MUMBAI

14th Floor, Bakhtawar
Nariman Point, Mumbai
400 021 India

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www.baycapindia.com

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16/10

Date: 16.10.2023

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Contents Not Verified
16 OCT 2023
सेबी /SEBI
मुंबई /MUMBAI

To
Securities Exchange Board of India
Investment Management Department
Plot No.C4-A,'G' Block, Bandra Kurla Complex
Bandra (East),
Mumbai - 400 051

Ref: SEBI Registration no. INP000005208 of Portfolio Management Services

Sub: Submission of Disclosure Document

Dear Sir,

In terms of Regulations 22 (7) of the SEBI (Portfolio Managers) Regulations, 2020, please find enclose the following documents:

1. Disclosure Document as on 13th October 2023.
2. Certificate in Form C
3. Certificate issued by S Panse & Co LLP, Chartered Accountants certifying disclosure document.

Thanking You,

For Bay Capital Investment Advisors Private Limited

BAY CAPITAL INVESTMENT ADVISORS PVT. LTD. ★ MUMBAI

Nikunj Doshi
Principal Officer

S Panse & Co LLP
"formerly S. Panse& Co."
Chartered Accountants

9, Three View Society, Veer Savarkar Marg, Mumbai - 400 025. India. Tel / Fax : 2437 0483 / 84 Email: admin@panse.in

CERTIFICATE

In the matter of: **Bay Capital Investment Advisors Pvt. Ltd.**
14th Floor, Bakhtawar Tower
Nariman Point, Mumbai - 400 021.

On the basis of verification of Disclosure Document as required by the SEBI (Portfolio Managers) Regulation, 2020 and other documents, records, audited Financial Statements as on March 31, 2023 of Bay Capital Investment Advisers Pvt. Ltd. and the information and explanation given to us, it is confirmed that:

The disclosure made in the Disclosures Document dated October 13, 2023, copy attached herewith, as required by the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and the directives issued by SEBI from time to time are true, fair and adequate to enable the investors to make a well informed decision.

For S. Panse & Co LLP
Chartered Accountants

PShende

S. PANSE & CO. LLP MUMBAI

Pradnya Shende
Partner
M.No: 172845
FRN: 113470W/W100591
UDIN: 23172845BGVBPC6916

Place : Mumbai
Date : October 13, 2023

FORM C

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

Bay Capital Investment Advisors Private Limited
14th Floor, Bakhtawar Tower, Nariman Point, Mumbai – 400 021.
Telephone No: 43468000
Fax: 2283 0620

We confirm that:

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

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

(iii) the Disclosure Document has been duly certified by an Independent Chartered Accountants viz, Ms. Pradnya Shende (Membership No.- 172845) of M/s. S Panse & Co LLP, 9, Three View Society, Opp. Century Bazaar, Veer Savarkar Marg, Mumbai – 400025 on 13.10.2023.

Signature of the Principal Officer

BAY CAPITAL INVESTMENT ADVISORS PVT. LTD. MUMBAI

Date: 13.10.2023
Place: Mumbai

Name: **Nikunj Doshi**
Designation: **Principal Officer**
Address: 14th Floor,
Bakhtawar Tower,
Nariman Point,
Mumbai - 400 021.

BAY CAPITAL INVESTMENT ADVISORS PRIVATE LIMITED

PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT

Bay Capital Investment Advisors Private Limited

Key Information

- This Disclosure Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020.
- The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decisions for engaging Bay Capital Investment Advisors Private Limited (Bay Capital) as a Portfolio Manager.
- This disclosure document sets forth concisely the necessary information about Bay Capital that is required by a prospective investor before investing.
- The investor should carefully read the entire disclosure document prior to making a decision to avail of the Portfolio Management Services and should retain this Disclosure document for future reference.

Principal Officer	**PORTFOLIO MANAGER**
Mr. Nikunj Doshi	**Bay Capital Investment Advisors**
14th Floor, Bakhtawar Tower,	**Private Limited**
Nariman Point,	14th Floor, Bakhtawar Tower,
Mumbai - 400 021.	Nariman Point,
Tel no. 4346 8000	Mumbai - 400 021.
Email: nikunj@baycapindia.com	Tel no. 4346 8000

The Disclosure document is dated 13.10.2023.

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BAY CAPITAL INVESTMENT ADVISORS PVT. LTD. MUMBAI

1. Disclaimer Clause

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

2. Definitions

In this disclosure document, the following words and expressions shall have the meanings specified herein, unless the context otherwise requires:

Act	means the Securities and Exchange Board of India Act, 1992 (15 of 1992)
Accreditation Agency	means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time
Accredited Investor	means any person who fulfils the following eligibility criteria or such other criteria as may specified by SEBI from time to time and is granted a certificate of accreditation by an accreditation agency The persons fulfilling the following criteria, or such other criteria as may be specified by SEBI from time to time, will be eligible to be considered as Accredited Investors: (i) Individuals, HUFs, Family Trusts and Sole Proprietorships, which meet the criteria as under: a. Annual Income >= INR 2 Crore; OR b. Net Worth >= INR 7.5 Crore, out of which at least INR 3.75 Crore is in the form of financial assets; OR c. Annual Income >= INR 1 Crore+ Net Worth >= INR 5 Crore, out of which at least INR 2.5 Crore is in the form of financial assets; (ii) Partnership Firms set up under the Indian Partnership Act, 1932 in which each partner independently meets the criteria for accreditation. (iii) Trusts (other than family trusts) with net worth greater than or equal to INR 50 Crore. (iv) Body Corporates with net worth greater than or equal to INR 50 Crore.
Advisory Services	Non-exclusive, non-binding investment advice to be rendered to a Client by the Portfolio Manager on the terms and conditions pursuant to Agreement
Agreement	The agreement executed between the Portfolio Manager and its clients in terms of Regulation 22 and Schedule IV of SEBI (Portfolio Managers) Regulations, 2020 and any modifications or amendments thereto issued by SEBI.
Associate	Means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager
AUM	Assets Under Management
Board	means the Securities and Exchange Board of India
Client or Investor	means any person who registers with the Portfolio Manager for availing the services of portfolio management.

Depository Account	means any account of the client with an entity registered as a Depository Participant as per the relevant regulations
Discretionary Portfolio Management Services	Discretionary Portfolio Management Services" means Portfolio Management Services provided by the Portfolio Manager exercising any degree of discretion as to investments, or management of the Portfolio of the securities or the funds of clients, as the case may be, as per the Agreement relating to portfolio management and to ensure that all benefits accrue to the Client's Portfolio, for an agreed fee structure, and for a definite period as described, entirely at the Client's risk.
Disclosure Document	This document issued by Bay Capital for offering Portfolio management services, prepared in terms of Regulations 22 and in accordance with Schedule V of SEBI (Portfolio Managers) Regulations, 2020.
Financial year	means the year starting from April 1 and ending on March 31 of the following year.
Funds	means the money placed by the Client with the Portfolio Manager and any accretions thereto.
Initial Corpus	means the value of the funds and the market value of readily realizable investments brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.
Non-discretionary Portfolio Management Services	Non-discretionary Portfolio Management Services" means a Portfolio Management Services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing, for an agreed fee structure, and for a definite period as described period, invests in respect of the Client's account in any type of security entirely at the Client's risk and to ensure that all benefits accrue to the Client's Portfolio.
NRI	Non-Resident Indian
Portfolio	All the total holdings of securities and cash/cash equivalent managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes any securities mentioned in the Agreement, any further securities placed by the Client with the Portfolio Manager for the purposes of being managed pursuant to such Agreement, securities acquired by the Portfolio Manager through investment of Funds and securities (bonus and rights) on account of any corporate actions in respect of securities forming part of the Portfolio, so long as the same are managed by the Portfolio Manager pursuant to the Agreement.
Portfolio Manager or Company	Bay Capital Investment Advisors Private Limited, incorporated under the Companies Act, 1956, and registered with SEBI to act as a Portfolio Manager in terms of SEBI (Portfolio Managers) Regulations, 1993 vide Registration No. INP000005208 dated 27.06.2019 having validity till it is suspended or cancelled by the SEBI.

RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.
Regulations	means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 along with any circulars, directions, or guidelines issued by SEBI thereunder, as amended from time to time.
Related Party	Means: (i) a director, partner or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, partner, manager or his relative is a partner; (iv) a private company in which a director, partner or manager or his relative is a member or director; (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. Of its paid-up share capital; (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager; (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the portfolio manager; or (B) a subsidiary of a holding company to which the portfolio manager is also a subsidiary; (C) an investing company or the venturer of the portfolio manager. The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the portfolio manager would result in the portfolio manager becoming an associate of the body corporate. (ix) a related party as defined under the applicable accounting standards; (x) such other person as may be specified by the Board: Provided that, (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or (b) any person or any entity, holding equity shares: (i) of twenty per cent or more; or (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.
SEBI/the Board	Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992, as amended from time to time.
"Securities"	Security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.

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Direct on-boarding	an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in "Regulations".

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3. **Description**

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

Envision Capital Advisors Pvt Ltd. was incorporated on 20th December 2006, Mumbai, under the Companies Act, 1956. Envision Capital Advisors Pvt. Ltd. (ECAPL) carried out changes in its constitution and as required under Regulation 9A of SEBI (PMS) Regulations, 1993, it obtained prior approval of SEBI. Later on, name of the Company has been changed to Bay Capital Investment Managers Pvt. Ltd vide fresh certificate of incorporation consequent upon change of name dated 25th January 2010 issued by Registrar of Companies, Mumbai. Name of the Company further got changed to Bay Capital Investment Advisors Private Limited vide fresh certificate of incorporation consequent upon change of name dated 22nd April 2020 issued by Registrar of Companies, Mumbai.

