



MUNOTH
FINANCIAL SERVICES LTD

Regd. Office :

Munoth Centre, Suite No. 46 & 47, 3rd Floor,
343, Triplicane High Road, Chennai - 600 005. INDIA
Tele : 91-44-28591185, Fax : 91-44-28591188
E-mail : info@munothfinancial.com
CIN : L65991TN1990PLC019836

November 25, 2019

Mr Ankit Goel
Assistant Manager
DOF-1, Investment Management Department
Securities & Exchange Board of India
SEBI Bhavan, 3rd Floor, A Wing
Plot No.C4-A, "G" Block
Bandra-Kurla Complex
Bandra (E)
Mumbai 400051

Dear Sir:

Sub: Portfolio Management Services
Ref: Registration No.IMP000000308

We are enclosing following documents for registration with the Board as per Clause 14(1)(d) of SEBI Portfolio Managers Amendment Regulations, 2002.

1. Disclosure Document dated November 15, 2019
2. Auditor's Certificate dated November 15, 2019
3. Form C duly signed by Principal Officer as specified in Schedule 1 of Securities and Exchange Board of India (Portfolio Managers) Regulations 1993 (Regulation 14).

Thanking you

Yours faithfully
For Munoth Financial Services Limited.


Jaswant Munoth
Managing Director
MAPIN:A00098046



Encl.a/a

- Member of National Stock Exchange (CM INB 230803634)
- Member of National Stock Exchange Derivatives (INF 230803634)
- Member Madras Stock Exchange (INB 040803634)



- Merchant Banker (INM000003739)
- Portfolio Management Service (INP000000308)
- Depository Participant (IN-DP-NSDL-30-97)
- SEBI MAPIN No. : 100002089

Munoth Financial Services Limited

Portfolio Management Services

Disclosure Document

I. Declaration

This Document has been filed with the Securities & Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993.

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 a Portfolio Manager.

The necessary information about the Portfolio Manager required by an investor before investing is provided in the document and investors are also advised to retain the Document for future reference.

The Principal Officer designated by the Portfolio Manager is as under:

Mr. Jaswant Munoth
Managing Director
Munoth Financial Services Limited
Tel No: 044-28591185 Fax: 044-28591190
E-mail: jaswant@munothfinancial.com

This document is dated November 15, 2019 and supersedes the earlier Disclosure Documents filed with SEBI.

SEBI Registration No.INP000000308

Corporate Office: Munoth Centre 3rd Floor, No.343, Triplicane High Road, Chennai 600005
Telephone: 044-28591185 Fax: 044-28591190 www.munothfinancial.com



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1) Disclaimer Clause

This Disclosure Document is filed with SEBI. The particulars of this document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 1993, as amended from time to time. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of its contents. Our Company does not undertake to notify the Clients of any changes in the information stated herein, subsequent to the date of this document. This Disclosure Document is also available on the website of our company for all.

2) Definitions

Act	means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
Client or Investor	means any person/entity who enters into the Client Agreement with the Portfolio Manager for availing the Portfolio Management Services.
Client Agreement	means the Agreement executed between the Client and the Portfolio Manager for providing Portfolio Management Services to that Client and stating therein the terms and conditions of which the Portfolio Manager shall provide such Portfolio Management Services to that Client.
Custodian	means the entity appointed as custodian by Portfolio Manager from time to time and on case to case basis to provide custodial services and to act as a custodian on the terms and conditions as are agreed between the Custodian and the Portfolio Manager.
Depository	means depository as defined in the Depositories Act 1996.
Depository Account	means any account of the Client or for the Client with an entity registered as a depository participant as per the relevant regulations in which the Securities comprising part of the Portfolio of the Client are kept by the Portfolio Manager.
Disclosure document	means this Disclosure Document dated August 3, 2017 for offering Portfolio Management Services.
Portfolio	means the total holdings of Securities and Funds belonging to any Client.
Portfolio Manager	means Munoth Financial Services Limited - MFSL, who pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the Client (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of Securities or the Funds of the Client, as the case may be.
Portfolio Management Services	means the Discretionary Portfolio Management Services or Non-Discretionary Portfolio Management Services or Investment Advisory Services, as the context may require.
Discretionary Portfolio Management Services	means Portfolio Management Services where the Portfolio Manager exercises or may, under a contract relating to Portfolio Management exercise any degree of discretion as to the investments or management of the portfolio of Securities or the Funds of the client, as the case may be.



