



# KAD & Associates

CHARTERED ACCOUNTANTS

B-9, Ground Mezzanine Floor, Housing Society  
South Extension Part-1, New Delhi - 110049  
Tel.: +120-4182955, +91-9718938363  
Web. : www.kadassociates.com

## The Board of Directors, ORO Asset Management Private Limited

Ascend Co-working, B 205-206,  
Dhanashree Heights, Off Veera Desai Road,  
Andheri West, Mumbai – 400 058,  
Maharashtra

## Certificate under regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

We have been requested by management of ORO Asset Management Private Limited ('the Company') to certify the contents of Disclosure Document dated October 01, 2021 for Portfolio Management Services of the Company which is prepared by the Company in accordance with the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the SEBI Regulations'). We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI").

### Management's responsibility

The management of the Company is responsible for the maintenance of the books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of Disclosure Document.

The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is the responsibility of the management of the Company.

### Auditor's responsibility

We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that the aforementioned Disclosure Document is not in compliance with the SEBI Regulations.

- a) The list of persons classified as group companies and list of related parties are as per audited financial statements available on the Company website.
- b) The promoters and directors' qualifications, experience, ownership details are as confirmed by the directors and have been accepted by us without further verification.



Branch Offices :

1/587, Flat No. 201, Sec-1, Vaishali, Ghaziabad - 201010 | 906/3, Street No.1, Patel Nagar Railway Road, Hapur-245101

- c) We have relied solely on representations provided to us by the management of the Company and not performed any procedures in relation to penalties or litigations against the Portfolio Manager, as mentioned in the Disclosure Document.
- d) We have reviewed the figures for performance disclosed in the Disclosure Document on the basis of performance data provided by the management of the Company.
- e) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to the investment objectives and policies / investment philosophy.
- f) We have reviewed nature of fees and expenses as per the agreements and representations provided by the Company and
- g) We have verified the financial figures disclosed in the Disclosure Document with the audited financial statements for the respective years.

### Conclusion

Based on the procedures performed as stated above, evidence obtained and information and explanations provided to us by the Company, nothing has come to our attention that causes us to believe that the Disclosure Document is not, in all material aspects, in compliance with the SEBI Regulations.

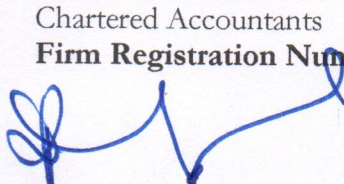
Based on our review of attached Disclosure Document, audited annual accounts of the Portfolio Manager and its other group companies and its other relevant records and information furnished by the Portfolio Manager along with representation provided, we certify that the disclosures made in the attached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

This certificate is issued solely to comply with Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as amended from time to time) and may not be suitable for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior written consent.

**For KAD & Associates**

Chartered Accountants

Firm Registration Number-023932N



**Rahul Agarwal**

Partner

Membership No. 518570



Place: New Delhi

Date: 9<sup>th</sup> December 2021

UDIN: 21518570AAAAFR1032



ORO ASSET MANAGEMENT PRIVATE LIMITED  
SEBI Registration Number: INP000006882

**PORTFOLIO MANAGEMENT SERVICES  
DISCLOSURE DOCUMENT**

**FORM C**

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

**ORO ASSET MANAGEMENT PRIVATE LIMITED**

Registered Office: Ascend Co-working, B 205-206, Dhanashree Heights, Off Veera Desai Road, Andheri West, Mumbai – 400 058, Maharashtra  
Tel.: 9819053911; email: [connect@oroamc.com](mailto:connect@oroamc.com)

We confirm that:

- (i) the Disclosure Document forwarded to the Board / SEBI 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 Services;
- (iii) The Disclosure Document has been duly certified by M/s. KAD & Associates (other than the Statutory Auditor), Chartered Accountants, having its office at 1/587, Flat no 201, Sector 1, Vaishali Ghaziabad 201010, having firm Registration Number FRN 023932N, to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision.

