

**DALAL AND BROACHA STOCK BROKING PVT LTD**  
PMS SEBI Reg. No. INP000001975

DISCLOSURE DOCUMENT-PORTFOLIO MANAGEMENT SERVICES

(As required under Schedule V of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020)

This document supersedes all earlier Disclosure Document filed with SEBI.

This Document has been filed with the Securities Exchange Board Of India along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020

The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.

This document contains all the necessary information about the Portfolio Manager. Investors need to carefully read the entire document before making any investment decision and should retain it for future reference.

All the intermediaries involved in the Portfolio Management Services are registered with SEBI as on the date of the document

The name, phone number, e-mail address of the principal officer so designated by the portfolio manager is

Mr. Nailesh P. Dalal  
Principal Officer (Director)  
Dalal & Broacha Stock Broking Pvt. Ltd  
(CIN No: U67120MH1997PTC111186)  
506 Maker Chamber V  
221 Nariman Point  
Mumbai 400 021  
Tel:+91 22 22822992  
Fax:+91 22 22870092  
nailesh.dalal@dalal-broacha.com

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## **1. Disclaimer**

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This document is for information only and should not be construed as an offer or solicitation of an offer for managing the portfolio of any client. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Clients should seek financial advice regarding appropriateness of investing in any securities or investment strategies that may have been discussed or recommended in this report and should understand that the views regarding the future prospects may or may not be realized.

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## **2. Definitions**

Unless the context or meaning thereof otherwise requires, the Following expressions shall have the meaning assigned to them hereunder respectively:

**“Agreement”** means Client Broker agreement and shall include all schedules and annexure attached thereto

**“Portfolio Manager”** means any person who pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the Client (whether as discretionary portfolio manager or otherwise) the management or administration of the portfolio of securities or the funds of the Client, as the case may be.

**"Investor"** means any individual, partners in partnership, Central or State Government, company, body corporate, co-operative society, corporation, trust, society, Hindu Undivided Family (HUF) or any other body of persons, whether incorporated or not.

**“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, where under, the Portfolio Manager exercises any degree of discretion in investments or management of assets of the Client.

**“Non-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, where under, the Portfolio Manager discretion in investments or management of assets of the Client. And the discretion is left to the client.

**“Application”** means the application made by the Client to the Portfolio Manager to place the monies and/or securities therein mentioned with the Portfolio Manager for Discretionary Portfolio Management Services.

**“Assets”** means (i) the Portfolio and/or (ii) the Fund.

**“Bank Account”** means one or more accounts opened, maintained, and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client.

**“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 participant, registered under the SEBI (Depositories and Participants) Regulations 1996.

**“Custodian”** means any person who carries on or proposes to carry on the business of providing custodial services.

**“Funds”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement, and includes the monies mentioned in the Application, any further monies placed by the Client with the Portfolio Manager for being managed, pursuant to this Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.

**“Net Asset Value”** (NAV) is the market value of assets in portfolio consisting of equity, debt, mutual fund investment, cash, and cash equivalents.

**“Parties”** means the Portfolio Manager and the Client, and **“Party”** shall be construed accordingly.

**“Person”** includes any individual, partners in 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”** means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement, and includes any Securities mentioned in the Application, 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 right shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

**“Portfolio Management Fees”** shall have the meaning attributed thereto in Clause 5 below.

**“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

**“Rules”** means Securities and Exchange Board of India (Portfolio Managers) Rules, 2020.

**“Scheduled Commercial Bank”** means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934)

**“SEBI”** means the Securities and Exchange Board of India established under Sub-Section (1) of Section 3 of the Securities and Exchange Board of India Act.

**“Securities”** includes

Securities as defined under the Securities Contracts (Regulation) Act, 1956 shares, scrip's, stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, 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, future, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, and 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 (including borrowing or lending of securities) as may be permitted by applicable law, from time to time.

### **3. History, Present Business and Background of the Portfolio Manager**

With more than five decades of experience behind us, we at Dalal & Broacha, are today one of the leading Stockbrokers of India. The company is incorporated under the Companies Act, and is a member of the National Stock Exchange and BSE Ltd. (erstwhile Bombay Stock Exchange)- Mumbai as well as holds a seat on the National Stock Exchange on both the capital market as well as the derivatives segment. On the Institutional side we do business with most of the Indian Financial Institutions, the firm's satisfied client base is its main driving force.

Efficiency, integrity, and transparency in transaction have helped build trust, the raison dieter of the long-standing close customer relationships we cherish. Our customers rely completely on our principles of constant innovation and consistency of performance. In keeping with these principles, we have successfully serviced our diverse client base, which includes many Indian Financial Institutions, some Corporates, Banks, Mutual Funds as well as Foreign Institutional Investors. In addition, our customer base includes about seven thousand retail customers including Non-Resident Indians. We pride ourselves for being amongst the first to service the FII clients when the markets opened further in 1993.

#### **4. Promoters, Directors and their background**

##### **Mr. Nailesh Dalal**

A Bachelor of Commerce and a management diploma holder, his strength lies in understanding people, whether employees or customers. In the field for the last forty years, his excellence in people management skills is a definite advantage to the firm.

He handles the firm's retail broking as well as its finance functions. For the last eighteen years his focus has been individual investors. His skill lies in identifying the financial needs of an individual client and suggesting an investment strategy that is suitable for his needs.

##### **Mr. Vipul Dalal**

Dalal & Broacha's strong institutional relationships, built over the last thirty-four years, are due to the efforts of Vipul Dalal. The firm's focus on institutional business increased after he joined the firm. The place the firm has made amongst its institutional buyers is solely due to his efforts.

