SOLIDARITY
INVESTMENT MANAGERS

Date: 14th August 2019

Investment Management Department
Securities & Exchange Board of India
SEBI Bhavan,
Plot No C -4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai -400051

Dear Sir,

Ref: SEBI Reg. No. : INP000004961 - Portfolio Manager

Sub: Disclosure Document

Please find attached copy of Disclosure Document dated 8 August 2019 along with the following documents.

1) Form No " C "
2) Net worth certificate Certified copy as on 31/03/2019
3) Certificate issued by chartered Accountants M/S JKNP & Associates.

Kindly acknowledge the receipt of the same.

Sincerely,

Solidarity Advisors Private Limited

Naarah

Naarah Pereira
VP – Operations & Compliance
Mumbai

Form C

Securities and Exchange Board of India, (Portfolio Managers) Regulations, 1993

[Regulation 14]

Name of the Portfolio Manager:
Solidarity Advisors Private Limited
101, Buena Vista, St Alexius Road, Off Turner Road,
Bandra (West), Mumbai - 400050.
Tel: 022 4971 4275

Ref: SEBI Reg. No. : INP000004961 - Portfolio Manager

We confirm that:

I) The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time.

II) The Disclosures made in the documents 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 accountant M/S. JKNP & Associates, Chartered Accountants.
Registered Office: First Floor, Shop No -6-7, Opp. Jyoti Memorial Hospital, Naya Bazar, Rati Ram Park, Najafgarh, New Delhi 110043
Phone +91 11 25322333; Membership No : 500595

Manish Gupta

Manish Gupta
Principal Officer
Solidarity Advisors Private Limited

Mumbai
Date: 12th August 2019

KUMAR GOYAL & ASSOCIATES LLP
Chartered Accountants
B-97, Ground Floor, Udyog Vihar Phase-V, Gurgaon-122016 (Haryana) Tel. : +91-124-4377835 Mob.: +91-9910026835
E-mail:mohit.goyal@kumargoyal.com Web.:www.kumargoyal.com
LLPIN : AAG-6072

TO WHOMSOEVER IT MAY CONCERN
NET WORTH CERIFICATE

This is to certify that **M/s Solidarity Advisors Private Limited**, registered office address - 101, Buena Vista, ST. Alexius Road, Off Turner Road, Bandra (W), Mumbai – 400050, has a Net worth of Rs 64,273,496/-(Rupees Six crores, fourty two lakh, seventy three thousand, four hundred and ninety six only) as on March 31, 2019 based on the provisional financial statements provided to us by the company.

The above certificate is based on the specific request of M/s Solidarity Advisors Private Limited and is based on documents and records produced before us.

Statement of net worth of Solidarity Advisors Pvt Ltd. based on unaudited accounts as on March 31, 2019

Particulars	Amount in Rs.
Paid up Equity Capital	14,500,000
Add: Free reserves (excluding reserves created out of revaluation)	49,773,496
Less: Accumulated Losses	-
Less: Deferred expenditure not written off (including miscellaneous expenses not written off)	-
Less: Minimum Capital Adequacy/Net worth requirement for any other activity undertaken under other SEBI Regulations	-
Net worth as on March 31, 2019	**64,273,496**

For Kumar Goyal & Associates LLP
Chartered Accountants
Firm Registration Number: 023383N/N500035

Kumar Goyal & Associates LLP Gurgaon Chartered Accountants

Mohit Goyal
Partner
Membership No.: 511832
UDIN: 19511832AAAAAC3080
Place: Gurgaon, Haryana
Date: April 25, 2019

Explanatory Note:

The above certificate is based upon recorded transactions in the financial statements provided to us by the company. Any unrecorded transactions/accrued income/accrued expenses, if any, upto the date of this certificate has not been considered for the purpose of this certificate.