Signature of the Principal Officer



Date: 01<sup>st</sup> October 2021

Place: Mumbai

Name:

**Nitin Agrawal**

Designation:

**Principal Officer**

Address:

2nd Floor, Unit B 205, Supreme Business Park, Hiranandani Gardens, Behind Lake Castle, Powai, Mumbai – 400076

**PORTFOLIO MANAGEMENT SERVICES  
DISCLOSURE DOCUMENT  
OF  
ORO ASSET MANAGEMENT PRIVATE LIMITED  
(SEBI REGISTRATION No.: INP000006882)  
(As per the requirement of the Fifth Schedule under Regulation 22 of the  
SEBI (Portfolio Managers) Regulations, 2020**

***Key Information***

- This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020, as amended from time to time and filed with SEBI
- 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 Management Services (PMS) in a manner to assist and enable the investors in making informed decisions for engaging ORO Asset Management Private Limited (Portfolio Manager) as a Portfolio Manager.
- This Disclosure Document sets forth concisely the necessary information about the Portfolio Manager 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.
- This Disclosure Document is dated 01<sup>st</sup> October 2021 (Audited Financial data of the Portfolio Manager considered up to 31<sup>st</sup> March 2021)

**PRINCIPAL OFFICER**

**Mr. Nitin Agrawal**

Address: Ascend Co-working, B 205-206,  
Dhanashree Heights, Off Veera Desai Road,  
Andheri West, Mumbai – 400 058, Maharashtra

Tel no. +91 98190 53911

Email: [connect@oroamc.com](mailto:connect@oroamc.com)

**PORTFOLIO MANAGER**

**ORO Asset Management Private Limited**

SEBI Registration No.: INP000006882

**Registered Office:** Ascend Co-working, B 205-206,  
Dhanashree Heights, Off Veera Desai Road, Andheri  
West, Mumbai – 400 058, Maharashtra

Tel no. +91 98190 53911

## Table of Contents

Sr. No.	Particulars	Page No.
1	Disclaimer Clause	5
2	Definitions	6 – 7
3	Description i. History Present Business and Background of the Portfolio Manager ii. Directors of the Portfolio Manager and their Background iii. Group Companies iv. Services being offered	8 - 9
4	Penalties, Pending Litigation or Proceedings, Findings of Inspection or Investigations for which action may have been taken or initiated by any regulatory authority	9
5	Services Offered i. Investment Approach ii. Investment Objective iii. Investments in Associates/Group Companies of the Portfolio Manager	10 - 13
6	Risk Factors	13 - 14
7	Client Representation i. Portfolio Management business details ii. Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India	15
8	Financial Performance of the Portfolio Manager	15 - 16
9	Portfolio Management Performance	16
10	Audit Observations	16
11	Nature of Expenses	17 - 18
12	Taxation	18
13	Accounting Policies	19
14	Investor Services i. Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints. ii. Grievance redressal and dispute settlement mechanism.	20
15	General	21

**1. Disclaimer Clause:**

**The particulars given in this Disclosure Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations 2020 and this Document has been 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. You are requested to retain the document for future reference. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.**

Notwithstanding anything contained in this Disclosure Document, the provisions of SEBI (Portfolio Managers) Regulations, 2020 and as amended from time to time and the circulars/guidelines issued by SEBI from time to time there under shall be applicable.

This Disclosure Document along with a certificate in Form C is required to be provided to the Client, prior to entering into an agreement with the Client.

## 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) as amended from time to time
Agreement	means the agreement between Portfolio Manager and its Client in terms of Regulation 22 of the Regulations and shall include all schedules, recitals, exhibits and annexures attached thereto and any amendments made to the said Agreement by the Parties in writing.
Assets	means (i) the Portfolio and/or (ii) the Funds and includes all accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest, including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value), in relation to or arising out of Assets.
Board	means the Securities and Exchange Board of India
Client or Investor	means any person who signs an Agreement with the Portfolio Manager for availing portfolio management services.
Custodian	means any person who carries on or proposes to carry on the business of providing custodial services in accordance with the regulations issued by SEBI from time to time.
Depository Account	means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996.
Disclosure Document	This document issued by ORO Asset Management Private Limited for offering Portfolio Management Services, prepared in terms of Regulations 22 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 and/or market value of securities placed by the Client with the Portfolio Manager and any accretions thereto.
Goods	means the goods notified by the Central Government under clause (be) of section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative.
High Water Mark	means value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year) and net of Portfolio Management Fees, for that year.
Initial Corpus	means the value of the funds and the market value of readily realizable securities brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.
Investment Approach	means a broad outlay of the type of securities and permissible instruments to be invested in by the Portfolio Manager for the customer, taking into account factors specific to clients and securities.



NRI	Non-Resident Indian as defined in Section 2(30) of the Income Tax Act, 1961
Parties	means the Portfolio Manager and the Client; and " Party" shall be construed accordingly.
Person	Means and includes any individual, partners in partnership, limited liability partnership, central or state government, company, body corporate, cooperative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.
Portfolio	Portfolio means the total holdings of funds/securities belonging to any person / investor
Portfolio Manager	ORO Asset Management Private Limited incorporated under the Companies Act 2013, and registered with SEBI to act as a Portfolio Manager in terms of SEBI (Portfolio Managers) Regulations, 2020 vide Registration No.INP000006882
Principal Officer	means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:- i. the decisions made by the Portfolio Manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and ii. all other operations of the Portfolio Manager.
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.
SEBI	means The Securities and Exchange Board of India.
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 applicable law.