Non-Discretionary Portfolio Management Services	means Portfolio Management Services other than Discretionary Portfolio Management Services and Investment Advisory Services.
Investment Advisory Services	means the services, where the Portfolio Manager advises Clients on Investments in general or gives specific advice required by the Clients and as agreed upon in the Agreement.
Funds	means the money placed by the Client with the Portfolio Manager and any accretions thereto.
Funds Managed	means the market value of the Portfolio of the Client as on any date.
Initial Corpus	means the value of the Funds and the market value of readily realizable Securities brought in by the Client at the time of commencing of his relationship as a Client with the Portfolio Manager and accepted by the Portfolio Manager. The Securities brought in by the Client in the form of Securities shall be taken at the last available closing price on the day of transfer of Securities in the Depository Account. The Portfolio Manager shall not accept from the Client, Funds or Securities worth less than Twenty Five Lakh rupees.
Financial Year	means the year starting from April 1 st of a year and ending on 31 st March the following year.
Regulations	means the Securities and Exchange Board of India (Portfolio Managers) regulations, 1993 including the Rules, Guidelines or Circulars issued in relation thereto from time to time.
MFSL	means Munoth Financial Services Limited, a company incorporated under the Companies Act, 1956 and registered with SEBI as a Portfolio Manager in terms of SEBI (Portfolio Managers) Regulations 1993 vide registration No.INP000000308 and having its Registered office & Corporate office at Munoth Centre, 3 rd Floor, No.343, Triplicane High Road, Chennai 600005.
Services/Options	means any of the current services of MFSL's investment strategies/option or such offering/services that may be introduced at any time in the future by MFSL.
SEBI	means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

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

3) Descriptions

a. History, Present Business and Background:

Born entrepreneurs, the Marwari tribe in search of business prospects had begun migration to various states and neighboring nations in as early as 19th century. In many locales, Marwari immigrants over time (and, usually involving many generations) adopted or blended into the respective regional cultures.

By early 20th century the control over most of the inland trade routes was in Marwari hands. Most of the business of banking, selling of cloth and trading in opium was with them. Marwari's introduced indigenous banking and finance business, centuries before banks and finance companies came into existence. They transformed money as a commodity with buying power, into a financial

product and marketed it to individuals and businessmen, to meet their needs and to accelerate progress. With their impeccable and extraordinary standard of integrities, Marwari's spun financing into a fine art. Their work was their bond, veracity their way of life and prudence their intuitive instinct.

The tradition of financial acumen that's apparent even today at the Munoth Group. The Munoth family has rich experience in a variety of business including finance down the generations for over a hundred years now.

Faithful to their ancestor's philosophy, the Munoths' manage money in the most prudent manner, Planning and executing financial schemes with an accent on long-term growth and steady returns. The team works together seamlessly operating for the benefit of the customer and enduring slumps and low market morale.

Incorporated on November 1, 1990 under the Companies Act 1956 is a widely held entity and offers a gamut of capital market related services including Merchant Banking, Depository Services, Portfolio Management Services and Stock broking services. The Company is listed in Bombay Stock Exchange.

MFSL is a Category I Merchant Banker offering services in areas of Issue Management, Mergers & Acquisition, Investment Banking, Advisory Services, Restructuring, ESOPs, since 1994. MFSL has been associated with over hundred initial public offerings, rights issue, open offers & ESOPs. MFSL appointed by IL&FS is also an investment manager for a SEBI Registered AIF Fund – Valmark Realty Fund.

MFSL is the first entity in Southern India to commence Depository services with NSDL way back in 1997. MFSL offers services to resident Indians, non-resident Indians and Corporates. MFSL is a Stock Broker registered with National Stock exchange in cash segment since 1996 and F&O segment since 2002. The company's clientele include institutions, corporates, non-resident Indians and resident Indians. Apart from equity and F&O, MFSL also markets mutual fund and IPO products.

