Client's assets under management)	Limit for investment across multiple associates/related parties (as percentage of Client's assets under management)
Equity	15%	25%
Debt and hybrid securities	15%	25%
Equity + debt + hybrid securities	30%	

The aforementioned limits shall be applicable only to direct investments by the Portfolio Manager in equity and debt/hybrid securities of its own associates/related parties and not to any investments in the mutual funds.

Hybrid securities includes units of Real Estate Investment Trusts, units of Infrastructure Investment Trusts, convertible debt securities and other securities of like nature.

17. General

Prevention of Money Laundering

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and the investor is duly entitled to invest the said funds.

To ensure appropriate identification of the Client(s) under its Know Your Client ("KYC") policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek information, record Investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client, holding the funds/Securities in his name, is legally authorised/entitled to invest the said funds/securities through the services of the Portfolio Manager, for the benefit of the beneficiaries.

The Portfolio Manager will not seek fresh KYC from the Clients who are already KYC Registration Agency (“**KRA**”) compliant except the information required under any new KYC requirement. The Clients who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded.

The Portfolio Manager, and its directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client’s account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with the provisions of the PML Laws and KYC policy. If the Portfolio Manager believes that transaction is suspicious in nature within the purview of the PML Laws, then it will report the same to FIU-IND.

Notwithstanding anything contained in this Document, the provisions of the Regulations, PML Laws and the guidelines there under shall be applicable. Clients/Investors are advised to read the Document carefully before entering into an Agreement with the Portfolio Manager.

For and on behalf of Monarch Network Capital Limited

[_____] DIN: [_____] Director	:	
[_____] DIN: [_____] Director	:	

Place: _____
Date: _____

FORMAT I
(Account Opening Form)

Information about the Client

1. General information about the client

- (a) Name, primary mailing address, secondary (back up) mailing address, identity information such as photograph, Permanent Account Number (PAN), driving license, etc.**

Name:	[_____]
primary mailing address:	[_____]
secondary (back up) mailing address:	[_____]
Identity information such as photograph:	
Permanent Account Number (PAN):	[_____]
Driving license:	[Copy attached]

- (b) Occupation:**

- (c) Introduced by (name and full address):**

Name:

Address:

- (d) Annual income for the last 3 financial years and the networth as on the last date of the respective years (*optional*):

2. Investment profile of the client

- (a) Investment experience regarding securities.

[_____].

- (b) Indicative percentage of total investment portfolio proposed to be invested with the portfolio manager (*optional*).

[_____].

- (c) Overall investment goals such as capital appreciation or capital appreciation and regular income or regular income.

[_____].

- (d) Risk tolerance i.e. low, medium or high.

[_____].

- (e) Time period for which investments are proposed to be made with the portfolio manager. (*This has to be same as the term of the agreement*)

[_____].

- (f) Provisions for systematic withdrawal on a monthly, quarterly, annual basis, etc.

[_____].

3. Investment approach opted by the client

[_____].

4. Details of portfolio construction for the client

(a) Equity: Nature of equities in which investments are desired, may be indicated.

[_____].

(b) Balanced: Percentage of debt/equity.

[_____].

(c) Debt: Government Bonds, corporate debt, etc.

[_____].

(d) Mutual funds

[_____].

(e) Others.

[_____].

Date: _____

Place: _____

Signature of the client

Annexure I

Investment Approaches

(A) Under Discretionary Portfolio Management Services

Investment Objective and Policies:

(a) Monarch Wealth Creator Fund

Investment Objective	To consistently generate wealth for our investors through disciplined stock selection and diligent allocation of investment capital across the stocks/sectors/Industries.
Basis of Selection/ Investment Strategy	<p>Our investment strategy for this fund blends two strategies with fund allocation up to 60% under each strategy*:</p> <p>(a) Thematic sub-strategy involves identifying the emerging investment themes and choosing the stocks which has the fundamental strength to capitalize on the theme. For Stock selection within a theme we rely on our proprietary framework, which evaluates a company on various parameters like business strength, total addressable market, superior management quality, cash generation capacity, high return ratios and efficient capital allocation. Our framework designates appropriate weight to each fundamental parameters. To further mitigate the portfolio risk, we choose multiple emerging themes across various sectors/Industries, to keep allocation in one stock/sector under check.</p> <p>(b) Momentum sub-strategy involves a dynamic fund allocation to stocks that are in momentum or expected to do well because of some corporate actions/ business transformation/ structural changes/ macro-economic environment. We identify the momentum stocks based on both fundamental and quantitative parameters.</p> <p><i>*Unutilized fund can be invested in securities listed in Clause 5 (b) of the Disclosure Document</i></p>

Types of securities.	Listed Equity
Category	Flexi Cap
Number of Srips	Up to 25 Srips
Benchmark	Nifty 500
Indicative tenure/ Investment horizon	5 Years
Risks associated with the investment approach	Disciplined stock selection and adequate diversification keeps the risk low. However, investing in equity market entails risk as mentioned in Clause (6) of the Disclosure Documents

FORM C

Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

[Regulation 22]

Name	Monarch Network Capital Limited
Address	<u>Registered Address:</u> Unit No. 803-804A, 8 th Floor, X-Change Plaza, Block No. 53, Zone 5, Road- 5E, Gift City, Gandhinagar – 382355, Gujarat, India <u>Correspondence Address:</u> 301-302, 3 rd Floor, Arunachal Building, Barakhamba Road, New Delhi – 110001, India
Phone Number	+91 011 40851303
Email	pms.compliance@mnclgroup.com

We confirm that:

- (i) the Disclosure Document forwarded to SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI 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 through the Portfolio Manager;
- (iii) the Disclosure Document has been duly certified by an independent Chartered Accountant, as on October 22, 2024. The details of the Chartered Accountants are as follows:

Name of the Firm : Jinendra Mehta and Associates
Registration Number : 0132870W
Partner : Payal Jain

Membership Number : 404142
Address : C-461 Second Floor Defence Colony New Delhi
Telephone Number : 9718001977

(enclosed is a copy of the Chartered Accountants' certificate to the effect that the disclosures made in the Document are true, fair and adequate to enable the investors to make a well informed decision).

For and on behalf of Monarch Network Capital Limited

Date: _____

Signature of the Principal Officer:

Md Shaukat Ali

Place: New Delhi

Registered Address: 803-804A, 8th Floor, X-Change Plaza,
Block No. 53, Zone 5, Road- 5E, Gift City, Gandhinagar –
382355, Gujarat, India