8 August 2019

The Board of Directors
Solidarity Advisors Pvt. Ltd.
204 & 205, Balarama,
E-Block, Bandra Kurla Complex,
Bandra East, Mumbai 400 051

Dear Sirs,

We have examined the Disclosure Document dated 8 August 2019 for Portfolio Management prepared in accordance with Regulation 14 of SEBI (Portfolio Managers) Regulations, 1993 by Solidarity Advisors Pvt. Ltd., having its office at 204 & 205, Balarama,E-Block, Bandra Kurla Complex,Bandra East, Mumbai 400 051

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

We have relied on the representations given by the Management about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure Document and are unable to comment on the same.

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

For JKNP & Associates
Chartered Accountants
FRN No. 012668N

JKNP & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

CA Kuldeep Sharma
Partner
Membership No. 500595

UDIN: 19500595AAAAAK3447

DISCLOSURE DOCUMENT

PORTFOLIO MANAGEMENT SERVICES

OFFERED BY

SOLIDARITY
INVESTMENT MANAGERS

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DISCLOSURE DOCUMENT TO PMS CLIENTS

a) The purpose of this document is to provide essential information about the PMS services offered by Solidarity Advisors Private Ltd., in a manner to assist and enable prospective clients and/or their nominees in making informed decisions for engaging Solidarity Advisors Private Ltd. as a Portfolio Manager

b) This document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and filed with SEBI. The document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

c) This disclosure document provides the necessary information about Solidarity Advisors Private Ltd. that a prospective client ought to know before enlisting the services of Solidarity Advisors Private Ltd.

d) The prospective client should carefully read this disclosure document prior to making a decision to avail of the investment advice of Solidarity Advisors Private Ltd. and retain this disclosure document for future reference.

Principal Officer: **Mr. Manish Gupta**
Managing Director & Chief Investment Officer
Solidarity Advisors Private Limited
204 & 205, Balarama,
E-Block, Bandra Kurla Complex,
Bandra East, Mumbai 400 051

Tel.: + 91 22 4971 4275
E-mail: mg@solidarity.in

1. DEFINITIONS

The terms used in the Disclosure Document are defined as follows.

(a) "Act" means the Securities and Exchange Board of India Act, 1992 as amended from time to time.

(b) "Agreement" means Portfolio Management Agreement and shall include any recitals, schedule(s), its Part(s), annexure(s), or exhibit(s), which may be annexed to that Agreement and any amendments made by the Parties in writing.

(c) "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 the Assets.

(d) "Cash Account or Bank Account" shall mean one or more bank accounts opened, maintained and operated by the Portfolio Manager in the name of the Client or a pool account in the name of the Portfolio Manager to keep the Funds of all clients.

(e) 'Client(s)' / 'Investor(s)' means any person / entity that enter into an agreement/ arrangement for availing the Portfolio Management Services with the Portfolio Manager by executing the Agreement.

(f) "Client Securities" mean the Securities which form part of the Portfolio.

(g) "Discretionary Portfolio Management Services" means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager exercises its sole and absolute discretion with respect to investments or management of the Assets of the Client, entirely at the Client's risk, in such manner as the Portfolio Manager may deem fit.

(h) "Depository Account" or **"DP Account"** means one or more Demat accounts opened, maintained, and operated by the Portfolio Manager in the name of the Client or a pool demat account in the name of the Portfolio Manager to keep the securities of all clients before they are transferred to individual client DP accounts.

(i) "Financial Planning" shall include analysis of clients' current financial situation, identification of their financial goals, and developing and recommending financial strategies to realise such goals.

(j) "Investment Advice" means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and may include financial planning.

(k) "Advisory Portfolio Management Services" means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager shall provide advice in relation to the Assets. The Portfolio Manager shall be solely acting as an advisor to the client without full discretion to make investment decisions. Final decision will be the absolute discretion of the Client and entirely at the Client's risk

(l) "Portfolio Manager" means Solidarity Advisors Private Limited

(m) "Portfolio Management Fees" means fees payable by the Client to the Portfolio Manager as specified in the Agreement, for the Portfolio Management Services.

(n) "Portfolio Management Services" means the portfolio management services rendered to the Client by the Portfolio Manager, on the terms and conditions contained in the Agreement and in accordance with the Rules and Regulations (whether as a discretionary portfolio manager or otherwise), with respect to investments or management of the Portfolio of Securities and the Funds of the Client.