MFSL's Institutional clientele include United India Insurance, General Insurance Company, Indian Overseas Bank, Oriental Insurance company, Indian Bank, etc..

MFSL has qualified and trained manpower comprising Chartered Accountants, Management Graduates and Company Secretary who are geared towards understanding and achieving the financial goals of all its clients in the aforesaid areas.

MFSL caters to the investment needs of corporates, Resident & Non-Resident Indians, high net-worth individuals and retail clients.

MFSL has a comprehensive transactional website www.munothfinancial.com. MFSL also have in-house maintenance of Databases like Annual Reports, compilation of new activities/latest developments in Industry/Sectors, Archives of Research reports (inhouse & secondary sources), Journals & Newspapers like Capital Market, Economic Times, Financial Express, etc.. MFSL has purchased a specialized accounting software called MProfit for Portfolio Management.

b. Promoters of the Portfolio Manager & Directors



The Promoters of Munoth Group hails from Marwar in Rajasthan. They are known for impeccable and highest standard of ethics and have rich experience in a variety of business including finance down the generations for over a hundred year now.

The Group is managed by Mr Lalchand Munoth as Chairman and supported by his three Sons Mr Jaswant Munoth, Mr Bharat Munoth & Mr Vikas Munoth.

Name	Background
Shri Lalchand Munoth (Chairman)	Over 46 Years of experience in Money Management.
Mr Jaswant Munoth	<p>B.Com; MBA with over 21 Yrs of experience in capital market related activities.</p> <p>Secretary: Rajasthan Foundation, Chennai Chapter</p> <p>Secretary: MisrimalNavajee Munoth Jain Engineering College & MisrimalNavajee Munoth Jain School of Architecture</p> <p>Trustee: Tamilnadu Educational & Medical Trust</p> <p>Past President: Southern India Rajasthani Chamber of Commerce & Industry.</p> <p>Featured on the cover page of Magazine, India Today (Young Brats in Business)</p> <p>Set up one of the first wind power project in the State of Rajasthan</p> <p>Invited by The Indus Entrepreneur (TIE), Los Angeles, U.S.A to talk on "Opportunities available in capital markets in India"</p> <p>Presented a paper on "Infrastructure" in the prestigious Rajasthani Conclave, 2000.</p> <p>Confederation of Indian Industry Speaker at "CONNECT 2004.Chairman - JITO Chennai Chapter.</p>
Mr Bharat Munoth	Commerce graduate with over 20 Yrs of experience in stock broking. Compliance Officer for Stock Broking & DP.
Mr Vikas Munoth	B.Com, MBA, CFA with over 16 Yrs experience in capital market related areas.
Shri Ajit Kumbhat	Is a Practicing Chartered Accountant with more than 28 years experience in finance and taxation. He is the partner of M/s. Kumbhat & Co, Chartered Accountants, Chennai. He is a director of M/s. Kumbhat Financial Services Limited; a company specializes in financial services. He is also well known person in sports field and holds various positions in different governing bodies.
Ms Lakshika Mehta	Ms. Lakshika Mehta, aged 28 years is a commerce graduate and is a member of Institute of Chartered Accountants of India. She has done her part Article ship with Ernst &Young She has also worked under Deloitte Haskins & Sons and has handled various assignments including Risk Advisory & Consulting Services as a field senior. She also worked as Specialist - local statutory reporting at Shell India Market Pvt.

Limited. She is also Director of Munoth Communication Limited.
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c. Group Companies of MFSL

1. Munoth Communication Limited
2. Munoth Industries Limited
3. Shankeswar Finance & Investments Pvt Ltd
4. Maharana Finance & Investments Pvt Ltd
5. South India Chemicals & Leasing Pvt Ltd
6. Misrimal Navajee Estates Pvt Ltd
7. Munoth Bio-Science Ltd.

d. Details of services being offered

Portfolio Manager offers Discretionary Portfolio Management services and Non-Discretionary Portfolio Management services to its prospective clients after ascertaining their investment needs and objectives. For more details refer section (5) – “Services Offered”.

