

FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA

(PORTFOLIO MANAGERS) REGULATIONS, 1993

(Regulation 14)

PORTFOLIO MANAGER

TRUSTLINE HOLDINGS (P) LTD
39/19, 11th Floor, 'Aspen Court'
6th Main Road, Raja Annamalai Puram,
Chennai – 600 028.
Ph – 044-42083877,

We confirm that:

- i) The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time;
- ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management Scheme;
- iii) The Disclosure Document has been duly certified on 23-10-2018 by an independent chartered accountant whose details are given below :

C.G.Ramesh Babu,
M.No.204013
New – 36, Basement,
4th main Road, Gandhi Nagar,
Adyar, Chennai – 600020
Ph – 044 – 42117905 ,

Date : 24-10-2018

Signature of the Principal Officer :

Name of the Principal Officer : ArunaGiri.N

Address of the Principal Officer : No.51 , LandMarvel Building,

4th Main Road, R.A.Puram, Chennai – 600028

Tel : 044-42083877

Place : Chennai



Disclosure Document

of

Portfolio Management Services

Offered by

TrustLine Holdings Pvt Ltd

23rd October 2018

TRUSTLINE HOLDINGS (P) LTD

SEBI Registration No : INP 00002254
Unique id under MAPIN : 100284547

DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT

- This disclosure document has been filed with SEBI along with the certificates in the prescribed format as per the terms of regulation 14 of the SEBI (Portfolio Managers) regulations 1993 and subsequent amendments to the regulations till date.
- The purpose of this document is to provide essential information about the portfolio management services of TrustLine Holdings (P) Ltd, in a manner to facilitate investors to make informed decision while evaluating TrustLine for managing their portfolio.
- The necessary information about the Portfolio Manager required by an investor before investing is given herein and the investor is advised to retain this document for future reference.
- All the intermediaries involved in this scheme are registered with SEBI as on the date of this document.
- **Details of the Principal Officer:**

Name : Mr. ArunaGiri N
Address : No.51, LandMarvel Buildings
4th Main Road, R.A. Puram
Chennai – 600028
Tel : 044 - 42083877
Email : arun.giri@trustlineindia.com



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1. Disclaimer Clause

The particulars of the schemes have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 1993, as amended till date and filed with Securities and Exchange Board of India (SEBI). The disclosure document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2. Definitions

- Portfolio Manager: TrustLine Holdings (P) Ltd is hereafter referred to as the Portfolio Manager.
- Investors: Individuals, Companies, HUF, OCBs and NRIs who desire to join the PMS Scheme of TrustLine Holdings (P) Ltd will be referred to as Investors.
- Discretionary Portfolio Management: The Portfolio Manager has the absolute discretion to make all the investment, reinvestment and other decisions relating to the management of the portfolio.
- Abbreviations Used has been tabled below for reference

SEBI	The Board established under the Securities and Exchange Board Of India Act, 1992
RBI	Reserve Bank of India
PMS	Portfolio Management Services.
NAV	Net Asset value means the sum total of the current value of the securities, cash, bank balance and debtors less creditors and PMS fees.
NRI	Non-Resident Indian
HUF	Hindu Undivided Family

3. Description

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

TrustLine Holdings Pvt Ltd, incorporated in March 2004, is a leading Chennai based Equity Research and Business Analytics Firm. Financial Research is the core activity of TrustLine. The company tracks and studies over 950+ businesses in the small and medium Cap sector as part of its investment research. The company took the major initiative of obtaining SEBI registration for Portfolio Management Services in April 07 and availed the registration vide Reg. NO: **INP 000002254** in July 07. As part of this business the company undertook major investments in the core areas of operations such as research and client investment management by IT enabling these functions. These investments underscore our strong commitment to grow this portfolio management services business in a focused and dedicated manner. We believe that specialization often produces very good business economics and builds durable competitive advantage. At TrustLine, Portfolio Management is our specialization and we will continue to focus on this space to grow our business. From this perspective we are a unique organization that is only into Portfolio Management with no other intermediary business like broking or any other related services. This sets us apart from competition and gives us a unique competitive advantage.