(o) "SEBI" means the Securities & Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.

(p) "Securities" includes:-

- "securities" as defined under the Securities Contracts (Regulation) Act, 1956;

shares, scrips, stocks, bonds, warrants, convertible and nonconvertible debentures, fixed return investments, equity linked instruments, negotiable instruments (to the extent permitted by the Regulations), deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and / or by any Mutual Funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government or any local or statutory

authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and

- Any other instruments or investments as may be permitted by applicable law or PM Regulations from time to time.

(q) "Securities Valuation Policy" means the policy of the Portfolio Manager, from time to time, for valuation of the Securities forming part of the Assets.

(r) "Portfolio" means the holdings of Securities managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes any further securities placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

2. DESCRIPTION

Solidarity Advisors Private Ltd. was incorporated in December 2011 with the aspiration of creating a world class Investment Advisory Company. Formal operations started on 1 June 2014.

Solidarity Advisors Private Ltd. formally obtained its "Portfolio Managers" License from SEBI bearing Registration No. INP000004961 Valid from 17/12/2015 up to 15/12/2021.

We do not have any group companies.

We have two business activities at present:

a) **PMS:** under "Advisory" or "Discretionary": Customized investment solutions for High Net Worth Individuals

b) **Consulting**: Advice to HNI's who have invested in start-ups or early stage companies and need someone to work with these companies and help them to scale operations – guide on MIS, HR, Finance issues etc.

The promoter directors of Solidarity Advisors Private Ltd. are Manish Gupta and Kanika Gupta.

A. Manish Gupta
Managing Director and Principal Officer

Qualification:
MBA IIM Ahmedabad, 1997
B.Eng. (Chem.) Birla Institute of Technology and Science, Pilani, India (1995)

Experience:
Manish graduated in Chemical Engineering from BITS Pilani in 1995. He completed his MBA from IIM Ahmedabad in 1997 with a focus on Finance. He then joined The Boston Consulting Group where he worked from 1997 – 2004 on various strategic, financial and operating issues across many companies. He worked briefly with Steelcase and Honeywell International between 2004 – 2006, before joining Rakesh Jhunjhunwala's family office, RARE Enterprises, in 2006.

He worked at RARE Enterprises for eight years, the last 4 of which he was MD of Private Equity. At RARE Enterprises, Manish got the opportunity to learn investing from one of the masters in the investing business. He invested across various product classes including listed equities, venture capital and Private Equity. He also worked closely with many investee companies and learned first- hand the challenges in scaling a business.

Manish is on the Board of Directors of the following companies:

1. Pegasus Assets Reconstruction Pvt. Ltd
2. Fullife Healthcare Pvt. Ltd
3. Solidarity Advisors Pvt. Ltd.

He is also a designated partner of Gutz Feel Film Productions LLP & Partner at MMS Tech Alumini LLP.

B. Kanika Gupta
Director

Qualification:
Bachelor of Arts, Lady Shriram College, New Delhi
Masters in Fashion Technology, Pearl Academy of Fashion

Kanika Gupta is a promoter director, but her involvement in Solidarity Advisors Private Ltd. is limited to Administration and HR.

C. **Dr Aniruddha Malpani**
Director

Dr. Aniruddha Malpani along with his wife Dr. Anjali Malpani run one of India's leading IVF clinics. Dr Malpani is a MD from Bombay University and has won over 20 gold medals in his academic career.

They have also founded HELP, the Health Education Library for People, which is India's first Consumer Health Education Resource Center and the world's largest consumer library.