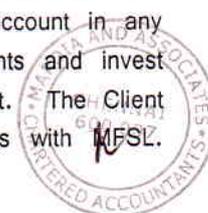
4) Penalties, Pending Litigations or legal proceedings, etc:

1.	Cases of penalties imposed by SEBI under the SEBI Act or any of its regulations against the Portfolio Manager	Nil
2.	The nature of the penalty/direction	NA
3.	Penalties imposed for any economic offence and/or for violation of any securities laws	Nil
4.	Pending material litigation/legal proceedings against the Portfolio Manager /Key personnel with separate disclosure regarding pending criminal cases, if any.	Nil
5.	Any deficiency in the systems and operations of the Portfolio Manager observed by the SEBI or any regulatory agency	Nil
6.	Any enquiry/adjudication proceedings initiated by the Board against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or Rules or Regulations made thereunder.*	Nil
	* The above information is to the best of the Company’s knowledge and information.	

5) Services Offered:

A. Discretionary Portfolio Management Services

Under these services, the choice as well as the timings of ability to make the investment decisions on an on-going basis rest solely with MFSL. MFSL may at times and at its own discretion, adhere to the views of the client pertaining to the investment/disinvestment decisions of the clients’ portfolio. MFSL shall have the sole and absolute discretion to invest in respect of the Clients’ account in any type of security as per the Client agreement and make such changes in the investments and invest some or all of the Clients’ account in such manner and in such markets as it deems fit. The Client may give informal guidance to customize the portfolio; however, the final decision rests with MFSL.



The securities invested/disinvested by MFSL for Clients in the same Offering/Option may differ from one Client to another Client. MFSL's decision taken in good faith towards deployment of the Clients' account is absolute and final and can never be called in question or be open to review at any time during the currency of the Client agreement or any time thereafter except on the ground of malafide, intent, fraud, conflict of interest or gross negligence. This right of MFSL shall be exercised strictly in accordance with the Regulations. Periodical statements in respect of Clients' Portfolio shall be made available to the respective Clients. Investment objective may vary from client to client. Depending on the individual client requirements, the portfolio can also be tailor made based on the client specification.

MFSL is currently offering following options under Discretionary Portfolio Management services.

a. Munoth Growth Option

A highly flexible investment option, which offers diversified investment portfolio across Large cap, Multi cap, Mid cap, Small cap and Micro cap stocks that would be the engine of growth and key drivers of Indian economy.

b. Munoth LMS Option

A relatively stable investment option with investments predominantly in Large, Medium & Small Caps. The objective of this option is to ensure liquidity and lower impact cost leading to the construction of a relatively more stable portfolio. Majority of funds will be allocated to larger mid-caps and smaller mid-caps. Fairly liquid investments are proposed to be made primarily in the bigger companies based on market capitalization having fairly scalable operations and a potential of strong earnings growth. MFSL will pay particular attention to valuation gap between the stock and the peers in the same sector as one of the factors to be considered before investing.

c. Munoth Focus Option

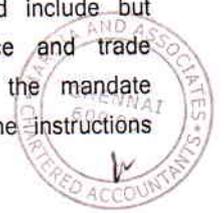
This investment option focusses on investments in smaller companies. Various parameters may be used to judge the degree of compelling valuations including but not limited to, potential of both price and earnings to rise, early entry benefits etc Due attention will be paid to qualitative parameters such as management vision and mission. These investments would carry relatively higher risk, including illiquidity risk at times.

d. Munoth Multi Asset Portfolio Option

The investment objective of this option shall be to construct a diversified portfolio and endeavor to generate capital appreciation by taking active asset allocation calls by investing in a mix of asset classes depending upon the prevalent market condition. The portfolio shall primarily invest, but shall not be restricted to, in equity and equity related securities, debt securities, money market instruments and units of mutual funds.

B. Non-Discretionary Portfolio Management Services

Under these services, the Client decides their own investments, with the Portfolio Manager only facilitating the research and execution of transactions. The Portfolio Manager's role would include but not limited to providing structuring of clients' portfolios, investment advice and guidance and trade execution at the Client's request. The Portfolio Manager shall execute orders as per the mandate received from Clients. The deployment of the clients' funds by the Portfolio Manager on the instructions



of the Client is absolute and final and can never be called in question or shall not be open to review at any time during the currency of the Client agreement or at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. Periodical statements in respect of Clients' Portfolio shall be sent to the respective clients.