His role in research is to study the business environment in the country and to take a broader view of the economy. This in combination with sector or company specific view of the research department helps the firm to devise an investment strategy for the Institutional as well as HNI investor.

##### **Mr. Parimal Merchant**

Mr. Parimal Merchant is a Cost Accountant & a Law Graduate & is a Management Consultant. He is a faculty and Director of Global Family Managed Business Program at S. P. Jain school of Global Management and brings a rich diversified knowledge of various businesses with him. He has thirty-eight years of experience as a management consultant. Prior to this he has worked in the stock market for six years with Sushil Financial Consultants Ltd. Member BSE.

#### **5. Details of the Other Licenses (apart from Broking)/ Associated firms of Dalal & Broacha Stock Broking Pvt Ltd are :**

##### **Dalal & Broacha Stock Broking Pvt. Ltd.**

It has Registration under Research Analyst Regulations, 2014.  
It has Registration under Depository and Participants Regulation, 1996.

##### **Central Finance Securities Pvt. Ltd.**

RBI approved NBFC without Public Fixed Deposit. However, the main area of business is dealing in debt.

**Neelhari Holdings Pvt. Ltd.**

It is predominantly into investments & Trading in Equity

**Dalal & Broacha Commodities Pvt. Ltd.**

It has Registration with NSEL for Commodity business. (Inactive Member)

**Dalal & Broacha Portfolio Managers Private Ltd.**

SEBI Registered Investment manager established in 2019.

**D&B INDIA OPPORTUNITIES MULTICAP FUND**

This is Alternate Investment Fund. Which started investing in Dec-2019.

**6. Penalties, pending litigation or proceedings, findings of inspections 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 under the SEBI Act or Rules and 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 disclosures 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

## **7. Portfolio Management Services being offered by Dalal & Broacha Stock Broking Pvt. Ltd.**

The services being offered under discretionary management would be predominantly equity oriented (securities listed or traded on a recognized stock exchange) with leeway to the fund manager to park the funds in any other approved instruments such as; money market instruments, units of Mutual Funds and other securities as specified by SEBI from time to time. Under both the services corpus for investing will be accepted only by cross account payee cheque or securities in lieu of cash.

The pure advisory services would entail a thorough **one time analysis** of the portfolio and advising the client on his investments after understanding his investment goals.

### **Minimum Investment Amount:**

The Minimum amount for availing PMS services is Rs. 50,00,000/- (Rupees fifty lakhs only) or any such amount as specified by SEBI from time to time.

### **Details of Services Offered**

#### **I) Pure Advisory**

This service is targeted towards small investors. This would entail a thorough **one time analysis** of the portfolio and advising the client on his investments after understanding his investment goals.

#### **II) Long term growth.**

These services would focus on long term investment. Focus would be to deliver superior returns by investing in Good businesses with decent management at reasonable price. The holding period/ duration of the PMS should be at least two-three years.

The benchmark index would be NSE Nifty.

#### **III) Dynamic Growth**

These services would be a more dynamic plan than the Long-term Plan. It would be a combination of short term as well as long term opportunities. The investment decision would be driven by technical as well as fundamental factors in these services.

This would specifically be for people who understand the risk of the strategy and are comfortable with the strategy.

The benchmark index would be NSE Nifty



#### **IV) Mutual Fund Portfolio Management Services**

Under these services, the portfolio manager will invest into various mutual fund services across asset classes. Whether listed or unlisted. The fund would have leeway to park the funds in any mutual fund services whether debt, equity, or any other asset class. Corpus for investing will be accepted only by cross account payee cheque.

The benchmark index for the services would be NSE Nifty.

#### **Fee Structure for Mutual Fund Portfolio Management Services**

There will not be any management fees for the services as the company would be entitled to a commission from the mutual funds in whose schemes it would invest.

#### **V) Aggressive Long Term Capital Appreciation Portfolio Management Services**

Under this service, the portfolio manager will invest to achieve aggressive long term capital appreciation by investing in companies with the following characteristics:

- ✓ **Market Dominance:** We will principally focus on companies that are market leaders in their segment
- ✓ **Entry Barriers:** We look to invest in companies that have high entry barriers.
- ✓ **Management:** Superior management is a must.
- ✓ **Financial efficiency:** We will principally invest in companies which have high returns on capital employed over extended periods of time.
- ✓ **Low debt:** We will avoid companies with high leverage except in case of a turnaround.
- ✓ **Dividend track record:** We will look out for companies with a superior long term dividend record.
- ✓ **Low valuations:** High margin of safety. We will look out for valuation where our entry point is low valuations. We rarely acquire a stock where our margin of safety is low.
- ✓ **Out of Fashion:** We would invest in stocks and industries that are not in favor and are virtually forgotten.
- ✓ **Entry point on low volumes:** We would invest in forgotten stocks. They tend to have relatively low trading volumes.
- ✓ **Key macro trends:** We would also look for stocks that will capture key macro growth trends.

The Benchmark for the services would be the **NIFTY INDEX**

## SCHEDULE OF FEES

The Client shall pay to the Portfolio Manager as per selection of the Portfolio Management Fees as hereunder provided:

### Discretionary Services:

**I) For Pure Advisory Services, A fixed advisory fee of 1% of the portfolio or Rs.1000 flat, whichever is higher would be charged**

**II-a) For PMS, where only fixed management fee is opted for, the fee would be as follows:**

### Fixed Management Fee

- In first year, a Fixed Management Fee of 2 % per annum; of the quantum of funds managed; is applicable. The fixed management fee is payable, at the end of each quarter, pro-rata (@ 0.50%) of the quantum of funds managed.
- The Fixed Management Fee is payable; notwithstanding any withdrawals; within the period of one year.
- From second year, a Fixed Management Fee is payable, at the end of each quarter, pro-rata (@0.50%) based on quarterly closing NAV.
- There would be no minimum tenure prescribed for any of the portfolio management services offered by the Portfolio Manager.