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.

**3. Description:**

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

ORO ASSET MANAGEMENT PRIVATE LIMITED is engaged in the business of rendering fund management services to funds, alternative investment funds, individuals, corporates, institutions and all such classes of investors. ORO ASSET MANAGEMENT PRIVATE LIMITED has received approval from SEBI for rendering Portfolio Management Services on 20<sup>th</sup> September 2019 vide registration number INP000006882.

ORO Asset Management Private Limited is the Wholly Owned Subsidiary Company of Alpha Fintech Private Limited.

**(ii) Directors and their background:**

<b>Name &amp; Designation</b>	<b>Qualification</b>	<b>Brief Experience</b>	<b>Other Directorships</b>
Nitin Agrawal Director	MBA, BTech	<p>Nitin Agrawal is the CEO and Director of Oro Asset Management Private Limited. Nitin will be the Fund Manager and Principal Officer. Nitin is also the Co-Founder and CEO of Orowealth, an online wealth management platform which enables retail investors to access zero-commission products and high-quality advisory services.</p> <p>Prior to founding Orowealth in 2016, Nitin, worked for ~6 years in the Investment banking division of Deutsche Bank as Vice President, Equity Derivatives Structurer (London and Singapore offices), between 2009-2015. Nitin was responsible for providing investment ideas and hedging solutions to Institutional Clients globally and developed several new innovative products. Combined notional sold on these products was over Eur 1 billion and generated revenue credits of over \$ 25 million. Nitin also worked on proprietary quantitative strategies and new investible indices and provided live pricing quotes on equity derivatives structures.</p>	<ol style="list-style-type: none"> <li>1. Alpha Fintech Private Limited</li> <li>2. ORO Financial Consultants Private Limited</li> </ol>
Kuppa Vijay Krishna Director	MBA, BTech	<p>Vijay Kuppa is the Director, Compliance Officer and HRD Officer of Oro Asset Management Private Limited. Vijay is also the Co-Founder of Orowealth.</p> <p>Prior to founding Orowealth in 2016, Vijay worked for ~5 years with Larsen &amp; Toubro Limited ("L&amp;T"). At L&amp;T, Vijay managed an investment portfolio worth \$1.6 bn of the Larsen &amp; Toubro group, actively investing in Mutual Funds (equity &amp; debt), Equity (cash and futures), Long Term Debt (govt. securities, corp. bonds), and Short-Term Debt (T-bills, certificate of</p>	<ol style="list-style-type: none"> <li>1. Alpha Fintech Private Limited</li> <li>2. ORO Financial Consultants Private Limited</li> </ol>

		<p>deposits, commercial papers). Vijay also managed L&amp;T's Provident and Gratuity Funds worth \$500 mn with adherence to regulations and investment patterns and the investible surplus of L&amp;T's Public Charitable and Employee Welfare Trusts worth USD 100 mn.</p> <p>At L&amp;T, Vijay won the 2014, Treasury Today's 'Adam Smith Awards Asia' (from 160 corporate treasury nominations across Asia-Pac) and was a Runners Up (Highly Commended) in 2013, 'Adam Smith Award' (from among 214 Corporate Treasuries across 25 countries globally) for "Best Short-Term Investment Strategy"</p> <p>Vijay also worked with Jaypee Capital Services Pvt. Ltd. for ~2 years. He developed a multi-period portfolio optimisation model a market neutral statistical arbitrage-converge strategy and a volatility-based trading strategy. Was also part of the team which was helping set up their PMS fund management strategies.</p>	
--	--	---	--

**(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis for the year ended March 31, 2021:**

- a. Alpha Fintech Private Limited
- b. Oro Financial Consultants Private Limited

**(iv) Details of services being offered:**

ORO Asset Management Private Limited will provide Discretionary and Non-Discretionary Portfolio Management and Advisory services. Kindly refer to Point 5 for more details.