Dr Aniruddha Malpani is on the Board of Directors of the following companies:

1. Solidarity Advisors Private Limited
2. Malpani Infertility Clinic Private Limited
3. Inventurus Knowledge Solutions Private Limited

He is also a designated partner of Malpani Healthcare LLP

3. LITIGATION AND PENALTIES

a)	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder.	None
b)	The nature of penalty/direction	None
c)	Penalties imposed for any economic offence and/or for violation of any securities laws.	None
d)	Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.	None
d)	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency	None
e)	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.	None

* No enquiry/ adjudication proceedings has been initiated by the Board against the portfolio manager or its directors, principal officer or employee under the Act or Rules or Regulations made there under. However, Mr. Manish Gupta, Managing Director & Chief Investment Officer was a non-promoter, non- executive Director of M/s. Geofin Comtrade Ltd. since 30 September 2009 till 27 March 2019. M/s Geofin Comtrade Ltd was a member of the National Spot Exchange Ltd (NSEL). SEBI issued show cause notices against 300 commodity brokers, (including M/s Geofin Comtrade Ltd), who had traded in NSEL. Subsequently in February 2019, an order, declaring M/s Geofin Comtrade Ltd. as 'not a fit and proper person to hold, directly or indirectly, the certificate of registration as a commodities derivatives broker ', was issued by SEBI.

4. PMS SERVICES (under ambit of PMS License)

a) Discretionary Portfolio Management Services

Under the Discretionary Portfolio Management Services, the Portfolio Manager shall deploy Assets brought in by a Client by investing or divesting suitably in the capital markets as per the Act and Regulations. The Portfolio Manager shall be acting in a fiduciary capacity, as a trustee, with regard to the Client's account consisting of investments, accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value).

Discretionary Portfolio Management Services 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.

The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the client in any type of security as per executed Agreement and make such changes in the investments and invest some or all of the Funds in such manner and in such markets as it deems fit. The Portfolio Manager's decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence.

This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant acts, rules and regulations, guidelines and notifications in force from time to time.

b) Advisory Portfolio Management Services

The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 1993 and SEBI (Investment Advisers) Regulations, 2013, which shall be in the nature of Investment Advice and may include advice relating to financial planning/asset allocation, investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client.

Investment Advice shall be for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk; to all eligible categories of investors who can invest in Indian market including NRIs, FPIs, etc.

The Portfolio Manager shall be solely acting as an advisor to the client without full discretion to make investment decisions. He shall not be responsible for the execution of decisions or administrative activities on the client's portfolio, unless requested to do so by the client via a Power of Attorney.

The Portfolio Manager shall act in a fiduciary capacity towards its Client and shall maintain arm's length relationship with its other activities. 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.

Under both options, the Portfolio Manager will not be liable for losses incurred based on our advice.

5. PRODUCTS OFFERED (DISCRETIONARY PMS)

We only follow one strategy named "**PRUDENCE** "where we invest in companies that have strong tail winds for growth, have a quality franchise and are available at a reasonable valuation. (Quality at a fair price)

Mr. Manish Gupta will be the dedicated, qualified portfolio manager.

Our investment approach is elucidated below

GROWTH	QUALITY		VALUATION	RISK
	RIGHT TO WIN	MANAGEMENT		
Earnings Growth – Compounding stories • Size of opportunity • Tail winds stronger than head winds • Secular, structural • Non dilutive	• Favourable industry structure and eco system • Strengthening "moat" • High ROCE • Self financed growth - FCF generation • No threat from disruption	• Long term orientation • Clear goals • Capital allocation discipline • Balance sheet discipline • Past governance record	• Permits 18-20% IRR • For high PE entry multiples, adjusts for multiple decline • Adjusts for where we are in earnings cycle • Cash flow based metrics	• What are we seeing that others are not? • Position sizing
DIRECTION OF TRAVEL – Incremental ROCE				

1. **Growth**
   - In the long run, stock prices track earnings growth of a company. Hence, a business we would look to invest in should be scalable which means there should be a large and growing market opportunity
   - We have a bias to look for themes which have structural tailwinds in place which ensures we are buying into compounding stories

2. **Quality**
   - We prefer to invest into businesses which have the following characteristics:
     - High ROE and Cash Generation
     - Low capital intensity
     - Operating leverage (High Gross Margin, low fixed costs)
   - The industry should have a favorable structure – ideally few players and high barriers to entry
   - Company we invest in has a competitive advantage which translates into a strong moat
   - Focus – do one thing well rather than diversify into multiple, unrelated businesses
   - Management team should have a good track record of capital allocation and must be fair to minority interests