**Example for scheme, where only fixed management fee is opted for**

YEAR 1	AMOUNT	FEES
Annual Fees – Fixed		
Amount Invested	50,00,000	
Closing NAV	45,00,000	
Annual Fixed Fee @ 2%		1,00,000
<b>TOTAL FEES PAID IN YEAR 1</b>		<b>1,00,000</b>
YEAR 2	AMOUNT	FEE
ANNUAL FEES – FIXED		
Q1		
Opening NAV	45,00,000	
NAV at end of Q1	55,00,000	
Fees @ 0.50%		27,500
Q2		
Opening NAV	55,00,000	
NAV at end of Q2	50,00,000	
Fees @ 0.50%		25,000
Q3		
Opening NAV	50,00,000	

NAV at end of Q3	57,00,000	
Fees @ 0.50%		28,500
Q4		
Opening NAV	57,00,000	
NAV at end of Q4	54,00,000	
Fees @ 0.50%		27,000
<b>TOTAL ANNUAL FIXED FEE IN YEAR 2</b>		<b>1,08,000</b>

**II-b) For PMS, where fixed management fee and performance-based fee is opted for, the fee would be as follows:**

#### **Fixed Management Fee**

- In first year, a Fixed Management Fee of 1 % per annum of the quantum of funds managed is applicable. The fixed management fee is payable; at the end of each quarter; pro-rata (@ 0.25%) of the quantum of funds managed.
- The Fixed Management Fee is payable; notwithstanding any withdrawals; within the period of one year.
- From second year a Fixed Management Fee is payable; at the end of each quarter; pro-rata (@ 0.25%) based on quarterly closing NAV.
- There would be no minimum tenure prescribed for any of the portfolio management services offered by the Portfolio Manager.

In addition to the fixed fee, the following performance-based fee will also be charged if this option has been chosen by the client

#### **Performance Fee**

- A Performance Fee is chargeable on Profits; based on closing NAV; 12 months from the date of inception of the PMS Account
- Performance Fees are chargeable @ 10% of Profits.
- NAV is calculated as: Market value of portfolio + Cash + Dividend/Interest/Other Receivables-Liabilities.
- For e.g., Initial corpus – Rs. 1 Cr  
Management Fee - Rs. 1 Lakh  
Closing NAV 12 months from date of inception- Rs. 1.5 Cr  
Profit - Rs.. 50 Lakhs  
Performance Fee - 10% of Profit  
Hence, Performance Fee 10% of 50 Lakhs i.e., Rs 5 Lakhs
- Performance Fee for year 2 onwards is applicable on the basis of the “high watermark” principle

**SCENARIOA:** Fees payable for scheme, where fixed management fee and performance-based fee is opted for and closing NAV is lower than the opening NAV in year 1 and closing NAV for year 2 is higher than the high watermark

<b>YEAR 1</b>	<b>AMOUNT</b>	<b>FEEES</b>
Annual Fees – Fixed		
Amount Invested	50,00,000	
Closing NAV	45,00,000	
Annual Fixed Fee @ 1%		50,000
<b>Fixed Fee @1% of the opening NAV in Year 1 (A)</b>		
<b>PERFROMANCE FEE</b>		
Amount Invested	50,00,000	
Closing Nav	45,00,000	
Profit / Loss	(5,00,000)	
Performance Fee @10% of accretion on Higher Water Mark (B)		0
<i>As NAV is below invested amount, performance fee is NIL</i>		
<b>TOTAL FEES PAID IN YEAR 1 (A+B)</b>		<b>50,000</b>
<b>YEAR 2</b>	<b>AMOUNT</b>	<b>FEE</b>
<b>ANNUAL FEES – FIXED</b>		
Q1		
Opening NAV	45,00,000	
NAV at end of Q1	55,00,000	
Fees @ 0.25%		13,750
Q2		
Opening NAV	55,00,000	
NAV at end of Q2	50,00,000	
Fees @ 0.25%		12,500
Q3		
Opening NAV	50,00,000	
NAV at end of Q3	57,00,000	
Fees @ 0.25%		14,250
Q4		
Opening NAV	57,00,000	
NAV at end of Q4	54,00,000	
Fees @ 0.25%		13,500
<b>TOTAL ANNUAL FIXED FEE IN YEAR 2 (A)</b>		<b>54,000</b>
<b>PERFORMANCE FEE</b>		
Opening NAV / Higher Water Mark	50,00,000	
Closing NAV YEAR 2	54,00,000	
Profit / Loss	4,00,000	
<b>Performance Fee @10% of accretion on Higher Water Mark (B)</b>		<b>40,000</b>
<b>TOTAL FEES PAID FOR YEAR 2 (A+B)</b>		<b>94,000</b>

### III) Mutual Fund Portfolio Management Services

There will not be any management fees for the services as the company would be entitled to a commission from the mutual funds in whose schemes it would invest.

### IV) Aggressive long term capital appreciation Portfolio Management Services Fixed Management Fee

The Fixed fees for this service would be 1% annual charge on assets under management (AUM) on the basis of opening corpus for the first year (payable at 0.25% every quarter). Thereafter from the subsequent year, 0.25% to be charged every quarter on closing NAV at the end of the quarter.