SEBI vide its letter no IMD/DOF-1/MT/178635/2009 dated October 1, 2009 has given approval of the restructuring plan of Envision Capital Advisors Pvt. Ltd (ECAPL). As per said letter SEBI advised to obtain fresh certificate of registration within 6 months of receipt of the said letter. Accordingly, Portfolio Manager has submitted application for obtaining certificate of registration on Feb 26, 2010. Bay Capital has received SEBI registration vide no INP000003799 dated Aug 04, 2010 under Securities and Exchange Board of India (Portfolio Manager) Regulations, 1993, the same license has got renewed for the period of 3 years, expiring on Aug 03, 2016.

SEBI vide its letter no IMD/DF1/PMS/SCS/OW/3879/2016 dated May 12, 2016 has given approval of the restructuring plan of Bay Capital Investment Managers Pvt. Ltd ("**Bay Capital**"). As per said letter SEBI advised to obtain fresh certificate of registration within 6 months of receipt of the said letter. Accordingly, Portfolio Manager has submitted application for obtaining certificate of registration on May 24, 2016. Bay Capital has received SEBI registration vide no INP000005208 dated Aug 03, 2016 under Securities and Exchange Board of India (Portfolio Manager) Regulations, 1993, for the period of 3 years, expiring on Aug 02, 2019. As per PMS regulation Portfolio Manager has to apply for renewal of its registration certificate to SEBI 3 months before the expiry of the validity of the certificate, hence Bay Capital has applied for renewal of SEBI registration vide no. INP000005208 on May 23, 2019. Bay Capital has received SEBI registration vide no INP000005208 dated Jun 27, 2019 under Securities and Exchange Board of India (Portfolio Manager) Regulations, 1993, having validity till it is suspended or cancelled by the SEBI. Bay Capital had further applied for renewal of its PMS license on 04.05.2022

As on August 2023, Bay Capital has been rendering Portfolio Management Services to 46 numbers of clients having assets to the extent of Rs. 44.29 Crores under its Discretionary Services.

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(ii)

A. Directors and their background: -

I	Name of Director	:	Mr. Nikunj Doshi, Director & CIO
	Address	:	1201 Plot No.5, Nootan Mahadeo Kripa CHS Ltd. 90 Feet Road, TPS 3, Ghatkopar (East), Rajawadi Mumbai - 77
	Qualification	:	M.M.S (Finance) from NMIMS, Mumbai. (He was awarded the Best Student of Management award across eight management institutes in Mumbai by Bombay Management Association). B.E (Electronics) from M.S. University of Baroda. (Was ranked fourth in the University).
	Experience	:	He has 27 years of experience in equities research and asset management at various institutions. Prior to be part of Bay Capital Investment Managers Pvt. Ltd. he was with the Kotak Mahindra group for 5 years which he joined in 2002, rose up the ranks and by 2007 became Senior Vice President in Kotak Mahindra Asset Management Company At Kotak his last assignment was as Senior Vice President, Kotak Mahindra Asset Management Company Limited (KMAMC). In this role, he was primarily responsible for the equity investment strategy of Mutual Fund with equity assets under management exceeding Rs.2000 crores. The role involved building and leading the equity investment team consisting of associate fund managers, and research analysts. Prior to KMAMC, he was with Kotak Securities Limited (KS) which he joined in 2002 first as Associate Vice President, Portfolio Management. He was primarily responsible for portfolio strategy, model portfolio construction, identification of investment themes and identification and evaluation of individual investment ideas. He also played a role in setting up Kotak PCG Research, a focused bottom driven mid-cap research team dedicated for retail/non-institutional investors. Prior to joining Kotak Securities, he was Head of Research at Refco – Sify Securities Pvt. Ltd, SKP Securities, Ventura Securities and Lloyds Finance.
	Date of Appointment	:	04th Jan 2010
	Other Directorship	:	NIL

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II	Name of Director	:	Mr. Keyur Majmudar, Director
	Address	:	41, Amit Tata Employee CHS Ltd, Prabha Devi, Murari Ghag Marg, Mumbai - 25
	Qualification	:	Master's Degree in management from Boston University and Bachelor's in Commerce from Mumbai University
	Experience	:	He has 25 years of experience in Capital Market & Asset management at various institutions. Prior to be part of Bay Capital Investment Managers Pvt. Ltd, he was with the Kotak Mahindra group for 10 years which he joined in 1999. In this role, he was primarily responsible for conceptualizing and building the equity advisory business for Kotak Securities Ltd. The role involved managing and advising private clients and institutional investors on their India investments with Kotak Mahindra in London. Prior to Kotak Mahindra Group, he was with Oxford International Finance and Lazard Credit Capital Ltd.
	Date of Appointment	:	30th July 2010
	Other Directorship	:	(i) Sanatan Yogadharma Prasar LLP (ii) Yogiraj Shamachurn Lahiree Films LLP (iii) Bay Diligence & Dev Charitable Trust (iv) Range.Org (v) Foundation for Rebuilding Childhood (vi) Bay Capital Partners LLP

B. Investment Team & Their Qualifications:

Name		Mr. Ravi Srivastava, Partner & Head of Research
Address	:	3H/34, Kalpataru Aura, LBS Marg, Ghatkopar West, Mumbai 400086
Qualification	:	PGDM from Indian Institute of Management, Ahmedabad (IIM A) BTech (Electronics & Communication) from VNIT, Nagpur CFA Charter holder from CFA Institute, USA

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Experience	:	He has 4 years of investing and asset management experience at Bay Capital Investment Advisors Private Limited. At Bay Capital Investment Advisors Pvt Ltd., he is the Partner and Head of Research and advises the offshore fund of USD 400 Mn. Prior to Bay Capital Investment Advisors Private Limited, he was working with Bay Capital Partners LLP for 4 years as Investment Analyst. Prior to that, he was working with SLC (a Singapore-based decision consulting firm) as an Engagement Manager and worked on projects across Asia Pacific and North America. Prior to SLC, he worked at Siva Group in their mergers and acquisitions team and worked on evaluating several investment deals.
Date of Appointment	:	01.08.2018
Other Directorship	:	NIL

(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis
Based on latest audited Financial Statement as on 31 March 2023, Bay Capital Advisors Pvt Ltd. & Vivea Holdings & Services Pvt Ltd has been classified as related party of Bay Capital.

(iv) Details of services being offered: Discretionary / Non-discretionary / Advisory:

DISCRETIONARY SERVICES

The Portfolio Manager shall be acting in a fiduciary capacity with regard to the Client's account consisting of investment, accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value). The Portfolio Manager shall be acting both as an agent as well as a trustee of the Client's account.

The Portfolio Manager will provide Discretionary Portfolio Management Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described, entirely at the Client's risk.

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The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of security as per executed Agreement and make such changes in the investments and invest some or all the Client's account in such manner and in such markets as it deems fit would benefit the Client. The Portfolio Manager's decision in 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 agreement or any time thereafter. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Act, rules and regulations, guidelines and notifications in force from time to time.

STRUCTURED PRODUCTS

Under the Discretionary Portfolio Management Services offered to the Client, the Portfolio Manager may design financial products or invest in any one or a combination of financial instruments such as equity, bonds, debentures, mutual fund units, fixed deposits, derivatives instruments, etc. to meet specific requirements of the Clients.

These products would be managed in accordance with the product specifications provided by the Portfolio Manager to the Client. The amount invested by the clients under the structured products may be as per the Investment Period as per the Agreement and subject to exit load in case of early withdrawal. Every structured product would have separate term sheet and risks, these would be documented and would be agreed by the clients in writing before investment.

NON-DISCRETIONARY SERVICES

The Portfolio Manager will provide Non-discretionary Portfolio Management Services as per express prior Instructions issued by the Client from time to time, in the nature of investment consultancy/management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights, etc. so as to ensure that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite described period, entirely at the Client's risk.

The deployment of the Clients account 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 agreement or any time thereafter. The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the relevant Act, rules and regulations, guidelines and notifications in force from time to time.

ADVISORY SERVICES

The Portfolio Manager will provide Advisory Portfolio Management Services, in terms of the SEBI (Portfolio Manager) Regulations, 2020, which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy, sectoral allocation and investment and divestment of individual securities on the client portfolio, for an agreed fee structure, entirely at the Client's risk; to all eligible category of investors who can invest in Indian market including domestic institution, NRIs, FIIs, etc.

The Portfolio Manager shall be solely acting as an advisor to the portfolio of the client and shall not be responsible for the investment / divestment of securities and / or administrative

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activities on the client's portfolio. The Portfolio Manager shall, provide advisory services in accordance with such guidelines and/or directives issued by the regulatory authorities and/or the Client, from time to time, in this regard.

(v) Minimum Investment Amount

The first minimum lump-sum investment amount to be invested under the portfolio is Rs. 50,00,000/- (Rupees Fifty Lakhs Only)

(vi) Direct client on boarding

The Portfolio Manager provides an option to Clients to invest directly with the Portfolio Manager and avail services of the Portfolio Manager. Such investments can be made without any intermediary or distribution agent.

(vii) Services offered to Accredited Investors and Large Value Accredited Investors:

The below regulatory concessions are available to Accredited Investor and Large Value Accredited Investor under SEBI (Portfolio Managers) Regulations, 2020:

Particulars	Applicability
Contents of agreement specified under Schedule IV of SEBI (Portfolio Managers) Regulations, 2020 shall not apply to the agreement between the Portfolio Manager and Large Value Accredited Investor	Large Value Accredited Investor
The requirement of minimum investment amount per client shall not apply.	Accredited Investor
The Portfolio Manager may offer discretionary or non-discretionary or advisory services for investment up to hundred percent of the assets under management in unlisted securities subject to the terms agreed between the client and the Portfolio Manager	Large Value Accredited Investor
The quantum and manner of exit load applicable to the client of the Portfolio Manager shall be governed through bilaterally negotiated contractual terms	Large Value Accredited Investor

(viii) Net Worth of the Portfolio Manager

The net worth of the Portfolio Manager as on March 31, 2023 is INR 15.88 Crores, based on the audited financials for the year ended March 31, 2023.