(II) Promoters of the Portfolio Manager, Directors and their Background:

1. Mr. ArunaGiri . N , Director (Principal Officer)

Mr. ArunaGiri, (Passport No. **E3741128**) , a resident Indian National is the promoter–director cum Principal Officer . Arun is an Engg Graduate from REC , Trichy with additional qualification in “Business Finance and Financial Analysis” from ICFAI. He has to his credit a background of rich Industry experience spanning over 30+ years. Significant part of his career was with one of the most admired IT services co in India. Here he held various senior positions across diverse functions. He brings with him an enviable track record in Equity and Financial Research. In addition to portfolio management responsibility, Mr.ArunaGiri also handles the responsibility for business development and client relationship.

2. Mr. Ulaganathan. N, Director (Domain Consultant)

Mr. Ulaganathan, (Passport No. **Z116947**), a resident Indian National is the co-founder cum domain consultant. Nathan is a post-graduate in Engg from IIT, Chennai with over 27+ years of Industry experience. He brings with him required domain skills for certain sectors like IT (Process Control), Petrochemicals, Industry Automation, Engineering, Oil & Gas and other related sectors. Company actively seeks his guidance and his consulting inputs with respect to above sectors as part of investment research.

3. Mr. Vijay Kumar. S (Research Consultant)

Mr. Vijay Kumar, a resident Indian National is a major shareholder in the company . Vijay is a Post-Graduate Diploma in Management (MBA) and an Engg. Graduate with over 24+ years of Industry experience. Significant part of his career was with **Dun & Bradstreet** where he gained rich experience in security analysis and equity markets. He also brings in rich experience in Business Development from his tenure in a **leading Telecom Service Provider in India**.

(III) Group Companies/ Firms:

During the year, the Promoters’ have incorporated a LLP in the name and style of “TRUSTLINE ADVISORS LLP” to act as Investment Managers for a proposed AIF Fund [Category III]. The Turnover of the LLP is Nil for the FY 18-19.

(IV) Details of Services Offered:

The Portfolio Manager offers only Discretionary Portfolio Management Services currently.



4. Penalties, litigations , proceedings etc.

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

(i)Cases of penalties imposed by SEBI or the directions issued by SEBI Act or Rules or Regulations made there under.	None
(ii) The nature of the penalty/direction	Not applicable
(iii) Penalties imposed for any economic offence and/ or for violation of any securities laws	None
(iv) Any pending material litigation /legal proceedings against the Portfolio Manager / key Personnel with separate disclosure regarding pending criminal cases, if any.	None
(v) Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency.	None
(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 there under.	None

5. Services Offered

Discretionary Portfolio Management

This service provides discretionary portfolio management to clients. The key objective of this service is to grow the investor’s capital at an above-average long-term return through our unique Research and Margin of Safety based long-term investment approach. Any Individual, NRI and corporate can join PMS with a minimum initial **Investment of Rupees Twenty Five Lakhs**. We have currently two investment schemes details of which is given in the Annexure I.

PMS Objective/Policy

- Portfolio may comprise of shares, bonds, cash, in accordance with an agreed strategy between the Portfolio Manager and client
- The Portfolio Manager has absolute discretion to make investment decisions on the client’s behalf.
- Potential for long – term capital growth thro focus on Margin-Of-Safety.
- Ensures efficient management and swift reaction as circumstances dictate
- Quarterly performance reports and Monthly transaction reports.



The investments under the Portfolio Management Services (PMS) are made on behalf of the investors. The Portfolio Manager maintains a common pool account for handling the funds of the investors, in the case of resident accounts. For this purpose, the Portfolio Manager has opened a common bank account styled “TrustLine Holdings (P) Ltd - A/C PMS.” However listed securities will be held in client’s DMAT account (non-pool operation). For this purpose, separate DMAT accounts will be opened in the name of the investors, which will be operated by the Portfolio Manager duly authorized by investor through a Power of Attorney.

6. Portfolio Risks

- The portfolio Management Scheme will be implemented strictly in accordance with Securities and Exchange Board of India (Portfolio Managers) Rules 1993 and amendments there to. Investors should familiarize themselves with these regulations.
- Securities investments are subject to market risks and the NAV of the scheme may go up and go down depending upon the factors affecting the securities market. There can be no assurance or guarantee that the objectives of the scheme will be achieved.
- The past performance of the previous scheme, sponsor or its group affiliates is not indicative of and does not guarantee future performance of the scheme. The Portfolio Manager does not give any assurance or guarantee that the objectives of the scheme will be achieved as investment in equity market is subject to market risks.
- The achievement of the objective of the scheme is subject to the macro and micro economic factors affecting the capital markets and the rules and regulations that may be enacted to govern the various sectors and industries.
- The normal risk of volatility and loss of capital applicable to concentration of investment in one category of security in one sector or industry is applicable to the investments made under PMS.
- The Portfolio Manager has started the PMS activities from the month of Sep’ 2007.