**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
(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:

### A) DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES:

#### I. Investment Approach: ORO All Weather Strategy

a) **Investment objective:** The investment objective is to generate alpha over benchmark using smart beta factor-based scoring along with multi-asset strategy. The strategy aims to outperform the benchmark over medium to long term based on a portfolio constructed across equities, debt and gold. Allocation of equities is further based on various smart beta factors (Momentum, Value, Quality, Low Vol etc.).

b) **Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.:**

Consistent with the investment objective and subject to the SEBI Regulations, the Client's funds may be invested in such securities of Companies listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE), capital and money market instruments or in fixed income securities or variable securities of any description, by whatever name called including -

- i. Equity and equity related securities
- ii. Debentures (convertible and non-convertible), bonds, secured premium notes, corporate debt (of both public and private sector undertakings), securities issued by banks (both public and private sector) and development financial institutions like certificate of deposits (CDs), coupon bearing bonds, zero coupon bonds and tax exempt bonds of Indian companies and corporations; and
- iii. Units of mutual funds (including exchange traded funds (ETFs)).

Cash that is not invested may be deployed in debt and fixed income securities including money market instruments and units of mutual fund schemes (debt-oriented / income, gilt and liquid/ money market mutual fund schemes), liquid funds or arbitrage funds run by well-established and reputed fund houses and deployed in the market as and when opportunities arise.

c) **Basis of selection of such types of securities as part of the investment approach:**

The selection of stocks is based on a proprietary stock screens based on smart beta strategies. It is a multifactor strategy consisting of smart beta factors that have historically delivered higher risk-adjusted returns along with a low correlation with each other. Since individual factors go through phases of outperformance and underperformance over a business cycle, a multifactor approach aims to create a balanced portfolio to deliver performance in different market conditions.

d) **Allocation of portfolio across types of securities:** The portfolio Manager uses a multi-asset strategy for asset allocation, which could be revised based on market conditions over time.

The portfolio manager based on multi-asset strategy model would arrive at an indicative equity allocation. This makes the asset allocation process and investment decisions more proactive rather than being reactive to market conditions.

The Portfolio Manager believes that on average it would take 3 – 5 years for its ideas to reach their price potential. It therefore envisages a turnover of approximately 50% every year. However, it is cautioned that these numbers are indicative only, and actual results may vary significantly from these 'rules of thumb' depending on the market conditions prevalent during the tenure of the investment.

Depending on the events in the markets the Portfolio Manager would have the flexibility to alter the above allocations.

e) **Appropriate benchmark to compare performance and basis for choice of benchmark:**

The Clients' portfolio is to be invested in listed equities. The portfolio created could be formed from investments in companies with any market capitalization and so could include large cap and/or mid cap. The proportion of large and mid-cap could vary significantly from time to time.

Therefore, the appropriate benchmark chosen to compare performance of the Portfolio Manager is the **S&P BSE 200**.

**f) Index Indicative tenure or investment horizon:**

The Portfolio Manager will be making investments with a minimum 3-5 years investment horizon, and can be reviewed/amended based on multi-asset strategy.

However, the Portfolio Manager may buy/sell/rebalance the stocks in the Portfolio before the indicative time horizon of 3-5 years for reasons including, but not limited to, the Portfolio Manager's latest views on the attractiveness of the investments made.

**g) Risks associated with the investment approach:** Please refer clause 6 for Risk Factors

**II. Investment Approach: ORO Multi-Asset Strategy**

**a) Investment objective:** The investment objective is to generate alpha over benchmark by constructing a portfolio consisting of various asset classes through ETFs and mutual fund schemes. Investments can be made in ETFs and mutual fund schemes including equity, debt, gilt and gold.

**b) Description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc.:**

Consistent with the investment objective and subject to the SEBI Regulations, the Client's funds may be invested in such securities of Companies listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE), capital and money market instruments or in fixed income securities or variable securities of any description, by whatever name called including -

- i. Equity and equity related securities; and
- ii. Units of mutual fund schemes including equity, debt, gilt and gold. (including exchange traded funds (ETFs)).

Cash that is not invested may be deployed in debt and fixed income securities including money market instruments and units of mutual fund schemes (debt-oriented / income, gilt and liquid/ money market mutual fund schemes), liquid funds or arbitrage funds run by well-established and reputed fund houses and deployed in the market as and when opportunities arise.

**c) Basis of selection of such types of securities as part of the investment approach:**

The portfolio will be constructed based on a proprietary multi-asset allocation model. The aim is to increase the portfolio diversification by combining uncorrelated asset classes in order to lower the overall volatility of the portfolio. Exposure through ETFs/mutual funds provides an avenue to construct the portfolio at lowest possible cost with very minimum tracking error.

**d) Allocation of portfolio across types of securities:** The portfolio Manager, based on proprietary algorithm and market conditions, invest across ETFs and mutual funds. During times of extreme volatility, major allocation would be towards debt mutual funds and gold. During opportunistic times as captured by our model, equity allocation will be made in respective ETFs.