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 the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder	Nil
(ii)	The nature of the penalty / direction	Not Applicable
(iii)	Penalties imposed for any economic offence and / or for violation of any securities laws	Nil

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(iv)	Any pending material litigation / legal proceedings against the Portfolio Manager / key personnel with separate disclosure regarding pending criminal cases, if any	Nil
(v)	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency	Nil
(vi)	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

5. SERVICES OFFERED

Discretionary Portfolio Management Services

Investment objectives may vary from client to client. The investment objectives of the client would be understood and captured by Bay Capital. and depending on the individual client requirements, the Investment Approach would be structured based on the Client's specifications. The same is used to arrive at the appropriate fund of the client. Currently, the Portfolio Manager offers the following:

The Investment approach adopted by the portfolio manager for the existing portfolio services are as follows:-

A. Bay Frontline Equity Portfolio:

Investment Objective

The objective of investment under this portfolio is to generate capital appreciation over the medium to long term by investing in equity and equity-related instruments in the Indian public markets. The portfolio manager would adopt a flexible investment strategy with the ability to invest across market capitalizations (large cap, mid cap and small cap stocks). The portfolio manager on a selective basis would also have the ability to invest up to a maximum of 15% of the committed portfolio corpus in IPO, pre-IPO and private equity related transactions. The Portfolio Manager may from time to time invest the idle cash balance in units of liquid Mutual Funds in the above portfolio.

Investment Philosophy

Equities as an asset class provides reasonable risk adjusted returns over a long period of time. Therefore, the investment philosophy would revolve around adopting the bottom up approach to identifying and selecting individual companies. The investment style of the portfolio would be a suitable blend of top down macro themes and bottom up investment ideas at the micro level.

The salient features of investment philosophy would include the following criteria among others:-

1. Sound Management
2. Focus on Fundamentals
3. Potential for future growth
4. Industry scenario
5. Margin of Safety

Investment Strategy
The investment strategy will be largely bottom up as the Portfolio Manager believes that share prices over the long term, are driven by the quality of the business and its earnings. In other words, while the overall macro environment is important, it is not the driving factor for the investments.

The Portfolio Manager's strategy is to identify businesses with deep, entrenched 'moats' around them which may be in the form of brands, distribution, technology or market share or any other reason why a business will be able to maintain its competitive edge in an industry. These moats usually allow businesses to generate high return on capital and consistent free cash flows which drives share price performance over the long term. The Portfolio Manager will employ an investment discipline and will rely on fundamental research as the core of the investment philosophy. The Portfolio Manager will look to invest in companies across the spectrum of various market capitalizations (small cap, mid cap and large cap) and across various sectors although there are a few industries which will, by definition, have more companies with strong moats around them (like consumer goods) than others such as commodity producers. The investment philosophy is to run a concentrated portfolio upto Thirty stocks at any given point of time.

Although the Portfolio Manager intends to invest primarily in companies which are based in India and have securities which are traded on exchanges in India., the Portfolio Manager may also selectively buy securities of foreign companies providing good risk-adjusted returns subject to applicable laws.

There can be no guarantee or assurance that the Portfolio Manager will achieve its investment objectives. The objectives set out in this agreement are the targeted and the proposed objectives and they shall be subject to the risks inherent in undertaking such investment opportunities.

The above scheme is closed by the portfolio manager for further subscription.

1. Investment objective : The investment objective of the Portfolio is to seek to achieve long term capital appreciation by primarily investing in a diversified portfolio of primarily equity and equity-related securities listed on the exchanges in the Indian sub-continent

2. Strategy : Equity

3. Description of types of securities : Invest in equity and equity linked securities

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4. Basis of selection of such types of securities as part of the investment approach: Based on fundamental desk research on companies followed by management meetings/calls and analysing financial performances.

5. Allocation of portfolio across types of securities : Invest across different sectors to derisk portfolio. Invest in maximum of 30 securities in order to diversify risk. Surplus cash in portfolio at any point will be invested in debt instruments, money market instruments or cash equivalents

6. Appropriate benchmark to compare performance and basis for choice of benchmark : Nifty 50 TRI, We follow concentrated investment approach with intention to generate alpha over Nifty 50 and hence we are keeping Nifty 50 as the benchmark.

7. Indicative tenure or investment horizon : Long term time horizon with no lock in.

8. Risks associated with the investment approach : Each portfolio companies have business related and economy related risks. Market volatility may affect portfolio performance and returns. Being 30 stock portfolio concentration risk is also high.

9. Other salient features, if any : We focus on providing long term sustainable returns to our investors.

B. Bay India Opportunities Portfolio (Earlier Bay Select Concentrated Portfolio)

The main objective of the investment under this portfolio is to generate capital appreciation over the medium / long term by investing in select equity shares and equity related instruments in concentrated manner. The portfolio will typically have less than 30 stocks, however in case of portfolio transition the number of stocks could be more. The target segment of investment ideas would be bottom up and market cap agnostic.
The portfolio manager aims to invest through bottom up stock picking in emerging & existing themes to take advantage of the overall economic growth cycle. The investment style of the portfolio would be a suitable blend of top down macro themes and bottom up investment ideas at the micro level.
From a top down perspective, the portfolio would revolve around the following four broad based India specific themes:

1. Consumption
2. Financialization
3. Digital First Business
4. i-Outsourcing

The investment philosophy would be to identify companies which have the ability to create value for investors in the medium to long run and thereby endeavor to achieve the investment objectives of the proposed portfolio. This philosophy would revolve around adopting the bottom up approach to identifying and selecting individual companies. The salient features of the bottom up driven investment philosophy would include the following:
Focus on Fundamentals
Quest for Value
Long term Orientation
Margin of Safety

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The portfolio manager would focus on investing in the companies with sound business model/strong management and/or attractive valuations. The portfolio manager would like to adopt buy and hold approach for investment and would attempt to participate through the entire cycle of value unlocking which can happen over longer time frame. The belief is that the key to generating superior long term returns is to assess the margin of safety, i.e. the difference the purchase price and intrinsic value. The greater the margin, better are the prospects for improving returns in the long run.

1. Description of types of securities : Investment in listed securities

2. Strategy : Equity

3. Basis of selection of such types of securities as part of the investment approach : We select stocks based on our fundamental research.

4. Allocation of portfolio across types of securities : Our investment approach is market cap agnostic and sector agnostic

5. Appropriate benchmark to compare performance and basis for choice of benchmark : Nifty50 TRI, We follow concentrated investment approach with intention to generate alpha over Nifty 50 and hence we are keeping Nifty 50 as the benchmark.

6. Indicative tenure or investment horizon : We invest with longer term horizon, may be 3-5 years

7. Risks associated with the investment approach : Risks pertains to market related risk and company specific risks.

8. Other salient features, if any – NIL

C. Bay Capital India First Portfolio

Investment Objective

The main objective of the investment under this portfolio is to generate asymmetrical, uncorrelated returns for investors in the long term by investing in select equity shares and equity-related instruments in a concentrated manner. The portfolio manager would adopt a flexible investment strategy with the ability to invest across market capitalizations (large-cap, mid-cap, and small-cap stocks).

Investment Philosophy

The investment philosophy is to identify franchises that can compound their earnings in the long term and thereby endeavor to achieve the investment objectives of the proposed portfolio. This philosophy would revolve around adopting the bottom-up approach to identifying and selecting individual companies.

Investment Strategy

- The portfolio will typically have 15-50 stocks and will be market cap agnostic.
- The investment approach is a "Buy and Hold" one with an attempt to stay invested for a long-time frame (typically, 3 to 5 years or more).
- The investment process will be research-driven and bottom-up focused. The investment will be made in franchises which can compound earnings at a high growth rate (over 15%) while generating a high return on capital (over 20%) and are available at fair to attractive valuations.
- Each stock will be added to the portfolio after undergoing a detailed research and valuation exercise.
- Portfolio Churn will happen in case of – 1) excessive valuations; 2) investment thesis not playing out; 3) capital misallocation; 4) corporate governance issues; 5) new idea which can generate a higher return in the longer run.

1. **Description of types of securities:** Investment in listed securities
2. **Strategy :** Equity
3. **Basis of selection of such types of securities as part of the investment approach:** We select stocks based on our fundamental research.
4. **Allocation of portfolio across types of securities:** Our investment approach is market cap agnostic and sector agnostic
5. **Appropriate benchmark to compare performance and basis for the choice of benchmark:** Nifty 50 TRI, We follow concentrated investment approach with intention to generate alpha over Nifty 50 and hence we are keeping Nifty 50 as the benchmark.
6. **Indicative tenure or investment horizon:** We invest with a longer-term horizon, maybe 3-5 years
7. **Risks associated with the investment approach:** Risks pertain to market-related risks and company-specific risks.
8. **Other salient features, if any – NIL**

D. Structured /Customized Portfolio

Investment objectives may vary from client to client and therefore, depending on the individual client requirements, the portfolio can also be structured / customized based on the client's specifications.

These products would be managed in accordance with the product specifications provided by the Portfolio Manager to the Client. The amount invested by the clients under the structured products may be as per the Investment Period as per the Agreement and subject to exit load in case of early withdrawal. Every structured product would have separate term sheet and risks, these would be documented and would be agreed by the clients in writing before investment.