7. Redressal of Investor Grievances:

- The Investors have the option to escalate their grievances, if any, against Portfolio Manager by visiting www.scores.gov.in, which facilitates them to lodge their complaint online with SEBI and subsequently view its status.

8. Client Profile

Our client base is predominantly from the IT sector. We believe that we have a natural advantage from our promoter’s rich experience in the IT industry in terms of strong network of senior professionals in that sector that we can tap into for building our client base . Over the years, we have built a very strong client following of senior management professionals from leading organizations in our PMS business. Today, our client base has grown to over **464** + and figures CEOs, CFOs, Vice-Presidents from globally admired organizations. This gives us a unique positioning and durable competitive edge.



9. Financial Performance of the Portfolio Manager

(A) Abstract of Profit and Loss A/C for the year ended 30/09/2018 and for the last three Financial Years:

PARTICULARS	FY 2015-16 <i>[Audited]</i>	FY 2016-17 <i>[Audited]</i>	FY 2017-18 <i>[Audited]</i>	FY 2018-19 [I Half][provisional]
<u>INCOME:-</u>				
Portfolio Management Fee	16,687,699	32,956,114	66,689,986	28,143,051
Net Gain on Sale of Investments	11,395,505	5,196,307	34,964,189	4,753,080
Dividends & Other Income	4,113,558	17,97,160	47,67,420	2,289,856
Miscellaneous Income	653,629	698,972	12,44,451	592,399
Total Income	32,850,391	40,648,553	107,666,046	35,778,386
<u>EXPENDITURE:-</u>				
Administrative & Selling Expenses	9,501,068	13,953,270	24,703,179	12,826,154
Profit Before Depreciation and Taxation	23,349,323	26,695,283	82,962,867	22,952,232
Less: Depreciation	346,240	628,335	334,855	264,865
Profit After Depreciation	23,003,083	26,066,948	82,628,012	22,687,367
Less: Provision for Tax	4,000,000	5,016,210	15,975,105	-
FBT Payable	-	-	-	-
Deferred Tax Liability / (Asset)	44,958	(83,215)	3,332	-
Extra Ordinary Item	-	-	-	-
Income/(Expenses)				
Interim Dividend Paid	-	-	8,879,000	-
Profit Carried to Balance Sheet	18,958,125	21,133,953	57,770,575	22,687,367



(A) Balance Sheet as at 30/09/2018 and for the last three Financial Years:

PARTICULARS	FY 2015-16 As on 31.3.2016 <i>[Audited]</i>	FY 2016-17 As on 31.3.2017 <i>[Audited]</i>	FY 2017-18 As on 31.3.2018 <i>[Audited]</i>	FY 2018-19 As on 30.9.2018 <i>[Provisional]</i>
SOURCES OF FUNDS:-				
<u>SHAREHOLDERS FUNDS:</u>				
Equity Share Capital	1,229,530	1,229,530	1,253,660	1,253,660
Reserves & Surplus	106,087,869	125,987,250	190,273,960	210,501,193
Deferred Tax Liability	-	-	-	-
<u>BORROWED FUNDS:</u>				
Secured Loan	586,042	430,522	257,863	1,64,524
TOTAL	107,903,441	127,647,302	191,785,483	211,919,377
APPLICATION OF FUNDS:-				
<u>FIXED ASSETS:</u>				
Net Block	1,547,938	1,157,567	956,086	814,552
Goodwill	62,390	62,390	62,390	62,390
<u>INVESTMENTS:</u>	100,901,777	122,555,224	186,623,659	195,579,718
<u>CURRENT ASSETS:</u>				
Cash & Bank Balances	1,099,625	1,189,187	269,393	55,269
Advances&Deposits/Others	5,227,677	6,587,777	17,482,277	18,792,677
Sundry Debtors/Receivables	73,604	120,599	215,088	9,093,563
Other Current Assets	3,198,922	2,025,959	5,596,110	5,947,760
Sub Total	112,111,933	133,698,703	211,205,003	230,345,929
Less : Current Liabilities	4,192,091	6,118,215	19,483,002	18,490,034
Deferred Tax Asset	107,919,842 (16,401)	127,580,488 66,814	191,722,001 63,482	211,855,895 63,482
TOTAL	107,903,441	127,647,302	191,785,483	211,919,377



10. Client Representation

The Portfolio Manager has commenced operations w.e.f Sep 2007.