3. **Valuation**
   - We are happy to pay a fair value (if not lower) for the businesses we shortlist using the above aspects because Quality is seldom cheap
   - Fair valuation is a function of
     - Growth outlook, return on capital, cash flow
     - Terminal value: strategic dominance
     - Predictability, consistency of growth
   - In addition to the earnings power of a business, fair valuation is also determined in context a function of the following two things:
     - Where are we in earnings cycle?
     - What is the time horizon for the investment?
   - Finally, we strive to pay a valuation where we feel probability of capital loss over 3-5 years is close to zero

4. **Risks**
   - While taking an investment decision, we try to be cognizant about all key risks associated with the given business model which could invalidate our investment thesis
   - We broadly think about risks in following terms e.g. as an illustration (not an exhaustive list)
     - Earnings risk from collapse in volume or margins
     - Multiple risk from reduction in earnings growth
     - Capital allocation and governance risks

- Political/regulatory risks
- Risks associated with leverage in the business

- We may take exposure at entry, in a single company upto maximum of 15% of funds being managed.

Portfolio Construction

While our fundamental bedrock is investing in Quality companies, one must be cognizant of the fact that Quality companies are seldom cheap. Hence, one must be flexible when one sees companies which are not pristine quality but getting there (Small and Mid-Caps) or companies undergoing transformation because of mistakes being corrected.

We hence organize the portfolio around 4 large buckets to give us maximum flexibility

Sub Category	Description	Expected IRR
Clear Leaders Secular	• **Leader in growing market** • **Robust business model**	**12-18%**
Emerging Leaders	• **Small and mid-caps that are on the path to become Clear Leaders**	**12-25%**
Transformation stories	• **Strong underlying franchise undergoing temporary challenges**	**> 25%**
Clear Leaders Cyclical	• **Businesses that go in and out of favour because of Capital cycle**	**>25%**

Other considerations

- The key variable that affects returns is investor "behaviour" during euphoria and corrections
  - Keep at least a 5 yr. perspective
  - Don't invest in equities if you cannot handle volatility or see mark downs of up to 25% on the portfolio
- Clients should appreciate that no one approach works all the time and hence Solidarity would need some flexibility to deviate from the above strategy.
- We may choose not to be fully invested and will park surplus funds in Liquid Mutual funds, Liquid ETF's (Exchange Traded Funds) or hold them in cash
- No fund manager/strategy will outperform in every time frame.
  - Choose an approach that works for you, and then give it time

- Avoid changing strategies mid cycle
- Measure returns, delivered post-advisor/management fees. A good outcome would be returns which are 4% above nominal GDP growth over 5 years.

Eligibility

- Initial investment of Rs.25 lacs for each account for residents and NRIs for Discretionary Option.
- Initial investment of Rs.10 Cr for Advisory option.
- Available to resident and non-resident individuals HUF and corporate investors.

For Family Accounts – Minimum starting AUM is Rs.1 crore. Once, the AUM reaches Rs.10 Cr., we will be ready to offer pricing flexibility/discounts. Clients will have the option of choosing one of the three plans mentioned under 'Section 10: Professional Fees'
Portfolio will comprise of:

(a) Equity and equity related securities, convertible stock and preference shares of Indian Companies
(b) Debentures (convertible and non-convertible), bonds and secured premium notes, swaps, options, futures, securitized debt, tax-exempt bonds of Indian companies and corporations, pass through certificates and instruments which are quasi-debt instruments
(c) Government and Trust Securities
(d) Units and other instruments of Mutual Funds including Gold Mining funds or feeder funds
(e) Bank deposits
(f) Treasury bills
(g) Commercial papers, Certificates of deposit and other similar money market instruments
(i) Other eligible modes of investment and / or forms of deployment within the meaning of the PMS Regulation and those approved by SEBI from time to time and cash in accordance with an agreed strategy.

PMS funds will not be invested in derivative products, unless authorized by clients in writing. We may sign up families as clients who have a listed business in which we make investments on behalf of other clients.