#### Performance Fee

In addition to the above, there would also be a performance fee payable on redemption which would be equal to 10 percent of the outperformance, compared to the benchmark Nifty Index on redemption.

#### **SCENARIO 1: Fees payable for scheme where Aggressive long term capital appreciation is the objective and the Portfolio has outperformed the benchmark rate**

YEAR 1	AMOUNT	FEES
Annual Fees – Fixed		
Amount Invested	50,00,000	
NIFTYs	5000	
Closing NAV	75,00,000	
Annual Fixed Fee @ 1%		50,000
<b>TOTAL FEES PAID IN YEAR 1</b>		<b>50,000</b>
YEAR 2	AMOUNT	FEE
ANNUAL FEES – FIXED		
Q1		
Opening NAV	75,00,000	
Q1 Closing NAV	65,00,000	
Fees for Q1 @ 0.25%		16,250
Q2		
Q2 Closing NAV	70,00,000	
Fees @ 0.25%		17,500
Q3		
Q3 Closing NAV	60,00,000	
Fees @ 0.25%		15,000
Q4		
Q4 Closing NAV	85,00,000	
Fees @ 0.25%		21,250
<b>TOTAL ANNUAL FIXED FEE IN YEAR 2</b>		<b>70,000</b>
<b>TOTAL FEES PAID IN 2 YEARS (A)</b>		<b>1,20,000</b>

<b>CASE 1 NAV (After 2 Years)</b>	<b>85,00,000</b>	
NIFTY	7,800	
Percentage increase in NIFTY Value	56	
Percentage Increase in Portfolio Value	70	
Outperformance against NIFTY	14	
Performance Fees @ 10% of Outperformance	1.4	
<b>TOTAL PERFORMANCE FEES being 1.40% of Amount Invested (B)</b>		<b>70,000</b>
<b>TOTAL FEES PAYABLE (A+B)</b>		<b>1,90,000</b>

**SCENARIO 2: Fees payable for scheme where Aggressive long term capital appreciation is the objective, and the Portfolio has underperformed the benchmark rate**

<b>YEAR 1</b>	<b>AMOUNT</b>	<b>FEES</b>
Annual Fees – Fixed		
Amount Invested	50,00,000	
NIFTY	5000	
Closing NAV	75,00,000	
Annual Fixed Fee @ 1%		50,000
<b>TOTAL FEES PAID IN YEAR 1</b>		<b>50,000</b>
<b>YEAR 2</b>	<b>AMOUNT</b>	<b>FEE</b>
ANNUAL FEES – FIXED		
Q1		
Opening NAV	75,00,000	
Q1 Closing NAV	65,00,000	
Fees for Q1 @ 0.25%		16,250
Q2		
Q2 Closing NAV	70,00,000	
Fees @ 0.25%		17,500
Q3		
Q3 Closing NAV	60,00,000	
Fees @ 0.25%		15,000
Q4		
Q4 Closing NAV	65,00,000	
Fees @ 0.25%		16,250
<b>TOTAL ANNUAL FIXED FEE IN YEAR 2</b>		<b>65,000</b>
<b>TOTAL FEES PAID IN 2 YEARS (A)</b>		<b>1,15,000</b>

<b>CASE 2 NAV (After 2 Years)</b>	<b>65,00,000</b>	
NIFTY	7,800	
Percentage increase in NIFTY Value	56	
Percentage Increase in Portfolio Value	30	
Performance Lower than NIFTY therefore no Performance Fee payable		
<b>TOTAL PERFORMANCE FEES (C)</b>		<b>0</b>
<b>TOTAL FEES PAYABLE (A+C)</b>		<b>1,15,000</b>

**8. The expenses that the client will have to incur in case of the discretionary services would be as follows**

- **Investment management and advisory fees**

As explained above

- **Depository Participant Fees (Demat charges)**

The charges relating to opening and operation of demat accounts, custody and transfer charges for shares, bonds and units, dematerialization, re-materialization, and other charges in connection with operation and management of the depository accounts. These would be payable to the depository participant with whom an account is maintained. Above demat charges would be payable to Dalal & Broacha Stock Broking Pvt. Ltd. who is a depository participant of the CDSL, in case client wishes to maintain depository account with it. Demat Charges would be in addition to the management fees as mentioned above.

- **Custodian Fees**

Custodian fees would be payable for availing custodial services by the custodian and will be recovered at actuals.

- **Registrar and transfer agent fee**

Though physical delivery and transfer of securities has been eliminated in most of the cases, If an investment is made in a security where physical delivery and transfer of security is necessary, any charges pertaining to the same will be borne by the client.

- **Brokerage and transaction cost**

In addition to all the above costs, any charges incidental to buying and selling of securities such as brokerage and other transaction cost like Goods and Service Tax, Stamp Duty, Transaction Charges, Securities Transaction, Turnover fees etc. would be borne by the client.

- **Certification and professional charges**

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

- **Other Charges**

As mutually discussed, and agreed by the Portfolio Manager and the client.

## **9. Risk factors**

Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the services will be achieved.

Past performance of the portfolio manager does not indicate the future performance of the same services in future or any other future services of the portfolio manager.

The Investment would also carry risk arising from the investment objective, investment strategy and asset allocation.

Being a predominantly equity-oriented services there would be risk arising out of non-diversification.