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Bay Capital has raised about Rs. 119.39 Cr. under Structured Product – Series I, Series II Series III, Series IV, Series VIII & Series IX to be invested in unlisted equity shares of Indian Companies. However, the said four Structured Products – Series I, Series II and Series III & Series IV are closed for subscription and no longer available for the investors. Further please be informed we have redeemed 100 % of Structured Product –Series II and refunded the money to the investors. Further also be informed that we have redeemed 100% of Structured Product –Series IV and refunded the money to the investors in the month of Nov 17 & Dec 17. Further kindly note we have transferred 100% of Structured Product Series III in FY 2019-22. Further, in respect of Structured Product Series I, we have transferred 93% of the funds & securities during the FY 2010-2022

a. Structured Product - Series I

1. Investment objective : The objective of investment under this portfolio is to generate capital appreciation over the medium to long term by investing in equity and equity-related instruments in the Indian capital markets.

2. Strategy : Equity

3. Description of types of securities : Invest in unlisted equity and equity linked securities of IL&FS Ltd

4. Basis of selection of such types of securities as part of the investment approach: IL&FS is one of the leading players in the infrastructure and financial services sectors with growing interest in the education services and property management,

5. Allocation of portfolio across types of securities : Invest in Unlisted equity and equity related instruments

6. Appropriate benchmark to compare performance and basis for choice of benchmark : Nifty 50 TRI, We follow concentrated investment approach with intention to generate alpha over Nifty 50 and hence we are keeping Nifty 50 as the benchmark.

7. Indicative tenure or investment horizon : Long term time horizon with minimum of 3 years lock in.

8. Risks associated with the investment approach : Delay in listing of security and illiquidity could hamper exit from investment.

9. Other salient features, if any : NA

b. Structured Product - Series VIII

1. Investment objective: The objective of investment under this portfolio is to generate capital appreciation over the medium to long term by investing in equity and equity-related instruments in the Indian capital markets.

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3. Description of types of securities: Invest in unlisted equity and equity linked instruments of Antfarm Business Incubators Pvt. Ltd.

4. Basis of selection of such types of securities as part of the investment approach: Antfarm is a technology incubation Company which has team of blue sky thinkers, entrepreneurs and brilliant professionals who know what it takes to build and scale business in today's competitive landscape. They take great ideas, put together all the key ingredients of people, technology, strategy, marketing & money to build these out into real companies that can disrupt and own their categories.

5. Allocation of portfolio across types of securities: Invest in Unlisted equity and equity related instruments

6. Appropriate benchmark to compare performance and basis for choice of benchmark : Nifty 50 TRI, We follow concentrated investment approach with intention to generate alpha over Nifty 50 and hence we are keeping Nifty 50 as the benchmark.

7. Indicative tenure or investment horizon: Long term time horizon with minimum of 36 months lock in.

8. Risks associated with the investment approach: Delay in listing of security and illiquidity could hamper exit from investment.

9. Other salient features, if any : NA

c. Structured Product – Series IX

1. Investment objective : The objective of investment under this portfolio is to generate capital appreciation over the medium to long term by investing in equity and equity-related instruments in the Indian capital markets.

2. Strategy : Equity

3. Description of types of securities: Invest in unlisted equity and equity linked instruments of SAMCO Ventures Private Limited

4. Basis of selection of such types of securities as part of the investment approach: Samco is one of the leading players in financial technology providing financial services and investment products in a significantly large and under penetrated market. The Company is using technology to reduce costs per transaction and reach more and more customers. The business model of SAMCO is different than traditional brick and mortar channel as it provides access to various financial services on mobile and desktop platforms.

5. Allocation of portfolio across types of securities : Invest in Unlisted equity and equity related instruments

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6. Appropriate benchmark to compare performance and basis for choice of benchmark : Nifty 50 TRI, We follow concentrated investment approach with intention to generate alpha over Nifty 50 and hence we are keeping Nifty 50 as the benchmark.

7. Indicative tenure or investment horizon : Long term time horizon with minimum of 48 months lock in.

8. Risks associated with the investment approach : Delay in listing of security and illiquidity could hamper exit from investment.

9. Other salient features, if any : NA

Policies for investments in Associate/Group companies

The Portfolio Manager will, before investing in the securities of associate/ group companies, will evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Portfolio. Investments under the Portfolio in the securities of the group companies will be upto 100% and the same would be subject to the applicable laws/regulations/guidelines.

In accordance with SEBI Circular dated December 16, 2022 and APMI Circular dated March 23, 2023 read with clarification dated March 31, 2023, the Benchmark for Investment Approaches are selected from the list prescribed by APMI to reflect the core philosophy of the Strategy and the new Benchmarks are adopted with effect from April 1, 2023.

6. REGISTERED BROKER

a. **Axis Capital Ltd.**
Address: Axis House, 8th Floor,
Bombay Dyeing Mills Compound,
PB Marg, Worli,
Mumbai-400 025

b. **Nuvama Wealth Management Limited**
Address: Edelweiss House,
Off CST Road, Kalina,
Mumbai - 400098

c. **Incred Capital Wealth Portfolio Managers**
Address: 3rd Floor , B Wing , Kaledonia Building,
Sahar Road, Andheri (E),
Mumbai – 400069

d. **Motilal Oswal Financial Services Ltd**
Address: Motilal Oswal Tower, Prabhadevi,
Mumbai 400 025

e. Investec Capital Services (India) Private Limited
Address: Parinee Cresenzo, 11th Floor, "B" Wing, Bandra Kurla Complex, Mumbai – 400051, Maharashtra, India

7. RISK FACTORS

- Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of investments will be achieved.
- Past performance of the Portfolio Manager does not indicate its future performance.
- The names of the model portfolios do not in any manner indicate their prospects or returns.
- Investors are not being offered any guaranteed or assured return/s i.e. either of Principal or appreciation on the portfolio.
- Investors may note that Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends.
- Investments in equity may be adversely affected by the performance of companies, changes in the economy, government policy, the market place, credit ratings and industry specific factors.
- Debt and other fixed income investments may be subject to changes in interest rates and/or liquidity, credit and reinvestment risks.
- The liquidity of the Portfolio's investments is inherently restricted by trading volumes in the securities in which it invests.
- Industry specific stocks, like technology stocks, may be subject to volatility, high valuations, obsolescence and low liquidity.
- Appreciation in any of the model portfolio can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any model portfolio may also be affected due to any other asset allocation factors.
- When investments are restricted to a particular or few sector(s) under any model portfolio; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the portfolio value will be adversely affected.
- In the case of stock lending, risks relate to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon. The Portfolio Manager is not responsible for any loss resulting from stock lending.
- Each portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from client to client. However, generally, highly concentrated portfolios with lesser number of stocks will be more volatile than a portfolio with a larger number of stocks.
- The valuation of the Portfolio's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. There will be no

prior intimation or prior indication given to the Clients when the composition / asset allocation pattern changes.

- Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.
- There are no transactions of purchase and/or sale of securities by Bay Capital and employees who are directly involved in investment operations that conflicts with transactions in any of the client's Portfolio.
- The Portfolio Manager and its employees who are directly involved in investment operations shall abide by high level principles on avoidance of conflicts of interest while entering into its / their transactions and that of the client.
- Bay Capital acts as an investment manager and sponsor to Bay Capital Investment Trust. Bay Capital will carefully monitor the services to make sure that Bay Capital treats all clients fairly and ensure no conflict of interest arises.
- Consultation of a registered investment advisor may be done on suitability of equities and suitability of Bay Capital as a PMS provider.

Risk Arising from Investment Objective, Investment Strategy and Asset Allocation

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Portfolio. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well developed and liquid secondary market for debt securities would result, at time, in potential losses to the Portfolio, in case of a subsequent decline in the value of securities held in the Portfolio.

- The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yields. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.

- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. This may however increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.

- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock

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exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Portfolio(s) and may lead to the investments incurring losses till the security is finally sold.

- 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. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the Approved Intermediary to return the securities deposited by the lender the possible loss of corporate benefits accruing thereon.

- To the extent that the portfolio will be invested in securities denominated in foreign currencies, the India Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in regulations concerning exchange controls or political circumstances as well as the application to it or other restrictions on investment.

- **Interest Rate Risk**: As with all debt securities, changes in interest rates may affect valuation of the Portfolio's as the prices of securities generally increase as interest rates decline and generally decrease as interest rate rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short-term securities. Indian debt markets can be volatile leading to the possibility to price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.

- **Liquidity or Marketability Risk**: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.

- **Credit Risk:** Credit Risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

- **Reinvestment Risk**: This refers to the interest rate levels at which cash flows received from the securities under a Portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

- **Currency Risk:** The Portfolio Manager may also invest in overseas Fixed Income or other Securities / instruments as permitted by the concerned regulatory authorities in India. To the extent that the investment will be in securities / instruments denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuation in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

- **Specific Risk factors pertaining to Diversified Portfolio**

  The Portfolio Manager seeks to make investment in unlisted securities/ instruments (private equity). The investment in private equity may also be made in the units issued by SEBI registered Venture Capital Fund or any other instrument available in the market. The major risk factors pertaining to investment in unlisted securities/ instruments (private equity) are given herein below. Investors are advised to read carefully the Portfolio specific risk factors mentioned in detail, in the Agreement to be executed with Portfolio Manager, before making investment.