6. RISK ASSOCIATED WITH PMS

Solidarity Advisors Private Ltd. does not give any assurance or guarantee that the intended investment objectives of capital appreciation will be achieved as investment in Securities (Equities, Gold equivalents, debt) are subject to market or other risks that could result in loss of capital. Clients should invest in Equities through Solidarity Advisors Private Ltd. only if they have both ability and willingness to take risk (tolerate loss of capital).

We strongly believe that the behaviour of an investors impacts the returns more than anything else as people tend to take wrong decisions at both extremes – optimism and pessimism

- History suggests that the probability of Capital loss is as high as 50% if a client's time horizon is one year or less. Hence, clients should NOT invest with us if their time horizon is lesser than 5 years.
- According to us volatility is a part of long-term investing and anyone who can't see markdowns of 25% on the portfolio is not suited for investing in equities
- **Solidarity Advisors Private Ltd. does not guarantee or assure any return on investment, either of principal or appreciation on the portfolio or preservation of capital.**

Examples of kind of risks your investments are exposed to are detailed below.

- The past performance of the Portfolio Manager does not indicate his/her future performance.
- At times, portfolios of individual Clients may be concentrated in certain companies / industries. The performance of the portfolios would depend on the performance of such companies / industries / sectors of the economy.
- The Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the portfolio Products.
- We may at times have a conflict of interest where we have invested in companies whose ownership or management control is with a client of ours. In order to protect client confidentiality, we may not be at liberty to disclose this conflict of interest to you.
- The liquidity of the portfolio investment is inherently restricted by trading volumes in the Securities in which it invests.
- Investments in general and in the Product / Services which the Clients / Investors have opted are subject to wide range of risks which inter alia also include:

  a) Economic slowdown.

  b) Volatility and illiquidity of the stocks.

  c) Poor corporate performance, economic policies, change of Government and its policies.

  d) Acts of god, acts of war, civil disturbance, sovereign action and such other acts

  e) Geopolitical risks.

- Other risks including cancellation and postponement of settlements, default, legal actions, third party non-performance, misjudgement / incapacitation of the Portfolio Manager.
- 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 Client when the composition / asset allocation pattern changes.
- 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 times, in potential losses to the Portfolio, in case of a subsequent decline in the value of securities held in the Portfolio.
- Interest Rate Risk: As with all debt securities, changes in interest rates may affect valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.
- 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.

7. CLIENT REPRESENTATION (as on 31 July 2019)

	For Resident/Non Resident	Individual Client	Corporate Client
a) Type of services offered/no. of clients	Portfolio Management - Discretionary	50 (Resident) 7 (Non-Resident)	14
	Portfolio Management - Advisory	0	0
b) Total amount of funds advised	Portfolio Management - Discretionary	Rs. 309.91 cr. (Resident) Rs. 15.92 cr. (Non-Resident)	Rs. 31.74 cr.
	Portfolio Management - Advisory	NIL	NIL
c) Average size of portfolio	Portfolio Management - Discretionary	Rs. 6.19 cr. (Resident) Rs.2.27 cr. (Non-Resident)	Rs. 2.26 cr.
	Portfolio Management - Advisory	NIL	NIL
d) Average return to the client	Portfolio Management - Discretionary	Since Inception up to 31 Jul'19 -13.91% (Resident) Since Inception up to 31 Jul'19 – 12.26 % (Non - Resident)	Since Inception up to 31 Jul'19 -13.69%
	Portfolio Management - Advisory	NA	NA

8. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

PARTICULARS (In Rs.)	As at 31 March 2019 (Unaudited)	As at 31 March 2018 (Audited)
Total Revenue	**2,50,90,339**	**5,47,42,559**
Total expenses	**2,82,18,533**	**3,26,48,682**
Profit before tax	**(31,28,194)**	**2,20,93,878**
Current tax	97,343	64,64,329
Deferred tax	(7,30,962)	(91,489)
(Excess)/deficit provision created in earlier years (net)	-	-
Profit for the period	**(24,94,575)**	**1,57,21,038**