### **The following are the risk factors as perceived by the management:**

- (i) The PMS will be implemented strictly in accordance with SEBI (Portfolio Managers) Regulations, 2020 and amendments thereto. Investors are requested to familiarise themselves with these regulations.
- (ii) Securities investments are subject to a wide range of market risks, which include amongst others, and by way of illustration, may lead to an unpredictable loss in value of the Assets, which may extend to a total loss of value of the Assets.
- (iii) The Portfolio Manager does not guarantee or assure the client of the value of or returns on the Assets, in any manner whatsoever. The value of the Assets under the Discretionary Portfolio Management Service may stand a risk of total loss of capital and the client should be aware that they may lose all or any part of their investments with portfolio manager.
- (iv) The past performance of the scheme, promoters or Directors is not indicative of and does not guarantee future performance of the scheme.
- (v) The performance of the schemes may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- (vi) Investments in debt instruments are subject to default risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macro-economic factors and creates price changes in the value of the debt instruments. Consequently, the NAV of the portfolio may be subject to fluctuation.
- (vii) Investments in debt instruments are subject to re-investment risks as interest rates prevailing in interest or maturity due dates may differ from the original coupon of the bond, which may result in the proceeds being invested at a lower rate.
- (viii) The Portfolio Manager has a sound track record and has experience of managing client portfolio since August 24, 2007.



**10. Client Representation (Last 3 Years)**

(i)

Category of clients		No. of clients	Funds managed (Rs. cr)	Discretionary/ Non-Discretionary (if available)
<b>F.Y.2019-20</b>	Associates /group companies	0	0	Discretionary
	Related Parties	11	3.85	Discretionary
	Others	326	218.82	Discretionary
	<b>Total</b>	<b>337</b>	<b>222.67</b>	
<b>F.Y.2020-21</b>	Associates /group companies	0	0	Discretionary
	Related Parties	11	7.74	Discretionary
	Others	315	355.44	Discretionary
	<b>Total</b>	<b>326</b>	<b>363.17</b>	
<b>F.Y.2021-22</b>	Associates /group companies	0	0	Discretionary
	Related Parties	11	11.73	Discretionary
	Others	353	485.13	Discretionary
	<b>Total</b>	<b>364</b>	<b>496.86</b>	

The Portfolio Manager has three categories of clients – Resident Indians, NRIs and Non-individual category clients

**(ii) Disclosure of Related Party Transactions in terms of requirements as per the Accounting Standard - 18 (AS - 18)**

Names of the related parties and description of relationship

Sr. No.	Name of the Party	Particulars
1.	Central Finance Securities Private Limited Neelhari Holdings Private Limited Dalal & Broacha	Associates Enterprise
2.	Mr. Nailesh P Dalal Mr. Vipul P Dalal	Key Management Personnel
3.	Smt. Smruti N Dalal Smt. Sonal V Dalal Mr. Hriday N Dalal Mr. Nilay N Dalal Mr. Rohan V Dalal Smt. Pallavi H Dalal Smt. Darshita N Dalal	Relatives of Key Management Personnel

Sr. No	Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel
		Rs.	Rs.	Rs.
<b>1</b>	<b>Expenditure</b>			
	Salary	Nil (Nil)	1,44,00,000 (1,44,00,000)	2,45,00,000 (1,65,00,000)
	Lease Payments	9,74,700 (9,74,700)	6,04,320 (6,04,320)	18,76,920 (18,76,920)
<b>2</b>	<b>Income</b>			
	Brokerage	3,07,643 (94,926)	6,50,585 (4,96,044)	8,03,384 (4,39,651)
<b>3</b>	<b>Other Transactions of the related parties with the company</b>			
	Purchase of Securities	4,04,83,354 (2,74,12,609)	29,28,29,233 (23,34,76,785)	20,19,24,316 (14,36,92,337)
	Sale of Securities	4,50,74,909 (94,07,398)	30,87,02,240 (23,08,79,001)	20,65,59,036 (12,47,00,786)
	Purchases (Derivative Segment)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Sale (Derivative Segment)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Purchase of Bonds	Nil (15,16,94,553)	Nil (Nil)	Nil (Nil)
	Sale of Bonds	2,98,07,268 (6,12,26,239)	Nil (2,00,57,180)	Nil (Nil)
<b>4</b>	<b>Outstanding as at March 31,2021 in respect of broking transactions</b>			
	Debtors	Nil (35)	Nil (Nil)	99,496 (389)
	Creditors	26,939 (Nil)	Nil (12,08,775)	Nil (1,15,571)

(Figures in brackets pertain to previous year)

**(iii) Details of conflicts of interest related to services offered by group companies or associates of the portfolio manager: NIL**

While providing portfolio management services to the clients, services of group companies or associates were not availed anytime during last 3 financial years. Demat and trade execution services were provided by the depository participant and equity broking divisions of the company.

**11. Financial Results of Dalal & Broacha Stock Broking Pvt. Ltd.**

Following are the Audited Financial Results of Dalal & Broacha Stock Broking Pvt. Ltd. for the past three years.

Particulars	2018-2019	2019-2020	2020-2021
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Total Income	3096.69	3485.59	5094.08
Total Expenditure	1776.37	1898.91	2206.28
Profit Before Tax	1320.32	1586.68	2887.80
Tax Expense	279.04	338.65	672.31
Profit After Tax	1041.28	1248.03	2215.49

**12. Portfolio Performance:**

**Assets under Management:**

Services	As on 31.03.2020	As on 31.03.2021	As on 31.03.2022
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Long Term Growth	17653.75	29149.78	42153.46
Aggressive Long term Capital Appreciation	4612.82	7167.55	7532.33

**Portfolio Management Performance:**

Services	2019-20	2020-21	2021-22
Long Term Growth-Weighted Return	-14.10	58.42	20.69
Benchmark Index: Nifty	-24.50	70.59	18.08

Services	2019-20	2020-21	2021-22
Aggressive Long term Capital Appreciation	-27.37	59.46	7.49
Benchmark Index: Nifty	-25.15	71.03	18.74

**Disclaimer:** The Performance related information provided above is not verified by SEBI.

### **13. Disciplinary action by regulatory authorities**

We confirm that there have been no Penalties, pending litigation or proceedings on account of findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority.