  Risks arising out of Non-Diversification
  Diversification of portfolio across asset classes, investment themes, sectors and securities is normally construed to be less risky for investors. It is to be noted that the portfolio is likely to be more focused on a single asset class, i.e. equities which inherently is very volatile. Further the portfolio could be subject to more risk on account of its concentration of investments into a few sectors or a limited number of securities. In addition to limited/inadequate diversification across asset classes, themes and sectors, the portfolio could be prone to higher risk on account of non-diversification across capitalizations, particularly if the portfolio has a bias towards mid-cap and small-cap companies

- **Specific Risk factors pertaining to Unlisted Securities**
  The Portfolio Manager seeks to make investment in private equity or pre-IPO related transactions i.e. unlisted securities/ instruments (private equity). In case of Company's IPO, then investment will be subject to regulatory lock in, if any, as prescribed by SEBI from time to time. Many of such investment made by the Portfolio Manager may be illiquid, and there can be no assurance that the Portfolio Manager will be able to realize profits on such investments in a timely manner. Since such investment may involve a high degree of risk, poor performance by any of these investments could lead to adverse effects on the returns received by investors.

- **Conflict of interest**
  All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if

found having conflict of interest with the transactions in any of the client's portfolio.- NIL

If the portfolio manager has group companies, a disclosure of conflict of interest related to services offered by group companies of the portfolio manager if any. – NIL

8. Client Representation

(i) Bay Capital is currently offering Discretionary and Advisory Portfolio Management Services. There are 48 clients serviced by Bay Capital as on August 31, 2023:

Category of Clients	No. of Clients	Funds Managed (in crores)	Discretionary / Non-Discretionary/Advisory
Associate / Group Companies			
2020-21	Nil	Nil	N.A.
2021-22	Nil	Nil	N.A.
2022-23	Nil	Nil	N.A.
As on August 31, 2023	Nil	Nil	N.A.
Others			
2020-21	86	15.508	Discretionary
2021-22	27	11.299	Discretionary
2022-23	38	17.872	Discretionary
As on August 31, 2023	46	44.290	Discretionary
Advisory			
2020-21	1	Nil	Advisory Services
2021-22	1	Nil	Advisory Services
2022-23	1	Nil	Advisory Services
As on August 31, 2023	1	Nil	Advisory Services
Total			
2020-21	87	15.508	
2021-22	28	11.299	
2022-23	39	17.872	
As on August 31, 2023	47	44.290	

(ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India. (This disclosure is extracted from the information provided in the audited accounts of Bay Capital as on March 31, 2023.)
Related Parties where control exists:

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Sr. No.	Name & Nature of the Related Party	Nature of Transaction
1.	Bay Capital Advisors Pvt Ltd. – Associate Company	NIL
2.	Vivea Holdings & Services Pvt. Ltd. – Associate Company	Equity Shares allotted during the year.
3.	Nikunj Doshi - Director	Salary Paid
4.	Keyur Majmudar - Director	Salary Paid

Other related parties with whom transactions have been taken place during the period - NIL

As on 31st August 2023, following Employees/Key Personnel have invested into the Portfolio Management Services

Sr. No.	Name of the Related Party	Designation	Amount Invested (In INR)
1.	Nikunj Doshi	Director/Principal Officer	9,673,348
2.	Ravi Srivastava	Partner & Head of Research	16,097,751
3.	Nishad Karkare	Research Analyst	8,839,148
4.	Prachi Kodikal	Research Analyst	9,398,171
5.	Rahul Jha	Research Analyst	7,439,934

9. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

Following table captures key financial data of Bay Capital based on Audited Financial Statements as on March 31, 2023:

Particulars	As on March 31, 2023 (in Rupees)	As on March 31, 2022 (in Rupees)	As on March 31, 2021 (in Rupees)
Sources of Funds			
Share Capital	50,02,550	29,97,050	29,97,050
Reserves & Surplus	15,37,77,786	8,72,81,222	7,85,60,929
Non-Current Liabilities	0	0	0
Current Liabilities	1,02,35,247	7,21,88,011	3,90,67,074
Application of Funds			
Non-Current Assets	6,54,11,923	5,83,14,811	8,16,85,670
Current Assets	10,36,03,659	10,41,51,472	3,89,39,383
Net worth (as per method of calculation defined in the Regulations)	15,87,80,336	9,02,78,272	8,15,57,978

Total Income	21,35,16,321	37,97,06,349	12,00,99,906
Net Profit/(Loss) after tax	41,25,514	87,20,293	(89,71,134)

10. PORTFOLIO MANAGEMENT PERFORMANCE

Portfolio Management performance of the Portfolio Manager for the last three years, and in case of discretionary Portfolio Manager disclosure of performance indicators calculated using 'Time Weighted Rate of Return' in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020, as amended from time to time.

Currently, the portfolios being managed by the Portfolio Manager are in the nature of Discretionary Equity Portfolio Management Services.
Historical Performance Indicator for Discretionary Portfolio Management Services vis-à-vis the Benchmark Index:

	Current Year	**Year 1**	**Year 2**	**Year 3**
	F.Y. 2023-24 (till 31.08.2023)	**F.Y. 2022-23**	**F.Y. 2021-22**	**F.Y. 2020-21**
Equity Oriented				
Bay Frontline Equity Portfolio (%) (till 07.07.2023)	20.79	-8.99	-8.43	-97.11
Benchmark Performance (%)				
Nifty 50 TRI	11.89			
Nifty 50		-0.60	18.88	70.87
Bay India Opportunities Portfolio (Earlier Bay Select Concentrated Portfolio) (%) (from 19.01.2023)	30.29	-4.38	NA	NA
Benchmark Performance (%)				
Nifty 50 TRI	11.79			
Nifty 50		-4.43	NA	NA
Bay Capital India First Portfolio (%) (from 27.01.2023)	22.73	0.16		
Benchmark Performance (%)				
Nifty 50 TRI	11.79			
Nifty 50		-2.97		
Structured Product				
Series I (%)	0.73	4.05	-100.00	81.91

Benchmark Performance (%)				
Nifty 50 TRI	11.79			
BSEMIDCAP		-0.18	19.46	90.93
Series VIII (%)	0.77	0.00	0.00	0.01
Benchmark Performance (%)				
Nifty 50 TRI	11.79			
BSEMIDCAP		-0.18	19.46	90.93
Series IX (%)	-0.51	-2.04	-2.00	-1.94
Benchmark Performance (%)				
Nifty 50 TRI	11.79			
BSEMIDCAP		-0.18	19.46	90.93

Note:

1. The existing benchmark of the Investment Approach has been revised as under w.e.f. 01.04.2023:

Sr. No.	Strategy	Investment Approach	Revised Benchmark
1.	Equity	Bay Capital India First Portfolio – Listed	Nifty 50 TRI
2.	Equity	Bay Frontline Equity Portfolio – Listed	Nifty 50 TRI
3.	Equity	Bay India Opportunities Portfolio – Listed	Nifty 50 TRI
4.	Equity	STRUCTURED PRODUCT SERIES I - Unlisted	Nifty 50 TRI
5.	Equity	STRUCTURED PRODUCT SERIES IX - Unlisted	Nifty 50 TRI
6.	Equity	STRUCTERED PRODUCT SERIES VIII - Unlisted	Nifty 50 TRI

2. Returns are time weighted cash flow adjusted and after expenses. (Structure Product Series V, VI & VII were not activated till August 31st 2023.)
3. Performance for Scheme Bay Frontline Equity Portfolio is reported till 07.07.2023 as the said scheme is closed on 07.07.2023.

11. AUDIT OBSERVATION

There has been no audit observation by statutory auditor for the statutory audit of portfolio Manager for Financial Year 2022-23, 2021-22 & 2020-21.

12.NATURE OF EXPENSES

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

(a) Management Fees

Management Fees relate to the Portfolio Management Services offered to clients. The fee may be fixed charge or a percentage of the quantum of funds manages or linked to portfolio returns achieved or a combination of any of these, as agreed by the Client in the PMS Agreement. In the event of it being a fixed charge or a percentage of the quantum of funds managed, it shall not exceed 2.5% p.a. of the Client's AUM.

In addition to the fixed fee, with regard to the management fees linked to portfolio returns/out performance achieved, the fee structure will be mutually decided as per the client agreement.

With regard to the management fees linked to portfolio returns achieved, the terms will be decided as per the client agreement. Management Fee carry goods and service tax at the applicable rate as per Finance Act 2016 as amended from time to time.

Other charges include the following expenses, which shall be charged as mutually decided as per the client agreement.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) Certification and professional charges

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

(g) Incidental Expenses

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

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(h) Exit Load for Investment Approach based on listed securities

In case client portfolio is redeemed in part or full, the exit load charged shall be as under:

i. In the first year of investment, maximum of 2% of the amount redeemed.
ii. In the second year of investment, maximum of 1% of the amount redeemed.
iii. In the third year of investment, maximum of 0.5% of the amount redeemed.
iv. After a period of three years from the date of investment, no exit load.

(i) Direct on-boarding charges

At the time of on-boarding of clients directly, no charges except statutory charges shall be levied.

All the operational expenses excluding brokerage and related transaction costs, over and above the fees charged for Portfolio Management Service shall not exceed 0.50% per annum of the client's average daily Assets under Management. All or some of the operational expenses mentioned above excluding brokerage and related transaction costs, may be clubbed under a single expense head.

13. TAXATION

TAX IMPLICATIONS FOR CLIENTS.

The information set out below outlines the tax implications based on relevant provisions of the Indian Income-tax Act, 1961 **('the Act')** as amended by the Finance Act, 2023 and Chapter VII of the Finance (No. 2) Act, 2004 **('Securities Transactions Tax Act'/'STT')**.

13.1 General

Income derived from investment in securities is subject to tax as per the provisions of the Act. Special reference needs to be made in respect of provisions related to capital gains, business income, interest and dividend. Client owns the liability for his 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 Scheme of the Company.

A Portfolio of client may have:

- Dividend income;
- Long-term and short -term capital gains (or losses) on sale of securities (shares, mutual fund units, debentures, rights renunciations etc.);
- Business Income from purchase and sale of securities (shares, mutual fund units, debentures, rights renunciations etc.);
- Any other income from securities (shares, mutual fund units, debentures, rights renunciations etc.).