**e) Appropriate benchmark to compare performance and basis for choice of benchmark:**

The **NIFTY 50** is a diversified 50 stock index accounting for 13 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds. Investors usually have the ability to easily invest in a low-cost index fund such as the Nifty-50 and benefit from the returns provided by the index. Our objective over the long-run is to provide a superior alternative by means of concentrated multi-asset portfolio construction in high conviction ideas irrespective of market capitalization of our underlying investments relative to a broadly diversified index approach. Hence, the Nifty 50 is a suitable benchmark for assessing comparative performance.

**f) Index Indicative tenure or investment horizon:**

The Portfolio Manager will be making investments with a minimum 3-5 years, or some time more, investment horizon, and can be reviewed/amended based on economic/market scenarios.

**g) Risks associated with the investment approach:** Please refer clause 6 for Risk Factors.

Under the Discretionary portfolio management services, the Portfolio Manager will have the sole and absolute discretion to deploy assets brought in by a client in any type of security as per the Agreement. This may include the responsibility of managing and reshuffling the portfolio, buying and selling securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described, entirely at the Client's risk.

The Portfolio Manager shall have full and absolute discretion to make investment decisions on the client's behalf in any type of security as per executed Agreement. 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 except in the ground of conflict of interest, fraud, malafide intent or gross negligence by the Portfolio Manager . 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.

The portfolio of a client may differ from that of another client in the same Investment Approach as per the discretion of the Portfolio Manager.

The investment objective is to generate capital appreciation predominantly through investments in equities with a medium to long-term perspective.

The Portfolio Manager will have a market capitalisation and benchmark agnostic strategy with a flexibility to invest across the market capitalization spectrum (i.e. large, mid and small cap companies) and across industries / sectors. The Portfolio Manager will seek to generate superior risk adjusted returns by superior stock selection based on fundamental research of companies, their businesses and the valuations at which they are quoting.

## **B) 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.

## **C) ADVISORY SERVICES:**

The Portfolio Manager will provide Advisory Portfolio Management Services, in terms of the SEBI (Portfolio Manager) Regulations, 2020. The Portfolio Manager's responsibility shall include 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.

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 activities on the clients' portfolio.

## **MINIMUM INVESTMENT AMOUNT:**

The Client shall deposit with the Portfolio Manager, an Initial Corpus consisting of funds of an amount prescribed by the Portfolio Manager for a specific portfolio, subject to minimum investment amount as specified under SEBI Regulations, as amended from time to time. The client may on one or more occasion or on a continual basis, make further placement of funds under the service.

## **POLICY FOR INVESTMENT IN ASSOCIATE / GROUP COMPANIES:**

The Portfolio Manager will not invest in its subsidiary or associate or group companies.

## **6. 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 is not indicative of its future performance.
- 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.
- The liquidity of the Portfolio's investments is inherently restricted by trading volumes in the securities in which it invests.
- 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 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 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 and/or higher capital appreciation potential. 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 and/or higher capital appreciation potential. 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 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.
- **Interest Rate Risk:** changes in interest rates may affect valuation of the portfolio. Debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby of possible movements in the valuations of Portfolios.
- **Liquidity or Marketability Risk:** Certain securities may become impossible to sell or not marketable due to the absence of any potential buyers. In such situations, the investment in the securities may be lost or its realization may be inordinately delayed.
- **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 carry lower 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.
- **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 can be 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**  
In case of a Company's IPO, the investment maybe subject to regulatory lock in, if any, as prescribed by SEBI from time to time. Many of such investments made by the Portfolio Manager may be illiquid, and there can be no assurance that the Portfolio Manager will be able to realize value from such investments in a timely manner. Since such investment may involve a high degree of risk, poor performance by such investments could lead to adverse effects on investor portfolios.
- The Portfolio Manager is a new established entity. It is incorporated on 28<sup>th</sup> February 2019. We hereby declare that the Portfolio Manager has no past track record/ experience as Portfolio Manager.



## 7. CLIENT REPRESENTATION:

### I. Portfolio Management Business Details:

ORO ASSET MANAGEMENT PRIVATE LIMITED will make best efforts to manage client accounts in the best interest of the client. ORO ASSET MANAGEMENT PRIVATE LIMITED shall not benefit from individual client account in any other manner apart from the management and performance linked fee charged to the client.

Category of Clients	No. of Clients		Funds Managed (INR Crore)		Nature of Services
	As of 30.09.2021	As of 31.03.2021	As of 30.09.2021	As of 31.03.2021	
Associate / Group Companies	--	--	--	--	Discretionary PMS
Others: Corporates	--	--	--	--	Discretionary PMS
Others: Individuals	4	3	2.56	1.61	Discretionary PMS
<b>Total</b>	<b>4</b>	<b>3</b>	<b>2.56</b>	<b>1.61</b>	

Pursuant to SEBI Circular no. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 on 'Guidelines for Portfolio Managers', clients can on-board directly with ORO Asset Management Private Limited, without intermediation of persons engaged in distribution services and no charges except statutory charges shall be levied at the time of on-boarding.