### **14. Taxation**

The information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the client vis-à-vis the investments made through the portfolio management services route. This information gives the direct tax implications on the assumption that the securities are/ will be held for the purpose of Investments. In case the securities are held as stock in trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock in trade needs to be examined on a case-to-case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/ the date of making investment under portfolio management services route, shall endure indefinitely.

Further, the statements with regard to benefits mentioned herein are expression of views and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest under portfolio management services route. The client should not treat the contents of this section of the Disclosure documents as advice relating to legal, taxation, investment, or any other matter. In view of individual nature of tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc. The Client is advised to best consult its or his or her own tax consultant, with respect to specific tax implications arising out of its or his or her portfolio managed by Portfolio Manager.

The capital gains will be classified as long-term capital gain (**LTCG**) or short-term capital gain (**STCG**), depending upon the period of holding of the assets. The period of holding of an asset is determined as follows:

<b>Type of instrument</b>	<b>Period of holding</b>	<b>Characterization</b>
Listed securities (other than a unit), Unit of equity-oriented Fund, units of the Unit Trust of India and Zero-Coupon Bonds	More than 12 months	Long Term Capital Asset
	12 months or less	Short Term Capital Asset
Shares of a company (other than shares listed on a recognised stock exchange in India)	More than 24 months	Long Term Capital Asset
	24 months or less	Short Term Capital Asset
Other securities not covered above	More than 36 months	Long Term Capital Asset
	36 months or less	Short Term Capital Asset

➤ **Short Term Capital Gains:**

From assessment year 2005-06 and onwards, in the case of an assessee, any income arising from the transfer of a short-term capital asset, being an equity share in a company or a unit of an equity oriented fund and the transaction of sale of such equity share or unit is entered into through recognized stock exchange on or after the date on which the Securities Transaction Tax comes into force i.e., on or after 1-10-2004 and such transaction is chargeable to securities transaction tax, such short-term capital gains will be taxed at the flat rate of 15% as Income Tax. Income Tax on the total (taxable) income as reduced by such Short-term capital gains and Long-term capital gains is payable at the applicable scheduled rates. The aggregate of income-tax is to be increased by surcharge on income tax (if applicable) and health & education cess on Income Tax and surcharge.

In the case of individual or a HUF, being a resident, where the total (taxable) income as reduced by such short-term capital gains, is below the exemption limit, such short-term capital gains will be reduced to the extent of short-term capital loss and the balance of said short-term capital gains will be subject to flat rate of income-tax @ 15%

➤ **Long Term Capital Gains:**

From the assessment year 2019 -20 any income arising from the transfer of long-term capital Asset being;  
Equity Shares in a company listed on a recognized stock exchange  
Unit of an equity-oriented fund  
Will be taxed at a concessional rate of 10% exceeding Rs.1, 00,000/- provided that;

- a) the assets are held for a minimum period of twelve months from the date of acquisition; and
- b) the Securities Transaction Tax (STT) is paid at the time of transfer. However, in the case of equity shares acquired after 1.10.2004, STT is required to be paid even at the time of acquisition (subject to notified exemptions).

The cost of acquisition for the long-term capital asset acquired on or before 31<sup>st</sup> of January 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset as on 31<sup>st</sup> of January 2018, the fair market value will be deemed to be the cost of acquisition. Further, if the full value of consideration on transfer is less than the fair market value, then such full value of consideration or the actual cost, whichever is higher, will be deemed to be the cost of acquisition

➤ **Dividend:**

Till FY 2019-20, dividends declared by Indian Companies are exempt from tax in the hands of the Investors under section 10(34) of the IT Act. Finance Act 2020 however has shifted the burden of taxation on recipients and dividend will be taxed at the applicable income slab rate from FY 2020-21 onwards. Further, such dividend received by a recipient will also attract tax deduction at source (TDS) at 10% if it exceeds Rs 5,000 in a financial year.

## **15. Accounting Policy**

- (i) Investments of clients are stated at cost. Investments introduced by the client into their respective portfolios are booked at the market value on the date of introduction into the PMS.
- (ii) Profit or Loss on sale of investments is calculated using the “First In First Out” (FIFO) method of accounting.
- (iii) As far as possible the Portfolio Manager is complying with the relevant Accounting Standards issued 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 dividends is accounted for in accordance with Accounting Standard 9 on Revenue Recognition. Investments are accounted for in accordance with Accounting Standard 13 on Accounting for Investments.
- (iv) The investments under the PMS are made on behalf of and in the respective names of the Investors. Hence, separate bank accounts and depository accounts are opened in the name of the Investors, which are operated by the Portfolio Manager duly authorised by a Power of Attorney.