C. Investment Advisory Services

Under these services, the Portfolio Manager advises both Individual & Institutional Clients on investments in general and any specific advice required by the Clients and agreed upon in the Client agreement. The Portfolio Manager will render the best possible advice to the client having regard to the client's needs and the environment and his own professional skills. The same can be binding or non-binding in nature or in such terms as mentioned in the Client agreement. For such services, the Portfolio Manager charges the Client a fee for services rendered mentioned in the Client agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio.

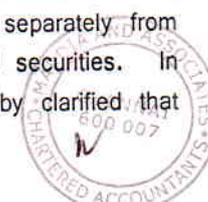
D. Type of Securities where Investments may be made by MFSL under any of the above mentioned Options

- a) Shares, scrips, stocks, bonds, debentures or other marketable securities of a like nature in or of any incorporated company or other body corporate,
- b) Derivatives
- c) Units or any other instrument issued by any collective investment scheme to the investors in such schemes
- d) Units of Mutual Funds, Units of SEBI registered Venture Capital Funds, Bank Fixed Deposits, IPOs, other public offers, bilateral offers, placements, rights, etc

E. Maintenance of Clients' Securities & Funds in a separate Account

a) In terms of Regulation 16(8) of the SEBI (Portfolio Managers) Regulations, 1993 read with SEBI Circular IMD/CIR No.1/155740/2009 dated February 27, 2009 and SEBI Circular IMD/PMS/2/2009/11/05 dated May 11, 2009, Portfolio Manager shall not hold the listed securities, belonging to the portfolio account, in its own name on behalf of its clients either by virtue of contract with clients or otherwise. Further, as per SEBI Notification No.LAD-NRO/GN/2011-12/37/3689 dated February 10, 2012, the Portfolio Manager will have to segregate each client's holding in unlisted securities in separate accounts in respect of investment by new clients and fresh investments by existing clients.

b) In terms of Regulation 16(7) of the SEBI (Portfolio Managers) Regulations, 1993, the Portfolio Manager shall segregate each client's funds and portfolio of securities and keep them separately from his own funds and securities and be responsible for safe keeping of clients' funds and securities. In terms of SEBI Circular IMD/DOF 1/PMS/Cir-4/2009 dated June 23, 2009, it is hereby clarified that



Portfolio Managers may keep the funds of all clients in a separate bank account maintained by the Portfolio Manager subject to the following conditions:

- i) There shall be a clear segregation of each client's funds through proper and clear maintenance of back office records.
- ii) Portfolio Managers shall not use the funds of one client for another client.
- iii) Portfolio Managers shall also maintain an accounting system containing separate client-wise data for their funds and provide statement to clients for such accounts at least on monthly/quarterly basis.
- iv) Portfolio Managers shall reconcile the client-wise funds with the funds in the aforesaid bank account on daily basis.

F. Investment Philosophy, objectives and policies

Equity Investments:

Portfolio Manager would identify companies for investments, based on the following criteria among others - (a) Sound Management (b) Good Track Record of the company (c) Potential for future growth (d) Industry and economic scenario. Besides, it is expected that a portion of the funds will also be invested in Initial Public Offering and other primary market offering. The objective evaluation of an investment case would be founded on data and reasoning. Extensive research would be carried on before committing client's funds.

Debt Investments:

Investment decision would be based on - (a) Active views on the interest rates and yield curves (b) Active duration management (c) Credit quality of the portfolio (d) Liquidity of the security (e) Any other view taken by the Portfolio Manager from time to time. The Portfolio Manager would endeavor to mitigate the risk associated with debt securities by diversification and effective use of hedging techniques.

As per the Regulations, the Portfolio Manager shall not deploy the clients' funds in bill discounting, badla financing or for the purpose of lending or placement with Corporate or non-corporate bodies.

Trading in Derivatives

Portfolio Manager can also participate in the derivatives trading subject to Regulations issued by SEBI in this behalf.