### II. Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India:

Name of Related Party	Nature of Relationship
Alpha Fintech Private Limited	Holding Company

Transactions During the Financial Year ended 31<sup>st</sup> March 2021:

Name of Related Party	Nature of Transaction	Amount (INR)
Alpha Fintech Private Limited	Technology Services	22,283/-

## 8. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

The Portfolio Manager was incorporated on 28<sup>th</sup> February 2019. The Portfolio Manager commenced Portfolio Management Services only upon receipt of SEBI Registration on 20<sup>th</sup> September 2019. ORO Asset Management Private Limited satisfies the minimum net-worth criteria as mandated by SEBI of INR 2 Crores. Additionally, the higher net-worth requirement for Portfolio Managers will be satisfied in accordance with the timeline provided by SEBI (Portfolio Managers) Regulations, 2020. The financial performance of the Portfolio Manager is presented below based on the audited financials:

<b>Balance Sheet as at</b>	<b>March 31, 2021 Rs.</b>	<b>March 31, 2020 Rs.</b>
<b><u>EQUITY &amp; LIABILITIES:</u></b>		
Share Capital	2,20,00,000	2,20,00,000
Reserves & Surplus	3,87,089	2,67,021
Current Liabilities	4,00,837	7,48,220
<b>Total</b>	<b>2,27,87,926</b>	<b>2,30,15,241</b>
<b><u>ASSETS:</u></b>		
Fixed assets		
Gross block	--	--
Less: Accumulated depreciation	--	--
<b>Net block</b>	<b>--</b>	<b>--</b>
<b>Investments</b>	<b>--</b>	<b>--</b>
<b>Current Assets:</b>		
Cash & Cash Equivalents	2,11,24,219	2,16,85,591
Other Current Assets	16,63,708	13,29,650
<b>Total</b>	<b>2,27,87,926</b>	<b>2,30,15,241</b>

<b>Statement of Profit &amp; Loss</b>	<b>For the Year April 01, 2020 - March 31, 2021 Rs.</b>	<b>For the Year April 01, 2019 - March 31, 2020 Rs.</b>
Revenue from Operations	33,80,239	--
Other Income	12,53,801	13,33,220
Total Expenses	44,71,339	9,81,451
Profit / (Loss) Before Tax	1,62,701	3,51,769
Tax expenses	(42,633)	(91,460)
Profit / (Loss) After Tax	<b>1,20,068</b>	<b>2,60,309</b>

## 9. PORTFOLIO MANAGEMENT PERFORMANCE:

In the performance/returns tables below, please note the following:

- Performance / returns are calculated using the 'Time Weighted Rate of Return' method in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations 2020.
- Returns are net of all fees and expenses.

The first client was on-boarded on 31<sup>st</sup> December 2019 (Inception Date). The table below outlines the unaudited returns of the only Investment Approach of the Portfolio Manager versus the benchmark S&P BSE 200 for all Clients (all corporate clients and all individual clients, considered together as a group).

<b>Returns table for All Clients (Individual + Corporate Clients)</b>	<b>01<sup>st</sup> April 2021 to 30<sup>th</sup> September 2021</b>	<b>01<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> December 2019 to 31<sup>st</sup> March 2020</b>
Portfolio performance of the Investment Approach – ORO All Weather Strategy	22.01%	40.13%	(23.53%)
Benchmark – S&P BSE200	21.09%	74.25%	(29.34%)

## **10. AUDIT OBSERVATIONS:**

There are no observations made by the Statutory Auditor of the Portfolio Manager for the Financial Year ended 31<sup>st</sup> March 2021.

## **11. 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 or the agreements for each of the services availed by the client at the time of execution of such agreements.

### **a) Portfolio / Investment Management & Advisory Fees:**

The Portfolio / Investment Management and Advisory fees charged may be a fixed fee (range 0% to 2.50% per annum) or a performance / profit sharing fee (0% to 25% of portfolio returns) or a combination of both as detailed in the Fee Annexure to the Agreement. The Fees may be charged periodically at the end of a specified tenure as agreed between the Client and the Portfolio Manager.

The Portfolio Manager shall comply with SEBI circular IMD/DF/13/2010 dated 5th October 2010 and SEBI/HO/IMD/DFI/CIR/P/2020/26 dated 13th February 2020 in respect of the matters dealt with by the said circulars with respect to fees and charges.