## **16. Investor Services**

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

Mrs. Aarti Pawar

506, Maker Chamber V, Nariman Point, Mumbai - 400 021

Tel: 022-26141459

Email: [pms@dalal-broacha.com](mailto:pms@dalal-broacha.com)

This Disclosure Document's soft copy is also displayed on our web site at following path:

[https://www.dalal-broacha.com/downloadable\\_forms.html](https://www.dalal-broacha.com/downloadable_forms.html)

(Select PMS – Disclosure)

- (i) **Grievance redressal and dispute settlement mechanism:**

The Client can approach the office of the Portfolio Manager for redressal of their grievances. For this purpose, Mrs. Aarti Pawar has been appointed as the Investor Relations Officer. Apart from that, Compliance Officer's Details are as follows:

Ms. Chaitali M Shah

506, Maker Chamber V, Nariman Point, Mumbai - 400 021

Tel: 022- 26141468

Email: [compliance.officer@dalal-broacha.com](mailto:compliance.officer@dalal-broacha.com)

Investor may also register/ lodge complaints online on **SCORES (SEBI COMPLAINTS REDRESS SYSTEM)** portal. URL: <https://scores.gov.in/scores/Welcome.html> by clicking on “Complaint Registration” under “Investor Corner”

### **FILING COMPLAINTS ON SCORES - EASY & QUICK**

- a. Register on SCORES portal
- b. Mandatory details for filing complaints on SCORES:
  - i. Name, PAN, Address, Mobile Number, E-mail ID
- c. Benefits:
  - i. Effective communication
  - ii. Speedy redressal of the grievances

### **INVESTOR GRIEVANCE REDRESSAL MECHANISM**

- (i) The complaint received shall be recorded in the complaint register and the same shall be forwarded to the Compliance Officer with comments thereof.
- (ii) The Compliance Officer and/ or Principal Officer shall study/ investigate the complaint and offer the reply to the complainant. This process shall be completed in one week.
- (iii) Unresolved complaint for more than one week shall be forwarded to the Whole Time Directors. The said complaints then shall be resolved in one week of time. Hence, the complaint shall be resolved within 15 days from the date of the receipt of the complaint.
- (iv) Resolved complaint shall be recorded as resolved in the complaint register.
- (v) The investor shall be advised to adopt appropriate remedy in case the complaint is not resolved to his satisfaction.
- (vi) The complaint register shall be placed before the monthly meeting of the PMS department with the Whole Time Director to see whether all the complaints received are resolved or the complaints are advised to adopt appropriate remedy.

In the event or disputes, differences, claims any question between the parties hereto arising out of this Agreement or in any way relating hereto or any term, condition or provision herein mentioned or the construction or interpretation thereof or otherwise in relation hereto, the parties shall first endeavor to settle such differences, disputes, claims or questions by amicable settlement failing which, the same shall be referred to the arbitration of two arbitrators, one to be appointed by the Portfolio Manager and the other by the Client and such arbitrators shall appoint a presiding Arbitrator before commencing the arbitration proceedings. The arbitration shall be held in accordance with the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force and shall be held in Mumbai and conducted in the English language. The Courts in Mumbai alone shall have jurisdiction over such arbitration proceedings.

## **17. Dispute and grievance settlement mechanism**

All disputes, differences, claims, and questions, whatsoever, which shall arise either during the subsistence of the agreement with the 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 provisions therein shall be, at the first instance, settled by mutual discussions, failing which the same shall be referred settled in accordance with the provisions of the Arbitration and conciliation Act, 1996 in the form existing at the point of time. Such arbitration proceedings will be held at Mumbai or any other place where the Portfolio Manager thinks fit and will be conducted in English.

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 either party of their obligations will be conducted exclusively in Courts located within the city of Mumbai in the state of Maharashtra, India.

## **18. General**

### **Acts done in good faith**

Any act, thing or deed done in good faith in pursuance of or with reference to the information provided in the application or other communication received from the Client will constitute good and full discharge of the obligation of the Portfolio Manager.

In case of copies of the documents/ other details such as list of authorised signatories, that are submitted by a limited company, body corporate, registered society, trust or partnership, if the same are not specifically authenticated to be certified true copies but are attached to the application form and / or submitted to the Fund, the onus for authentication of the documents so submitted shall be on such investors and the Portfolio Manager will accept and act on these in good faith wherever the documents are not expressly authenticated.

Submission of these documents/ details by such investors shall be full and final proof of the corporate Client's authority to invest and the Portfolio Manager shall not be liable under any circumstances for any defects in the documents so submitted. In cases where there is a change in the name of such client, such change will be affected by the Portfolio Manager only upon receiving the duly certified copy of the revised Certificate of Incorporation issued by the relevant Registrar of Companies/ Registering Authority.

In cases where the change PAN Number reflecting the name change is not submitted, such transactions accompanied by duly certified copy of the revised Certificate with a copy of the old Pan Card and confirmation of application made for new PAN Card along with amended PAN Card copy will be required as a documentary proof.



## **19. Prevention of Money Laundering:**

Prevention of Money Laundering Act, 2002 ('PML Act') came into effect from July 1, 2005 vide Notification No. GSR 436 (E) dated July 1, 2005 issued by the Department of Revenue, Ministry of Finance, and Government of India. Further SEBI vide its Circular No. ISD/CIR/RR/AML/1/06 dated January 18, 2006 mandated that all intermediaries including Portfolio Managers should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures and also to adopt a "Know Your Customer" (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring, and reporting incidents of money laundering and suspicious transactions undertaken by clients. SEBI has further issued Circular No. ISD/CIR/RR/AML/2/06 dated March 20, 2006 advising all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the PML Act requiring inter-alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit – India (FIU-IND). The PML Act, the Rules issued there under and the guidelines/circulars issued by SEBI thereto, as amended from time to time, are hereinafter collectively referred to as 'AML laws'. Further SEBI vide its Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/104 dated July 04, 2018 mandated that all Intermediaries including Portfolio Managers should formulate and implement a proper policy framework as per the guidelines on anti-money laundering.