In case the securities are held as stock-in-trade, the income tax treatment will substantially vary and the issue whether the investments are held as capital asset 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 in the Portfolio Management Scheme shall endure indefinitely or accepted by the tax authorities. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal,

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All the Tax Rates contained in this clause are applicable for the financial year 2023-24, in accordance with Finance Act, 2023.

13.2 Resident and Non- Resident Taxation

13.2.1 **Resident Taxation**

A resident investor will be subject to income tax on his / her global income. In the case of a resident but not ordinarily resident, any income which accrues/ arises outside India will not be subject to tax in India, unless it is derived from a business/ profession controlled from India. Every other person is said to be resident in India during the year under consideration except where the control and management of affairs is situated wholly outside India. In the case of an individual, the residential status would be determined based upon the physical presence of that person in India. The threshold limit in terms of physical presence of such individual in India has been prescribed under the Act.

A Company is said to be a resident in India in the previous year if (i) it is an Indian Company; or (ii) its place of effective management ('POEM') is situated in India.

Every other person is said to be resident in India during the year under consideration except where the control and management of affairs is situated wholly outside India.

13.2.2 **Non-resident Taxation**

A non-resident investor would be subject to taxation in India if he derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued to him in India in terms of the provisions of the Act.

A foreign company will be treated as a tax resident in India if its POEM is in India in that year. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

In case of foreign investors, the taxation of income will be governed by the provisions of the Act read with the provisions of the applicable tax treaty i.e. Double Tax Avoidance Agreement ('DTAA'), if any. As per Section 90(2) of the Act, the provisions of the Act would apply to the extent they are more beneficial than the provisions of the DTAA.

The Organization of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement DTAA related measures to prevent Base Erosion and Profit Shifting **('MLI')**. India has made amendment in Section 90 to that effect that DTAAs should not create opportunities for non-taxation or reduced taxation including through treaty shopping in order to align the purpose of DTAAs with the MLI with effect from 1 April 2020.

13.3 Tax deduction at source

In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.

In the case of Non-residents, any income received or accrues or arises; or deemed to be received or accrue or arise to him in India is subject to the provisions of tax deduction at source under the Act. The authorized dealer is obliged and responsible

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to make sure that all such relevant compliances are made while making any payment or remittances from India to such non-residents. Also, if any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. Non-residents without PAN or tax residency certificate (TRC) of the country of his residence are currently subjected to a higher rate of TDS.

The Finance Act, 2021 introduced a special provision to levy higher rate for TDS for the residents who are not filing income-tax return in time for previous two years and aggregate of TDS is INR 50,000 or more in each of these two previous years. This provision of higher TDS is not applicable to a non-resident who does not have a permanent establishment in India and to a resident who is not required to furnish the return of income.

13.4 Linking of PAN and Aadhar

The due date of linking PAN and Aadhaar was 31 March 2023; however in order to grant some more time for the taxpayers, a window of opportunity has been provided to the taxpayers upto 30 June 2023 to link their Aadhaar to the PAN without facing repercussions, subject to the payment of nominal fees.If the PAN is not linked with Aadhaar, then PAN will become inoperative. After the expiry of the extended due date i.e. 30 June 2023, the clients will not be able to conduct financial transactions where quoting of PAN is mandatory. From 1 July 2023, the PAN of taxpayers who have failed to intimate their Aadhaar, as required, shall become inoperative and the consequences during the period that PAN remains inoperative will be as follows:

i. no refund shall be made against such PANs;
ii. interest shall not be payable on such refund for the period during which PAN remains inoperative; and
iii. TDS and TCS shall be deducted /collected at higher rate, as provided in the Act.

13.5 Advance tax installment obligations

It shall be the Client's responsibility to meet the obligation on account of advance tax installments payable on the due dates under the Act. The provisions related to payment of advance tax shall not apply to an individual resident in India, who does not have any income chargeable under the head "Profit and gains of business or profession"; and is of the age of sixty years or more at any time during the relevant financial year.

In case of any shortfall in the advance tax instalment or the failure to pay the same on time is on account of capital gains and dividend (other than deemed dividend), no interest shall be charged provided the client has paid full tax in subsequent advance tax instalments.

13.6 Securities Transaction Tax

Securities Transaction Tax ("STT") is applicable on transactions of purchase or sale of equity shares in a company or Exchange Traded fund ("ETF") or a derivative or units of Equity Oriented Fund or units of Business Trust entered into on a recognized stock exchange and sale of units of Equity Oriented Fund to the Mutual Fund.

The STT rates as applicable are given in the following table:

Taxable securities transaction	**STT Rate**	**Person responsible to pay STT**	**Value on which STT is required to be paid**
Delivery based purchase and sell of equity share	0.1%	Purchaser/Seller	Price at which equity share is

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			purchased/sold
Delivery based sale of a unit of oriented mutual fund	0.001%	Seller	Price at which unit is sold
Sale of equity share or unit of equity oriented mutual fund in recognized stock exchange otherwise than by actual delivery ortransfer and intra day traded shares	0.025%	Seller	Price at which equity share or unit is sold
Derivative – Sale of an option in securities	0.062%	Seller	Option premium
Derivative – Sale of an option in securities where option isexercised	0.125%	Purchaser	Settlement Price
Derivative – Sale of futures in securities	0.0125%	Seller	Price at which such futures is traded
Sale of unit of an equity oriented fund to the Mutual Fund – ETFs and sale or surrender or redemption of units of equity oriented fund to an insurance company on maturity or partial withdrawal with respect of ULIP issued on or after 1 February 2021	0.001%	Seller	Price at which unit is sold
Sale of unlisted shares under an offer for sale to public included in IPO and where such shares are subsequently listed in stock exchanges or with effect from 1 June 2015, sale of unlisted units of business trust by a unitholder which were acquired in consideration of a transfer referred to in Section 47(xvii)	0.2%	Seller	Price at which such shares aresold

13.7 Characterization of Income on transfer of securities of companies.

Income arising from purchase and sale of securities can give rise to capital gains or business income in the hands of the investor. The issue of characterization of income is relevant as the income tax computation and rates differ in the two situations. The characterization is essentially a question of fact and depends on whether the shares are held as business/trading assets or as capital assets.

Based on the earlier circulars issued by the Central Board of Direct Taxes ('CBDT') and judicial decisions, following are the key factors and principles which need to be considered while determining the nature of assets as above

- Motive for the purchase of shares.
- Frequency of transactions and the length of period of holding of the shares
- Treatment of the shares and profit or loss on their sale in the accounts of the assessees.
- Source of funds out of which the shares were acquired – borrowed or own.
- Existence of an object clause permitting trading in shares – relevant only in the case of corporate bodies.
- Acquisition of the shares – from primary market or secondary market.
- the genuineness of transactions in unlisted shares.
- the transfer of unlisted shares is made along with the control and management of underlying business.

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- Infrastructure employed for the share transactions by the client including the appointment of managers, etc.

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously. Further, the background of the investor (Professional vs. a trader in shares) would also be a relevant factor in determining the nature of the shares.

CBDT has clarified that, it is possible for a tax payer to have two portfolios, i.e., an investment portfolio comprising of securities which are to be treated as capital assets and a trading portfolio comprising of stock-in-trade which are to be treated as trading assets. Where an assessee has two portfolios, the assessee may have income under both heads i.e., capital gains as well as business income.

In view of the above, the profits or gains arising from transaction in securities could be taxed either as "Profits or Gains of Business or Profession" under section 28 of the Act or as "Capital Gains" under section 45 of the Act.

In the case of a Foreign Institutional Investor, any securities held in accordance with the regulations made under the SEBI Act, 1992 will always be regarded as capital asset and therefore, subject to capital gain tax.

It should also be noted that in the context of portfolio management schemes there has been litigation in the past on the characterization of income and judicial precedents have taken positions based on facts of each case.

13.8 TAX ON DIVIDEND AND INCOME FROM UNITS OF MUTUAL FUNDS

Dividend distributed by domestic companies and income from units of mutual funds will be taxable in the hands of recipient of dividend/income at respective slab rates. To avoid double taxation of dividend, dividend received by a domestic company from another domestic company or specified foreign company or business trust will not be taxable in the hands of first domestic company, provided such receipt of dividend does not exceed the amount of dividend distributed by the first mentioned domestic company one month prior to the due date of filing a return under Section 139(1). In the case of a resident recipient, withholding tax of 10% will be levied on dividends declared/paid by domestic company and on income distributed by mutual funds whereas in the case of a non-resident recipient, withholding tax at the rate of 20% on dividend income and income from mutual funds would apply. With effect from 1 April 2023 the withholding tax on income distributed by mutual fund specified under Section 10(23D) to non-residents would apply as per lower tax treaty rate, provided the tax residency certificate is furnished by such non-resident. Further, the minimum threshold for applicability of withholding tax on dividend payments to the resident shareholder during the financial year will be INR 5,000.

With effect from 1 April 2023, tax will be withheld on interest payable to resident on listed securities at the rates in force.

13.9 BUY BACK TAXATION

The unlisted and listed domestic companies are required to pay tax on distributed income included in the buyback of shares at the rate of 20% on such distributed income. Consequently, the amount received by the shareholders on buy back of shares will be exempt under section 10(34A) of the Act in the hands of the shareholder.

13.10 LONG TERM CAPITAL GAINS

Where investment under Portfolio Management Services is treated as investment, the gain or loss from transfer of securities shall be taxed as Capital Gains under section 45 of the Act.