9. RELATED PARTY DISCLOSURES

(A) Related parties where control exists:

Manish Gupta	Director
Kanika Gupta	Director
Aniruddha Narayan Malpani	Additional Director
Anjali Malpani	Wife of Aniruddha Narayan Malpani

(B) Related parties with whom transactions have taken place during the period:

Key Management Personnel

Manish Gupta	Director
Kanika Gupta	Director
Aniruddha Narayan Malpani	Additional Director
Anjali Malpani	Wife of Aniruddha Narayan Malpani

(C) Transactions during the period:

Particulars	For the period ended 31 March 2019	For the period ended 31 March 2018
Manish Gupta		
Managerial remuneration	75,00,000	66,00,000
Office rent	11,85,800	17,93,523
Reimbursement of expenses	3,09,900	4,19,053
Contribution towards equity share capital	-	-

Kanika Gupta		
Managerial remuneration	15,00,000	13,80,000
Contribution towards equity share capital	-	-
Aniruddha Narayan Malpani		
Contribution towards equity share capital	-	7,25,000
Receipt for providing advisory services (including service tax/ GST)	79,94,922	2,41,21,513
Anjali Malpani		
Receipt for providing advisory services (including service tax/GST)	81,13,734	2,69,36,901

(D) Outstanding balances as at the period end.

Particulars	For the period ended 31 March 2019	For the year ended 31 March 2018
Payable to Mr. Manish Gupta for		
Managerial remuneration	4,43,033	63,19,036
Office rent	-	-
Reimbursement of expenses	2,90,975	3,76,274
Receivables from Dr Aniruddha Malpani for		
Advisory fees (including service tax/ GST)	19,98,907	1,76,13,818
Receivables from Dr Anjali Malpani for		
Advisory fees (including service tax/ GST)	20,32,617	1,79,35,385

10.PROFESSIONAL FEES

We offer the below pricing options with some discounts linked to AUM invested with us

If AUM is > 5 Crs.			
Particulars	**Fixed**	**Fixed + Variable**	**Only Variable**
Fixed fee on average AUM	1.75%	0.75%	0%
Hurdle rate post tax for profit share	NA	12%	7%
Profit share payable beyond hurdle	NA	15%	25%
Profit share - HWM principle	NA	End of 36 months	Yearly
If AUM is 1- 5 Crs.			
Particulars	**Fixed**	**Fixed + Variable**	**Only Variable**
Fixed fee on average AUM	2%	1%	NA
Hurdle rate post tax for profit share	NA	12%	
Profit share payable beyond hurdle	NA	20%	
Profit share - HWM principle	NA	End of 36 months	

If AUM is < 1 Cr.			
Particulars	**Fixed**	**Fixed + Variable**	**Only Variable**
Fixed fee on average AUM	3.00%	NA	NA
Hurdle rate post tax for profit share	NA		
Profit share payable beyond hurdle	NA		
Profit share - HWM principle	NA		
Other charges	INR 5000 p.a		

Other considerations

a) Fees will be charged based on the average daily AUM
b) No lock-in period
c) Taxes will be extra as per Government rates.
d) Fee structure may vary for specific clients based on their request for alternative options
e) No exit load

Other Expenses charged by Service providers

Brokerage: Upto a maximum of 0.10% brokerage to resident clients and 0.18% brokerage to NRI clients will be charged on every transaction by the broker (Kotak, Edelweiss, Ambit, Equirus & Systematix) based on then prevailing brokerage rates. The buy/sell prices will be shown net of cost. All applicable taxes will be additional.

Custodian & Fund Accounting: Custodial services expenses would be charged at 3bps of month end portfolio value and fund accounting expenses would be charged at 4 bps of average daily AUM. These charges are excluding taxes.

Event Fees:
These charges relate to the charges payable at the time of entering into and/ or exit from the investments of a particular product. E.g. Purchase of Mutual funds (Specific service providers).

Depository charges:
These charges relate to opening and maintenance of Depository Accounts (wherever required), dematerialization of scrips and their transfer charges in connection with the operation and management of the Client's Portfolio account. (Specific service providers).