Pursuant to the aforesaid circulars, for charging of performance/ profit sharing fee, performance/ profit of the portfolio shall be computed on the basis of highwater mark principle over the life of the investment, as prescribed by the aforesaid circulars.

High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly. The Portfolio Manager shall charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark.

All fees and charges shall be levied on the actual amount of Clients' assets under management. High Water Mark shall be applicable for discretionary and non-discretionary services and not for advisory services. In case of interim contributions/ withdrawals by Clients, performance fees may be charged after appropriately adjusting the high-water mark on proportionate basis.

### **b) Custodian/Depository Fees**

The Custody of all Securities of the Clients shall be with the Custodian, appointed by the Portfolio Manager. The Custodian shall act on the instructions of the Portfolio Manager. All such custodian fees charged by the Custodian shall be payable by the Client. The Portfolio Manager shall not be liable for any act of the Depository Participant, done with or without the instructions of the Portfolio Manager, which may cause or is likely to cause any loss or damage to the Clients.

Custody Charges – Up to 5 bps of the Client's assets under management per year, payable on a monthly/quarterly/annual basis as determined by the portfolio manager.

- c) Fund Accounting Fees: On Actuals**
- d) Registrar and Transfer Agent's Fees: On Actuals**
- e) Brokerage and Transaction Cost: On Actuals**
- f) Demat Charges: On Actuals**
- g) GST + Securities Transaction Tax (STT) + Exchange Transaction Charges + Stamp Duty + any other statutory levies: On Actuals**
- h) Bank Charges: On Actuals**
- i) Fees, Exit Loads and Charges in respect of Investment in Mutual Funds: On Actuals**
- j) Certification charges or professional Charges: On Actuals**
- k) Taxes as may be applicable from time to time.**
- l) Such other cost and expenses incurred by the Portfolio Manager directly in connection with the provision of Portfolio Management Services – On actuals**

Note: All the Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM). It shall include charges payable for outsourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarizations, certifications, attestations required by Bankers or regulatory authorities including legal fees and day-to-day operations charges etc.

**Distributor's Commission:** If the Client is on-boarded through a Distributor then the Portfolio Manager shall pay a percentage of management, performance and / or other fees to the Distributor as mutually agreed between the Portfolio Manager and the Distributor. The percentage of Distributor commission shall be disclosed to the Client at the time of signing of Contract with the client and whenever there is any change. The Distributor's commission shall be paid from the total management and performance fees as mutually agreed between the Portfolio Manager and the Client in the PMS Agreement.

## **12. TAXATION:**

**12.1** Clients will be responsible and liable for all taxes under the provisions of the Income Tax Act, 1961 for any income generated out of the investment made in the portfolio management services including advance tax obligations. In view of the individual nature of tax consequences on any income, capital gains or otherwise, each Client is advised to consult / his / her / its tax advisor with respect to the specific tax consequences to him/ her / it with respect to participation in the portfolio management services.

The Portfolio Manager will provide adequate statements to the client for accounting and tax purposes. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations.

### **12.2 Tax deduction at source**

Tax is required to be deducted at source for non-residents by the authorized dealer under section 195 of the Income Tax Act, 1961 ('the Act'). If required, tax will be withheld for non-residents. 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.

Any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIIB, shall furnish his Permanent Account Number to the person responsible for deducting such tax, failing which tax shall be deducted at the higher of the following rates, namely:

- (i) at the rate specified in the relevant provision of this Income Tax Act; or
- (ii) at the rate or rates in force; or
- (iii) at the rate of twenty per cent.

Health and Education cess @ 4% is applicable.

### **12.3 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.

### **12.4 Details under FATCA/ Foreign Tax Laws**

Tax regulations require us to collect information about each investor's tax residency. If you have any questions about your tax residency, please consult your tax advisor. Foreign account tax compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010. Applicants (including joint holders, Guardian, POA holder) are required to refer and mandatorily fill/ sign off a separate "FATCA declaration form". Applications without this information will be deemed incomplete and are liable to be rejected. Investors are requested to note that the contents of the information to be provided in the application form may undergo a change on receipt of communication/ guidelines from SEBI.