G. Risk Management

The Portfolio Manager shall not trade on margin or on a speculative basis on behalf of the client. All transactions shall be on delivery basis. The portfolio shall be structured so as to keep risk at acceptable levels. This shall be done through various measures including -
(a) Broad diversification of portfolio (b) Ongoing review of relevant market, industry, sector and economic parameters (c) Investing in companies that have been well researched.

Besides, the asset allocation by the Portfolio Manager would be done keeping in view the investment objective, risk profile and investment horizon of the client. The Portfolio Manager may, from time to time, review and modify the investment strategy if such changes are considered to be in the best interests of the investors and if market conditions warrant it.

6) Risk Factors

- a. Securities investments are subject to market and other risks and there is no assurance or guarantee that the objective of the schemes will be achieved.
- b. 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 scrip accounting for large proportion of trading volume. Consequently, the Portfolio Manager makes no assurance of any guaranteed returns of the Portfolio.
- c. Past performance of the Portfolio Manager does not guarantee its future performance.
- d. Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the funds in a prudent manner in such instruments, such decision shall not always prove to be profitable or correct. Consequently the Client shall assume any loss arising from such decisions. The investment made by the Portfolio Manager are subject to risks arising from the Investment objective, Investment strategy and asset allocation.
- e. Macro-Economic risks like overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, change in government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments and consequently the growth of the Portfolio.
- f. Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.
- g. Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. While securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold.
- h. The derivatives will entail a counter party risk to the extent of amount that can become due from the party. The cost of hedge can be higher than adverse impact of market movements. An exposure to derivatives in excess of hedging requirements can lead to losses. An exposure to derivatives can also limit the profits from a genuine investment transaction. Efficiency of a derivatives market depends on the development of a liquid and efficient market for underlying securities and also on the suitable and acceptable benchmarks.

- i. Non Diversification Risk – The risk arises when the portfolio is not sufficiently diversified by investing in a wide variety of instruments.

7. Client Representation

Category of clients	No. of clients	Funds managed (Rs. cr)	Discretionary/ Non Discretionary/Advisory (if available)
(i) Associates /group companies - Last 3 years	NIL	NIL	Not Applicable
(ii) Others - Last 3 years			
As at 31 st March 2019 (Audited)	4	2.87	Discretionary
As at 31 st March 2018 (Audited)	3	2.68	Discretionary
As at 31 st March 2017 (Audited)	4	2.98	Discretionary
(ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.	NIL	NIL	Not Applicable

8. Financial Performance of MFSL based on audited financial statements (Rs Lakhs)

	Year prior to the Preceding Year of the Current Year As on 31.03.2018 (Audited)	Preceding Year As on 31.03.2019 (Audited)	Current year – HY As on 30.09.2019 (un audited)
5.1 capital structure			
Paid-up capital	513.53	513.53	513.53
Free reserve (excluding revaluation reserve)	127.05	156.77	133.77
Share Application Money	Nil	Nil	Nil
Total	640.58	670.30	647.30
5.2 Deployment of Resources			
Fixed Assets, Plant & Machinery and office equipment (Gross)	640.23	516.98	509.05
Investments	490.19	453.55	445.55
others	Nil	Nil	Nil
5.3 Major Sources of Income			
Brokerage and Other charges	23.46	21.72	13.84

PMS Fees	3.05	2.94	2.59
Merchant Banking & Investment Management Fees	113.88	5.27	2.84
Income from DP Operation	6.31	5.66	2.84
Income from Share Registry Operation	0.00	0.00	0.00
Other Income	7.74	4.13	2.79
Total Income	154.44	39.72	24.90
5.4 Net profit/Loss	231.45	(68.07)	(23.01)

9 .Portfolio Management performance of the portfolio manager for the last four years and in case of discretionary Portfolio Manager disclosure of performance indicators calculated using weighted average method in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993.