Details of Clients are as below:

Category of Clients	30-Sept-2018		31-Mar-2018		31-Mar-2017	
	No. of clients	Funds Managed (Rs. Cr.)	No. of clients	Funds Managed (Rs. Cr.)	No. of clients	Funds Managed (Rs. Cr.)
Individual-Resident	422	284.18	375	284.14	314	194.08
Non Resident Indian	29	18.36	26	17.82	16	10.56
Non Individuals	13	13.21	11	13.09	7	4.4
Total	464	315.75	412	315.05	337	209.04

11. Related Party Transactions

- Mr. N. ArunaGiri, director of the company was paid remuneration of Rs.5,21,004/- towards his services rendered for the half year ended 30th September 2018 and further Rs.20,00,000/- was paid as performance based bonus, pertaining to last financial year.
- Mrs.N.A.SomaSundari, director of the company was paid performance based bonus of Rs.15,00,000/-, pertaining to last financial year.
- The following are the funds of related parties that are managed by TrustLine Holdings Private Limited under PMS Scheme.

Sl. No	Client Name	NAV as on 30-09-2018, in INR.
1	MRS. SOMASUNDARI N.A.	19,156,641.24
2	MR. BAGAVATHYAPPAN S.	4,016,114.98
3	MR. SUBBIAH M.	5,921,435.50
4	MRS. SHANMUGAM B.	7,078,491.94
5	MRS. GOMATHI ULAGANATHAN	5,213,608.59
6	MR. NALLASIVAM . N.	3,220,955.29
7	MRS. SATHYA N.	4,041,731.20
8	MR. THIRUGNANASAMBANDAM S	2,737,481.82
9	MR. VIVEK ARUNAGIRI	2,942,868.41
10	MR. CHOCKLINGAM NAINAR	4,674,631.79
Total		59,003,960.76



12. Portfolio Management Performance of the Portfolio Manager

Cumulative return performance (since inception) of Intrinsic (Value Fund) for the period from 1st September 2007 to 30th September 2018 (133 months) is as under:

Relative Performance (as on 30 th September 2018)		Intrinsic Value Fund	BSE Small Cap Index
		Returns %	Returns %
3 Month Returns	Absolute	-8.08	-10.28
6 Month Returns	Do	-11.51	-15.61
1 Year Returns	Do	0.72	-11.07
2 Year Returns	Annualized	11.40	5.85
3 Year Returns	Annualized	16.99	9.10
Since Inception(Sep' 2007)	Annualized	22.53%	5.01%

Note:

1. Fund Returns are computed as an average of "Client>Returns" of select clients who have come in at a particular timeline.
2. Small cap index return shown is on time weighted basis to account for corpus inflows/outflows at different points of timeline.
3. Returns are post management fee and pre performance fee charges.

The return performance of Intrinsic Floater (Arbitrage Fund) for the period from 1st June' 2012 to 30th September 2018 (76 months) is as under:

Floater Performance (as on 30th September 2018)		Intrinsic Floater
		Returns %
3 Month Returns	Do	-2.67
6 Month Returns	Do	-3.08
1 Year Returns	Do	2.05
2 Year Returns	Annualized ret.	6.64
3 Year Returns	Annualized ret.	8.97
Since Inception(Jun' 2012)	Annualized ret.	10.25

1. Fund Returns are computed as an average of "Client>Returns" of select clients who have come in at a particular timeline.
2. Returns are post management fee and post performance fee charges.



13. Nature of expenses

PMS FEE

Fixed Fee:

Not exceeding 3% per annum of the Daily Average Portfolio Value. This is payable on a quarterly basis at the end of each financial quarter.

Performance Fee:

Not exceeding 25% of the profits in excess of hurdle rate of minimum 8%. This is payable at the end of every client year. Performance fee is computed applying high-water-mark principles. For the purpose of computing returns in the subsequent year, value of the portfolio at the beginning of the year would be value of the portfolio before charging of the performance fees previous year.

OTHER EXPENSES

Brokerage on buying/selling, depository charges, legal charges, custodial and other transaction related expenses would be charged at actuals.

14. Taxation

Income Tax: Under the portfolio management scheme, responsibility of the income tax payment on the income earned from PMS activities is on the investors. However the Portfolio Manager will provide adequate statements required for the accounting purpose.