### **13. ACCOUNTING POLICIES:**

- A. ORO Asset Management Private Limited shall maintain a separate Portfolio record in the name of the client to account for the assets of the client and any receipts, income and expenses in connection therewith as provided under SEBI Regulations (Portfolio Managers) Regulations 2020.
- B. For every Client Portfolio, ORO Asset Management Private Limited 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.
- C. The following Accounting Policies are proposed to be followed for the purpose of maintaining books of accounts, records for the client.
1. For the purposes of the financial statements, ORO Asset Management Private Limited shall carry all investments in the balance sheet at cost.
  2. Investments introduced by the client in his portfolio will be booked at the market value as of the date of introduction to the portfolio.
  3. Dividend income earned by a Client shall be recognized, not on the date the dividend is declared, but on the date the shares are quoted on an ex-dividend basis. For investments which are not quoted on a stock exchange, dividend income shall be recognized on the date of actual receipt.
  4. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase 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.
  5. 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.
  6. 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 same year.
  7. Bonus shares to which the Client becomes entitled shall be recognized only after the ex-date of the bonus issuance of the original shares.
  8. Rights entitlement shall be recognized after the allotment of the new shares as per the rights entitlement.
  9. The cost of investments acquired or purchased shall include brokerage, service tax, securities transaction tax, stamp duty and any other charges customarily included in the broker's contract note.
  10. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
  11. All other income & expenses shall be accounted on accrual basis.
  12. Investments in equities and exchange traded funds will be valued at the closing market prices at the stock exchange (Bombay Stock Exchange (BSE) or National Stock Exchange (NSE) as the case may be). In case any securities are not traded on the valuation date, the last available traded price shall be used for the valuation of those securities. Debt instruments will be valued at the clean price.
  13. Investments in units of Mutual Funds shall be valued at the repurchase price or the NAV published by the Mutual Fund Houses on the date of the report. Where no NAV is published for a particular day, the last working day's published NAV will be taken for valuation purpose.
  14. Open positions in derivative transactions, will be marked to market on the valuation date.
  15. Pending listing on BSE/NSE, securities relating from a demerger are valued at their apportioned costs as per the ratios / values in terms of the scheme.
  16. Private equity / Pre IPO placements will be valued at cost or at an available last deal price at which the company has placed similar securities to other inventors.
  17. Unrealized gain / losses is the difference, between the current market value / Net Asset Value and the historical cost of the securities.
  18. The Portfolio Manager and the client can adopt any specific norms or methodology for valuation of investments or accounting, if the same is mutually agreed between them.

**14. INVESTOR SERVICES:**

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

Name : Mr. Nitin Agrawal, Principal Officer

Address : Ascend Co-working, B 205-206, Dhanashree Heights, Off Veera Desai Road, Andheri West, Mumbai – 400 058, Maharashtra

Telephone : +91 98190 53911

Email : [connect@oroamc.com](mailto:connect@oroamc.com) / [compliance@oroamc.com](mailto:compliance@oroamc.com)

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official is vested with the necessary authority, independence and the wherewithal to handle investor complaints.

**ii. Grievance redressal and dispute settlement mechanism**

Grievances, if any, that may arise pursuant to the Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time.

The Portfolio Manager will endeavor to resolve Investor Grievance at the earliest. All the grievances can be sent to the designated email id: [connect@oroamc.com](mailto:connect@oroamc.com). The nature of the grievance, the type of account, and the name and contact information of the client will be recorded.

If the abovementioned grievance has not been resolved or a response has not been received from the Portfolio Manager, the issue can be escalated to Mr. Kuppa Vijay Krishna, Compliance Officer by sending an email to [compliance@oroamc.com](mailto:compliance@oroamc.com).

If the Investor remains dissatisfied with the remedies offered, the investor and the Portfolio Manager shall abide by the following mechanisms :-



All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit. Arbitration shall be held in English. The Arbitration Award shall be treated as final and shall be binding on the Parties. This arbitration clause is subject to the jurisdiction of courts in Mumbai only.

Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. However, the cost of appointing the presiding arbitrator will be borne equally by both the Parties. Investor shall have the recourse to visit the SEBI SCORES (<http://scores.gov.in>) portal for lodging their complaints, if any in case they are not satisfied with the response of the Portfolio Manager. SCORES enables online tracking of status of a complaint. Investors who are unable to access the online platform continue to have the option to register their complaints in physical form.

**15. GENERAL:**

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written bilateral agreement between themselves in addition to the standard PMS Agreement. The Portfolio Manager will outsource functions of accounting, calculation of Net Asset Value, custody and such other services as may be determined by the Portfolio Manager.

For **ORO ASSET MANAGEMENT PRIVATE LIMITED:**

Sr. No.	Name of Director	Signature
1.	Nitin Agrawal Director and Principal Officer	 Nitin Agrawal
2.	Kuppa Vijay Krishna Director	 K. Vijay Krishna

Date: 01<sup>st</sup> October, 2021

Place: Mumbai