13.10.1 Period of Holding

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The details of period of holding for different capital assets for the purpose of determining long term or short term capital gains are explained hereunder:

Sr. No	Securities	Period of Holding	Characterization
1	Listed Securities (other than Units) and units of equity oriented Mutual Funds, units of UTI, Zero Coupon Bonds	More than twelve (12) months	Long-term Capital Asset
		Twelve (12) months or less	Short-term Capital Asset
2	Unlisted shares of a company	More than twenty-four (24) months	Long-term Capital Asset
		Twenty-four (24) or less	Short-term Capital Asset
3	Other securities (other than Market linked debentures acquired on or after 1 April 2023)	More than Thirty-six (36) months	Long-term Capital Asset
		Thirty-six (36) months or less	Short-term Capital Asset
4	Market linked debentures acquired on or after 1 April 2023	Any period	Short-term Capital Asset

13.10.2 <u>For listed equity shares in a domestic company or units of Equity Oriented Fund or Business Trust</u>

The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of Equity Oriented Fund or Business Trust.

As per section 112A of the Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10 % , provided such transfer is chargeable to STT. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.

Long term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, will also be taxed at a rate of 10%. This benefit is available to all assessees.

The long term capital gains arising from the transfer of such securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to "step up" the COA of securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the "indexed COA" (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case of equity shares or units,

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not listed as on 31 January 2018 but listed on the date of transfer; and equity shares/units listed on the date of transfer but acquired in consideration of shares/units not listed on 31 January 2018 through tax neutral modes of transfer under section 47 (e.g. amalgamation, demerger).

The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.

No deduction under Chapter VI-A or rebated under Section 87A will be allowed from the above long term capital gains.

13.10.3 <u>For other capital assets in the hands of Resident of India</u>

Long-term Capital Gains in respect of capital asset (other than listed securities and units of equity oriented mutual funds) will be chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. Capital gains would be computed after taking into account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly & exclusively in connection with such transfer.

As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take fair market value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as fair market value as on 1 April 2001.

13.10.4 <u>For capital assets in the hands of Foreign Portfolio Investors (FPIs)</u>

Long term capital gains, arising on sale of debt securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by Offshore Funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the Act. Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

Long term capital gains, arising on sale of listed shares in the company or units of equity oriented funds or units of business trust and subject to conditions relating to payment of STT, are taxable at 10% as mentioned in para 12.10.2 above.

13.10.5 <u>For other capital asset in the hands of Non-resident Indians</u>

Under section 115E of the Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (Specified Assets include shares of Indian Company, Debentures and deposits in an Indian Company which is not a private company and securities issued by Central Government or such other securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation).

13.11 Short Term Capital Gains

Section 111A of the Act provides that short-term capital gains arising on sale of Equity Shares of a company or units of Equity Oriented Fund or units of a business trust entered on a recognized stock exchange and on sale of units of Equity Oriented Fund to the Mutual Fund are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to STT. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such

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Short Term Capital Gains in respect of other capital assets are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

13.12 PROFITS AND GAINS OF BUSINESS OR PROFESSION

13.12.1 If the investment under the Portfolio Management Services is regarded as "Business / Trading Asset" then the gain / loss arising there from is likely to be taxed as income from business as per slab rates i.e. in the case of resident individual and HUF and at the rate of 30% or 25% or 22% plus applicable surcharge and cess,(as the case may be, in case of resident other than individual and HUF(as the case may be) and also for non-residents other than a foreign company (assuming the highest slab rate for individual). It shall be taxable at the rate of 40% (plus applicable surcharge and cess) in case of a foreign company. The above rates would be subject to availability of benefits under the DTAA, if any in case of non-resident assessee.

13.12.2 Interest income arising on securities could be characterized as 'Income from Other Sources' or 'business income' depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the Act.

13.12.3 Where income referred to above is treated as Business Income, the person will be entitled for deduction under section 36(1)(xv), for the amount of STT paid.

13.13 TAX RATES

13.13.1 **Individuals, HUF, AOP & BOI:**

The Finance Minister introduced new tax regime in Finance Act , 2020 wherein an option for individuals and HUF (Hindu Undivided Family) to pay taxes at lower rates without claiming deductions under various sections. This new tax regime has now been extended to Association of Person (AOP)(other than Co-Op Society) and Body of Individual (BOI) by the Finance Act, 2023. The option for new tax regime can be exercised only once by specified persons having business/professional income and once exercised it will remain same for the subsequent years as well. Income Tax slab rates notified in newtax regime and old tax regime for the Financial Year 2023-24 are as under:

Income Tax Slab (INR)	Tax rates as per new regime	Tax rates as per old regime
0 - 2,50,000	Nil	Nil
2,50,001 – 3,00,000	Nil	5%
3,00,001 - 5,00,000	5%	INR 2,500+5% of total income exceeding INR 3,00,000
5,00,001 – 6,00,000	INR 10,000 + 5% of total income exceeding INR 5,00,000	INR 12,500 + 20% of total income exceeding INR 5,00,000
6,00,001 - 7,50,000	INR 15,000 + 10% of total income exceeding INR 6,00,000	INR 32,500 + 20% of total income exceeding INR 6,00,000

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7,50,001 - 9,00,000	INR 30,000 + 10% of total income exceeding INR 7,50,000	INR 62,500 + 20% of total income exceeding INR 7,50,000
9,00,001 – 10,00,000	INR 45,000 + 15% of total income exceeding INR 9,00,000	INR 92,500 + 20% of total income exceeding INR 7,50,000
10,00,001 - 12,00,000	INR 60,000 + 15% of total income exceeding INR 10,00,000	INR 1,12,500 + 30% of total income exceeding INR 10,00,000
12,00,001 - 15,00,000	INR 90,000 + 20% of total income exceeding INR 12,00,000	INR 1,72,500 + 30% of total income exceeding INR 12,50,000
Above 15,00,000	INR 1,50,000 + 30% of total income exceeding INR 15,00,000	INR 2,62,500 + 30% of total income exceeding INR 15,00,000

Tax rates as per old tax regime for Resident Individual whose age is 60 years or more but less than 80 years and Resident Individual whose age is 80 years or more for Financial Year 2023-24 are as under:

Income Tax Slab (INR)	**Tax rates Resident Individual whose age is 60 years or more**	**Tax rates Resident Individual whose age is 80 years or more**
Up to 3,00,000	Nil	Nil
3,00,001 - 5,00,000	5%	Nil
5,00,001 - 10,00,000	INR 10,000 + 20% of total income exceeding INR 5,00,000	20%
Above 10,00,000	INR 1,10,000 + 30% of total income exceeding INR 10,00,000	INR 1,00,000 + 30% of total income exceeding INR 10,00,000

Surcharge for the Financial Year 2023-24 are as under:

Nature of Income	**Up to INR 50 lakh**	**More than INR 50 lakh but upto INR 1 crore**	**More than INR 1 crore but less than INR 2 crore**	**More than INR 2 crore but up to INR 5 crore**	**More than INR 5 crore**
• Short-term capital gains and long term capital gains which are subject to STT • Short term or Long term capital gains under section 115AD(1)(b) • Dividend	NIL	10%	15%	15%	15%

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Any other Income (*)	NIL	10%	15%	25%	37%

(*) under new tax regime, the maximum surcharge is restricted to 25%.

13.13.2 **Partnership Firm (Including LLP's):**

A partnership firm (including LLP) is taxable at 30% and surcharge at the rate 12% of such tax where total income exceeds INR 1 crore.

13.13.3 **Domestic Company/Foreign Company:**

Tax Rates for domestic companies for Financial Year 2023-24 are as under:

Particulars	Tax rates as per Old regime	Tax rates asper New regime
Gross turnover up to INR 400 crore in the FY 2020-21	25%	NA
Domestic Co other than above	30%	22%
Domestic Co engaged in manufacturing and set up and registered on or after 01.10.2019 till 31.03.2024	25% or 30%	15%
MAT tax rate	15%	NA

Tax Rates for Foreign companies for Financial Year 2023-24 :

Foreign companies are liable to tax at 40% on total income.

Surcharge for domestic companies and foreign companies for FY 2023-24 is as under:

Total Income (INR)	Domestic Companies		Foreign Companies
	Old Tax Regime	New Tax Regime	
Upto 1 crore	Nil	10%	Nil
1 crore – 10 crore	7%	10%	2%
Above 10 crore	12%	10%	5%

13.13.4 **Health and Education Cess**

For all types of assessees, the amount of income-tax and the applicable surcharge shall be further increased by health and education cess calculated at the rate of 4% of such income-tax and surcharge.

13.13 LOSSES UNDER THE HEAD CAPITAL GAINS/BUSINESS INCOME

In terms of section 70 read with section 74 of the Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

13.14 DIVIDEND STRIPPING

According to section 94(7) of the Act, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of nine months from such record date, then capital losses arising from such sale to the extent of income received or receivable on such units, which are exempt under the Act , will be ignored for the purpose of computing his income chargeable to tax.

The Finance Act, 2020 has abolished DDT and tax dividend income in the hands of shareholders in respect of dividend declared, distributed or paid on or after 1 April 2020 and therefore, in such cases the provisions of section 94(7) would not apply.

13.15 BONUS STRIPPING

Where any person buys or acquires any securities; or units of a mutual fund or the Unit Trust of India or business trust or Alternate Investment Fund within a period of three months prior to the record date (i.e., the date that may be fixed by a company or a Mutual Fund or the Administrator of the specified undertaking or the business trust or Alternate Investment Fund or the specified company, for the purposes of entitlement of the holder of the securities or units to receive additional security or unit, as the case may be, without any consideration) and such person is allotted additional securities or units (without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of nine months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original securities or units.

13.16 DEEMED GIFT

Under section 56(2)(x), receipt of shares and securities without consideration or without adequate consideration, the difference (if exceeding INR 50,000) between the aggregate fair market value (FMV) and such consideration are taxable as income in the hands of any person being recipient of such shares and securities, expect in specified circumstances.