	31.03.2019	31.03.2018	31.03.2017	31.03.2016
Portfolio performance (%) (Annualized) Net of all fees and charges levied by the Portfolio Manager – Resident Indian	-4.80%	-0.65%	19.04	-6.02
Corporate – Resident	Nil	Nil	Nil	Nil

10. Nature of expenses:

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

I. Specific expenses related to Equity Portfolios:

a. Management Fees

Management Fees relate to the Portfolio Management Services offered to clients. The fee may be a fixed amount charge or a percentage of the quantum of funds managed or linked to portfolio returns achieved or a combination of any of these, as agreed by the Client in the Client Agreement. Profit /performance shall be computed on the basis of high water mark principle (wherever applicable) over the life of the investment, for charging of performance / profit sharing fee.

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

of charging performance fee, the frequency shall not be less than quarterly. The portfolio manager shall charge performance based fee only on increase in portfolio value in excess of the previously achieved high water mark. In the event of it being a fixed charge or a percentage of the quantum of funds managed, it shall not exceed 20% p.a. of the Client's portfolio corpus. With regard to the management fees linked to portfolio returns achieved, the terms will be decided as per the Client agreement.

b. Entry Fees

Entry fees relates to entry charges payable to the Portfolio Manager at the time of subscription or additional subscription

c. Exit Fees

Exit fees relate to exit charges payable to the Portfolio Manager at the time of complete withdrawal or partial withdrawal.

II. Other General Expenses applicable to all type of Portfolios

a. Custodian/Depository Fees

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

b. 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.

c. Brokerage and transaction costs

The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.

d. Securities Lending and Borrowing charges

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

e. Certification and Professional charges

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



f. Incidental Expenses

Incidental Expenses are in connection with the courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank accounts etc. All fees and charges shall be levied on the actual amount of clients' assets under management. In case of interim contributions/ withdrawals by clients, performance fees may be charged after appropriately adjusting the high water mark on proportionate basis.

Manner of payment of fees and/or expenses:

MFSL shall recover directly from the bank account of the client under PMS, all the fees, transaction cost and other charges as specified above.

11. Taxation**Short Term Capital Gain**

As per Section 111A short term capital gain, arising on transfer of equity shares in a company or a unit of an equity oriented fund will be charged to income tax @ 15% (plus applicable surcharge & Education Cess, if any) provided such transaction has been subjected to Securities Transaction Tax (STT). Other Short Term Capital gains will be taxed at the normal rates as given in the respective regulations.

Long Term Capital Gain

An Investment, which is not a short term capital asset, would be treated as long term capital asset. As per Sec.112A any LTCG arising from sale of such equity shares and equity-oriented mutual funds, which are held for more than one year will be chargeable to tax at 10 percent plus surcharge & cess as applicable, provided only if the LTCG exceeds Rs.1,00,000. Furthermore no indexation will be allowed on such transaction. However, capital gains upto Rs 1,00,000 in a single financial year will be exempt.

Interest Income:

The Investor would have to pay income tax on the interest income so received as normal income.

12. Accounting Policies

Books and Records would be separately maintained in the name of the client to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided by the SEBI (Portfolio Management) Regulations, 1993, as amended from time to time. Accounting under the respective portfolios will be done in accordance with Generally Accepted Accounting Principles in India. The following Accounting policies will be applied for the portfolio investments of clients.



MFSL shall keep and maintain proper books of accounts, record and documents for each client so as to explain transactions for each client and to disclose at any point of the Portfolio Holding of each Client.

a) Investments are stated at cost of acquisition.

The cost of investment acquired or purchased shall include brokerage, stamp duty and any other charges customarily included in the broker's contract note. In determining the holding cost of investment and the gains or loss on sale of investment, the First In First Out method shall be followed.

In the even of the aggregation of purchases or sales for economy of scale interese, the Portfolio Manager shall do allocation on pro rata basis at weighted average price of the day's transaction.

b) Market Value of Investments shall be calculated as follows:

Investments in listed/traded securities will be valued at the closing market prices of the NSE. If the securities are not listed in NSE then closing market prices of BSE.

Investments in unlisted securities will be valued at the actual cost of acquisition, till the time it is listed/traded and thereafter it will be valued as per clause above.