Securities Transaction Tax: Securities Transaction Tax (STT) at the applicable rate on delivery-based trade in equity shares or units of an equity oriented fund entered into in a recognized stock exchange from the 1st of June 2005. STT is to be equally split between the buyer and the seller. STT paid is eligible for rebate U/S 88E of the Income Tax Act, subject to such conditions prescribed therein.

15. Accounting Policies

- Value of shares brought in, if any, for PMS activity or taken out of the activity, if any, are taken at the rate quoted at Bombay Stock Exchange/National Stock Exchange on the day of the transaction.
- Profit or loss on sale of securities is calculated on the “First-In-First-Out” method.

The investments under the Portfolio Management Services (PMS) are made on behalf of the investors. The Portfolio Manager maintains a common pool account for handling the funds of the investors. For this purpose, the Portfolio Manager has opened a common bank account styled “TrustLine Holdings (P) Ltd - A/C PMS.” However listed securities will be held in client’s DMAT account (non-pool operation). For this purpose, separate DMAT accounts will be opened in the name of the investors, which will be operated by the Portfolio Manager duly authorized by investor through a Power of Attorney.



16. Investor Services

- **Name, address and telephone number of the investor relations officer**

Mr. Siddharthan S K
Compliance Officer
TrustLine Holdings (P) Ltd
39/19, Aspen Court, II Floor,
6th Main Road, R.A.Puram,
Chennai – 600 028
Ph – 044 - 42083877

- **Grievances redressal and dispute settlement mechanism**

All grievances and disputes will be received at the corporate office of the Portfolio Manager (as mentioned in SEBI Portfolio Manager Regulation clause 14) and the Portfolio Manager will ensure timely and prompt redressal of the grievances and disputes.

17. Conflict of Interest

The portfolio manager has conflict of Interest under two sources as listed below:

1. Proprietary Investments
2. Related Party Transactions

The portfolio manager shall ensure fair treatment to all his customers while providing unbiased services and render high standards of service and ensure that he shall not put his Interest above those of his Clients.

The details of related party transactions are listed out in detail in Para 11 above.

The company hereby confirms that neither the company nor its Key Managerial Personnel have any kind of Interest in any other businesses, except the group Company/Firm mentioned in III above.

for TrustLine Holdings (P) Ltd



ArunaGiri . N
Managing Director

for TrustLine Holdings (P) Ltd



UlagaNathan . N
Director



Annexure-I		
Annexure to point 5 : Details of the various Investment plans offered by TRUSTLINE		
Investment Plan	<i>Intrinsic Value Fund</i>	<i>Intrinsic Floater Fund</i>
Investment Objective	Aims to generate capital appreciation by investing in a concentrated basket of stocks from the universe of small and mid cap space to earn superior risk-adjusted returns.	Aims to provide the Investor with returns through a primary focus on event-driven low risk arbitrage opportunities. Corporate events include only already announced and confirmed events.
Investment Style	Bottom up identification of undervalued stocks from small and medium cap using fundamental analysis. Invest in high growth companies with high incremental return on equity and generating sustained free cash flows over forecast period resulting in value appreciation.	Stocks selected from the universe of event-driven / corporate action based opportunities (e.g. stocks of companies undergoing corporate actions such as delisting, demerger, buy-back, open-offer, right issues etc).
Client Profile	Targeted at experienced clients seeking capital appreciation despite the risk of poor diversification. Must be willing and able to assume high volatility in the portfolio.	Clients looking for return profile similar to FD/FMP debt instruments by investing in low risk event driven equity opportunities aiming for at least 200 to 300 basis points alpha from above mentioned debt instruments.
Investment Portfolio	Limited number of well researched stock positions enhances probability of success. Number of stocks ideally in the range of 20-25. Exposure in single stock < 20%.	Stocks selected from the universe of event-driven / corporate action based opportunities (e.g. stocks of companies undergoing corporate actions such as delisting, demerger, buy-back, open-offer, right issues etc).
Investor's expected horizon	36+ months	12-18 months
Portfolio Turnover	Very low turn-over likely	Medium turnover is most likely.
Client's risk and asset allocation	Since it is concentrated equity portfolio. It is assumed that the client has done his asset allocation. Under this plan, the portfolio may not be diversified.	This is targeted towards client's low risk debt allocation portfolio.
Use of hedging Instruments	NO	NO
Minimum Portfolio Size	Rs.25 Lakh cash or equivalent value of approved securities per client.	Rs.25 lakh cash or equivalent value of approved securities per client.