13.17 FAIR MARKET VALUE DEEMED TO BE FULL VALUE OF CONSIDERATION IN CERTAIN CASES

As per section 50CA of the Act, where the consideration for transfer of shares of a company (other than quoted shares) is less than the fair market value of such share determined in the prescribed manner, the fair market value shall be deemed to be the full value of consideration for the purposes of computing income under the head 'Capital gains'.

13.18 TAX NEUTRALITY ON MERGER OF DIFFERENT PLANS IN A SCHEME OF MUTUAL FUND AND MERGER OF DIFFERENT SCHEME OF MUTUAL FUND

The consolidation/ merger of different plans in a mutual fund scheme of a fund as well as the consolidation/ merger of mutual fund schemes of two or

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more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund under the SEBI (Mutual Fund) Regulations, 1996, shall be tax neutral to the investors. Thus, such consolidation/ merger will not result in transfer and will not be liable to capital gains.

The cost of acquisition of the units of the consolidated plan of the scheme shall be the cost of units in the consolidating plan of the scheme and the period of holding of the units of the consolidated plan of the scheme shall include the period for which the units were held in the consolidating plan of the scheme.

The cost of acquisition of the units of the consolidated scheme shall be the cost of units in the consolidating scheme and the period of holding of the units of the consolidated scheme shall include the period for which the units were held in the consolidating scheme.

13.19 SEGREGATED PORTFOLIOS

SEBI has, vide circular SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, permitted creation of segregated portfolio of debt and money market instruments by Mutual Fund schemes. As per the SEBI circular, all the existing unit holders in the affected scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio. On segregation, the unit holders come to hold same number of units in two schemes –the main scheme and segregated scheme.

The Finance Act, 2020 amended relevant section to provide that the period of holding of the units in the segregated portfolio is to include the earlier period of holding of the units in the main scheme. Further, for computing the "cost of acquisition" of the units in the segregated portfolio, the "cost of acquisition" of the units in the main scheme will be pro-rated in the ratio of the NAV of the assets transferred to the segregated portfolio. The "cost of acquisition" of the units in the main scheme will simultaneously be reduced by the "cost of acquisition" of the units in segregated portfolio

14. ACCOUNTING POLICIES

The company shall maintain a separate Portfolio record in the name of the client in its book for accounting the assets of the client and any receipt, income in connection therewith as provided under SEBI (Portfolio Managers Regulations 2020).

For every Client Portfolio, the Company shall keep and maintain proper books of accounts, records and documents, for the Client, on mercantile system of accounting, so as to explain its transactions and to disclose at any point of time the financial position of the Client Portfolio and Financial Statements and in particular give a true and fair view of the state of affairs.

Following Accounting Policies are proposed to be followed for the purpose of maintaining books of accounts, records for the client.

For the purposes of the financial statements, the Company shall carry all investments in the balance sheet at cost

Dividend income earned by a Client shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which

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RAY CAPITAL INVESTMENT ADVISORS PVT. LTD. MUMBAI are not quoted on a stock exchange, dividend income shall be recognized on the date of receipt.

In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.

In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out (FIFO) method shall be followed.

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

1. Bonus shares to which the Client becomes entitled shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.

2. Rights entitlement shall be recognized only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-rights basis.

3. The cost of investments acquired or purchased shall include brokerage, stamp duty and any charge customarily included in the broker's bought note.

4. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.

5. All other expenses payable by the client shall be accrued as and when Liability is incurred.

6. Investments in listed equity and debt instruments will be valued at the closing market prices on the National Stock Exchange (NSE). If the securities are not traded on the NSE on the valuation day, the closing price of the security on the Bombay Stock Exchange will be used for valuation of securities. In case of the securities are not traded on the valuation date, the last available traded price shall be used for the valuation of securities. Investments in units of Mutual Funds shall be valued at the repurchase price of the previous day declared for the relevant Scheme on the date of the report.

7. Investment in Government securities, bonds etc. will be valued on the basis of valuation prices as provided by CRISIL Ltd Bond valuer (CRISIL) or as displayed on the website of FIMMDA (Fixed Income Money Market and Derivatives Association of India). However, in case of illiquid/thinly traded securities or for the securities when

the closing market price is not available in CRISIL/FIMMDA or when the closing price does not reflect the fair value, the same will be valued based on the criteria determined and approved by the investment committee.

8. Open positions in derivative transactions, will be marked to market on the valuation day.

9. Private equity/Pre IPO-placements will be valued at cost or at a last deal price available at which company has placed shares to other inventors. However as per the SEBI Circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022 & APMI circular APMI/2022-23/01 dated 23.03.2023, valuation would be done for unlisted Equity portfolio on semi annual basis in line with below valuation principles:

APMI prescribes that the valuation principles to be followed by portfolio managers for valuing Unlisted Equity securities shall be in line with the SEBI Consultation Paper titled "Consultation Paper on standardised approach to valuation of investment portfolio of Alternative Investment Funds" published on January 6, 2023 ("Consultation Paper"). The Consultation Paper recommends that AIFs adopt International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines) for valuing their portfolio companies.

IPEV guidelines specify that valuer uses one or more of following methodology to value the securities:

A. Market Approach,

- Multiple of earnings or revenue
- Industry Valuation Benchmarks
- Market Prices available for instruments quoted on an active market

B. Income Approach, based on Discounted Cash Flows

C. Replacement Cost Approach, based on Net Asset Valuation techniques

Selection of Independent Valuer

In line with the Consultation Paper, APMI prescribes that portfolio managers appoint independent valuers that satisfy ALL of the following conditions:

A. The valuer registered with Insolvency & Bankruptcy Board of India (IBB);

B. The valuer has membership of a professional institute established by an Act of Parliament enacted for the purpose of regulation of profession such as ICAI, Institute of Company Secretaries of India, Institute of Cost Accountants of India, etc. or has a charter CFA from CFA Institute;

C. The valuer has at least 3 years of experience in valuation of Unlisted Equities;

D. The valuer is not an associate/related party of the portfolio manager.

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The portfolio managers may have a bilateral contract with independent valuers for valuing Unlisted Equities. Further, if the portfolio manager changes the valuer, the reason for such change should be communicated in writing to the investors.

10. Unrealized gain/losses are the differences, between the current market value/ Net Asset Value and the historical cost of the securities.

11. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded, in the even of a purchase, as of the date on which the portfolio obtains in enforceable obligation to pay the price or, in the event of a sale, when the portfolio obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

12. Portfolio Management fees would be calculated on daily weighted average AUM and charged on periodic, as mutually agreed.

15. INVESTOR SERVICES

Name, Address and Telephone Number of the Investor Relation Officer, who shall attend to the investor queries and complaints.

Name	:	Sushma Amin
Address	:	14th Floor, Bakhtawar Tower, Nariman Point, Mumbai -400 021
Telephone	:	022-4346 8000
Fax	:	022-2283 0620
Email	:	sushma@baycapindia.com/compliance@baycapindia.com

Grievance redressal and dispute settlement mechanism

a. It is mandatory for the Client having grievance to take up the matter directly with the Portfolio Manager.

b. The Investment Relation Officer(s) will be the interface between the Portfolio Manager and the Client. The Investment Relation Officer(s) shall be responsible for redressing the grievances of the Clients.

c. If Clients are still not satisfied with the response from the Portfolio Manager, they can lodge their grievances with SEBI at https://scores.gov.in/scores/Welcome.html or may also write to any of the offices of SEBI or contact SEBI Office on Toll Free Helpline at 1800 266 7575 / 1800 22 7575. SCORES may be accessed through SCORES mobile application as well, same can be downloaded from below link: https://play.google.com/store/apps/details?id=com.ionicframework.sebi236330 and https://apps.apple.com/in/app/sebiscores/id1493257302. If the Client is not satisfied with the extent of redressal of grievance by the Portfolio Manager, there is a one-time

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option for "Compliant review Facility" of the extent of the redressal, which can be exercised within 15 days from the date of closure of the complaint on SCORES. Thereafter, the complaint shall be escalated to the supervising official of the dealing officer of SEBI.

d. After exhausting all aforementioned options for resolution, if the client is not satisfied, they can initiate dispute resolution through the Online Dispute Resolution Portal (ODR) at https://smartodr.in/login .

e. Alternatively, the client can directly initiate dispute resolution through the ODR Portal if the grievance lodged with the Portfolio Manager is not satisfactorily resolved or at any stage of the subsequent escalations mentioned above.

f. The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in SCOREs guidelines or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law.

g. The process on Online Dispute Resolution Mechanism is available at https://baycapindia.com/investor-grievance-and-query/

16. Investments in the securities of associates/related parties of 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)	Value of investment as on last day of the previous calendar quarter (INR in crores)
1.	NIL	NIL	NIL	NIL	NIL

17. Diversification Policy

Portfolio diversification is a strategy of risk management used in investing, which allows to reduce risks by allocating the funds in multiple asset types. It helps to mitigate the associated risks on the overall investment portfolio.

The Portfolio Manager shall invest in equity and equity related securities. However, from time to time on opportunistically basis, may also choose to invest in money market instruments, units of mutual funds, ETFs or other permissible securities/products in accordance with the Applicable Laws. The Portfolio Manager may also, from time to time, engage in hedging strategies by investing in derivatives and permissible securities/instruments as per Applicable Laws.

The Portfolio Manager shall not make any investment in unrated and below investment grade securities.

For Bay Capital Investment Advisors Private Limited

Mr. Nikunj Doshi
Director & Principal Officer

Mr. Keyur Majmudar
Director

Date: 13.10.2023
Place: Mumbai