Investment in Mutual Funds will be valued at the repurchase Net Asset Value for the relevant scheme and Debt instruments will be valued on the basis of closing market prices as per FIMMDA (Fixed Income Money Market And Derivatives Association of India)

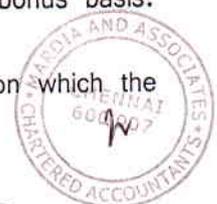
c) Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date so that the effect of the all investment traded during a financial year is recorded and reflected in the financial statements for that year.

d) Dividends on shares and Mutual Fund units, interest on debt instruments shall be accounted on accrual basis and in the case of dividend on listed share and mutual fund, when the securities become ex-dividend basis.

e) Expenses related to PMS which includes PMS fees, brokerage, taxes and charges, audit fees and any other charges that MFSL may incur for running the PMS accounts shall be accounted on accrual basis.

f) Bonus shares will be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchanges on ex-bonus basis.

g) Rights entitlement shall be recognized only when the original shares on which the



rights entitlement accrues are traded on the stock exchanges on ex-rights basis.

- h) MFSL and the client can adopt any specific norm or methodology for valuation of investments or accounting the same which may be mutually agreed between them on a case specific basis.

13. Investors Services

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

Investor Relations Officer - Mrs Ranjani Padmanabhan
Portfolio Management Division
Munoth Financial Services Limited
Munoth Centre, Suite No.46 & 47, 3rd Floor
343, Triplicane High Road
Chennai 600005
Phone:044-28591185 Fax:044-28591188
Email:ranjani@munothfinancial.com

(ii) Grievance Redressal and Dispute Settlement Mechanism:

Grievances, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the portfolio manager and are subject to SEBI (Portfolio Managers) Regulations, 1993 and any amendments made thereto from time to time.

All disputes, differences, claims and questions whatsoever arising between the client and the Portfolio Manager 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 for the time being in force. Such Arbitration proceedings shall be held at Chennai. Except as abovesaid in relation to settlement of disputes through arbitration, all the legal actions and proceedings are subject to the jurisdiction of court in Chennai only and shall be governed by Indian Law.

- iii. Investor may also register/lodge complaints online on SCORES (SEBI COMPLAINTS REDRESS SYSTEM) portal i.e. <http://scores.gov.in/> by clicking on "Complaint Registration" under "Investor Corner".


(Jaswant Munoth)
Managing Director

Chennai
15.11.19



CERTIFICATE

This is to certify that disclosure made by M/s. MUNOTH FINANCIAL SERVICES LIMITED, having office at No:343, Triplicane High Road, Chennai-600005 in the disclosure document for Portfolio Management Services are true, fair & adequate to enable the investors to make a well informed decisions.

Place: Chennai

Date: **15**.11.2019

For MARDIA & ASSOCIATES

CHARTERED ACCOUNTANTS

Reg No: 007888S




(MANISH MARDIA)

Proprietor

M.NO : 205307

UDIN:19205307AAAAFL4845

FORM C**SECURITIES AND EXCHANGE BOARD OF INDIA
(PORTFOLIO MANAGERS) REGULATIONS 1993
(REGULATION 14)**

Name of Portfolio Manager Munoth Financial Services Limited

Address Munoth Centre, Suite No.46 & 47, 3rd Floor
343, Triplicane High Road, Chennai 600005
Telephone:91-44-28591185
Fax: 91-44-28591188
Email:info@munothfinancial.com

We confirm that:

- i. the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 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 Services.
- iii. the Disclosure Document has been duly certified by Mr Manish Mardia, Proprietor, M/s Mardia & Associates, Chartered Accountants, No.1-A, Valliammal Road, Vepery, Chennai 600007, Phone:91-44-26414638/26412281. We enclose a copy of Chartered Accountant's certificate certifying the disclosures made in disclosure document are true, fair and adequate to enable the investors to make a well-informed decision.

Signature of Principal Officer:



Name & Address of Principal Officer:

Mr Jaswant Munoth (MAPIN-A00098046)
Managing Director
Munoth Financial Services Limited
Munoth Centre, Suite No.46 & 47, 3rd Floor
343, Triplicane High Road,
Chennai 600005
Phone:91-44-28591185
Fax: 91-44-28591188
Email:jaswant@munothfinancial.com

Place: Chennai

Date: November 15, 2019