Registrar and transfer agent fee:
Fees payable to the Registrar and Transfer Agents for effecting transfer of Securities at actuals wherever applicable.

Out of pocket expenses (Solidarity Advisors Pvt. Ltd):
Solidarity out of pocket expenses in connection with operation of bank accounts, documentation, Auditing and certification such as stamp duty attestations, notary, legal services, service tax, accounting, insurance charges etc.

Solidarity Advisors Private Ltd. will not charge any markup on expenses billed by third parties (they will be a complete pass through on actuals). Moreover, Solidarity Advisors

Private Ltd. will endeavor to continuously reduce these over time.

The Portfolio Manager shall deduct directly from the Cash Account of the Client all the fees/ costs specified above or require the Client to make the payments separately to the Portfolio Manager, at the option of the Portfolio Manager. Other expenses which could be attributable to the Portfolio Management Services would also be directly deducted and the Client would be provided details of the same.

Details regarding fees earned by Solidarity are mentioned in Schedule V of the main agreement and should be read with care.

11. TAX PROVISIONS

Clients will be responsible and liable for taxes under the provisions of the Income Tax Act, 1961 for any income generated out of the investment made in the portfolio management scheme. Solidarity Advisors Private Ltd. will not deduct tax on the capital gains generated out of the investment to be made in the portfolio management scheme. However, this will be subject to any of the provisions of the Income Tax Act, 1961 or the Finance Bill, as applicable. Solidarity Advisors Private Ltd. shall provide adequate statements to the clients for accounting purpose.

For non-resident clients, the short term Capital Gains tax is deducted at source by the bank.

12. ACCOUNTING POLICIES

Profit or Loss on sale of investment will be calculated by using the FIFO method.

Solidarity Advisors Private Ltd. will comply with the accounting standards issued to the extent applicable to us by the Institute of Chartered Accountants of India. Investments are valued in accordance with Accounting Standard-2 on Valuation of Inventories. Revenue arising from interest and dividend are accounted in accordance with Accounting Standard-9 on Revenue Recognition.

Investments will be accounted in accordance with the Accounting Standard-13 on accounting for investments.

13. INVESTOR SERVICES

- **Grievance redressal and dispute settlement mechanism**

Solidarity Advisors Private Ltd. shall ensure timely and prompt redress of any grievances or dispute with the client. Name, address and telephone number of person in charge of investor relation services.

Ms. Naarah Pereira
Operations & Compliance
Solidarity Advisors Pvt. Ltd.
101, Buena Vista, St. Alexius Road, Off Turner Road,
Bandra West, Mumbai 400 050
Email: operations@solidarity.in; np@solidarity.in

Any unresolved dispute between Solidarity Advisors Private Ltd. and the client shall be settled through arbitration as per the arbitration and conciliation act. The Portfolio Manager shall attend to and address any client query or concern as soon as possible to mutual satisfaction. All disputes, differences, claims and questions whatsoever which shall arise either during the subsistence of the agreement with a client or afterwards with regard to the terms thereof or any clause or thing contained therein or otherwise in any way relating to or arising there from or the interpretation of any provision therein shall be, in the first place settled by mutual discussions, failing which the same shall be referred to and settled by arbitration in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be held in Mumbai and be conducted in English language.

The agreement with the client shall be governed by, construed and enforced in accordance with the laws of India. Any action or suit involving the agreement with a client or the performance of the agreement by the either party of its obligations will be conducted exclusively in courts located within the city of Mumbai in the State of Maharashtra.

- **SEBI SCORES platform**

SEBI has launched a centralized web based complaints redress system (SCORES), which enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. This also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online at any time. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form. However, such complaints would be scanned and uploaded in SCORES for processing.

For Solidarity Advisors Pvt. Ltd.

Manish Gupta

Manish Gupta
Director & Chief Investment Officer
DIN: 00604556

Kanika Gupta

Kanika Gupta
Director
DIN: 03632390

Place: Mumbai
Dated: 8 August 2019