The Client(s) where Client is a minor, should ensure that the amount invested through the services offered by the Portfolio Manager is through legitimate sources only and does not involve and is not designated for the purpose of nay contravention or evasion of the provisions of the Income tax Act, AML Laws, Prevention of Corruption Act and/ or any other applicable law in force and also any laws enacted and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued there under.

To ensure appropriate identification of the Client(s) under its KYC policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager reserves the right to seek information, record investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc. it may re-verify and obtain any incomplete or additional information for this purpose, including through the use of third party databases, personal visits, or any other means as may be required for the Portfolio Manager to satisfy themselves of the investor(s) identity, address and other personal information.

The Client(s) and their Attorney(ies), if any, shall produce reliable, independent source documents such as photographs, certified copies of Aadhar Card/ Ration Card/ Passport/ Driving License / PAN card etc. and/ or such other documents or produce such information as may be required from time to time for verification of the personal details of the Client(s) including inter alia identify, residential address(es), occupation and financial information by the Portfolio Manager. If the Client(s), their attorney(ies), or the person making payment on behalf of the Client(s), refuses/ fails to provide the required documents/ information within the period specified by the Portfolio Manager then the Portfolio Manager shall have absolute discretion to freeze the Account of the Client(s), reject any application(s) and effect mandatory repayment/ returning of Assets of the Account of the Client(s) subject to the fees payable to the Portfolio Manager, if any. The Portfolio

Manager shall also, after application of appropriate due diligence measures, have absolute discretion to report any transactions to FIU-IND that it believes are suspicious in nature within the purview of the AML Laws and/ or on account of deficiencies in the documentation provided by the Client(s) and the Portfolio Manager shall have no obligation to advise investors or distributors of such reporting. The KYC documentation requirements shall also be complied with by the persons becoming the client by virtue of operation of law e.g., transmission, etc. The Portfolio Manager, and its Directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Account/ rejection of any application or mandatory repayment/ returning of funds/ Asset of the Account due to non-compliance with the provisions of the AML Laws and KYC policy and/ or where the Portfolio Manager believes that transaction is suspicious in nature within the purview of the AML Laws and /or reporting the same to FIU-IND.

## **20. Client Information:**

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by him is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources/ manner and the investor is duly entitled to invest the said funds. Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client is holding the funds/ Securities in his name is legally authorized/ entitled to invest the said funds through the services of the Portfolio Manager, for the benefit of the beneficiaries. Notwithstanding anything contained in this Disclosure Document, the provisions of the Regulations and the guidelines there under shall be applicable. Investors are advised to read the Disclosure Document carefully before entering into an agreement with the Portfolio Manager.

## **21. Client Risk profiling**

We appraise the client about our investment style which is long term investing. We also inform him about the short-term risks involved in this strategy as the portfolio would be skewed towards mid cap stocks and inform him that mid cap stocks are more susceptible to volatility as compared to large cap stocks.

We advise clients that she/ he should invest only those funds that he is unlikely to require in the short term. However clearly informing him that he can seek redemption at any point in time.

We accept only those clients who clearly understand this strategy and do not accept clients with low-risk appetite.

## **22. Foreign Account Tax Compliance Act (FATCA):**

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of these is that details of U.S. investors holding assets outside the US will be reported by financial institutions to the IRS, as a safeguard against U.S. tax evasion. As a result of the Hire Act, and to discourage non-U.S. financial

institutions from staying outside this regime, financial institutions that do not enter and comply with the regime will be subject to a 30% penalty withholding tax with respect to certain U.S. source income (including dividends) and gross proceeds from the sale or other disposal of property that can produce U.S. source income. Sections 1471 through 1474 of the U.S. Internal Revenue Code impose a 30% withholding tax on certain payments to a foreign financial institution (“FFI”) if that FFI is not complaint with FATCA. The Company is a FFI and thus, subject to FATCA. Beginning 1 July 2014, this withholding tax applies to payments to the Company that constitute interest, dividends and other types of income from U.S. sources (such as dividends paid by a U.S. corporation) and beginning on 1 January 2017, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to U.S. source dividend or interest payments. These FATCA withholding taxes may be imposed on payments to the Company unless (i) the Company becomes FATCA complaints pursuant to the provision FATCA and the relevant regulations, notices and announcement issued thereunder, or (ii) the Company is subject to an appropriate Intergovernmental Agreement to improve international tax compliance and to implement FATCA. The Company intends to comply with FATCA in good time to ensure that none of its income is subject to FATCA withholding.

\* or such date as may be applicable

India has entered into Inter Governmental Agreement (“IGA”) with USA on 9<sup>th</sup> July 2015 and has notified Income Tax rules for compliance with FATCA regulations. Further, India has also signed a multilateral agreement on June 3, 2015, to automatically exchange information based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters under the Common Reporting Standard (CRS). The Portfolio Manager intends to take any measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations. In order to comply with its FATCA/ CRS obligations, the Company will be required to obtain certain information from its investors so as to ascertain their tax status. If the investor is a specified person, or does, not provide the requisite documentation, the Company may need to report information on these investors to the appropriate tax authority, as far as legally permitted. If any investor or any intermediary through which it holds its interest in the Company either fails to provide the Company,

its agents or authorised representatives with any correct, complete, and accurate information that may be required for the company to comply with FATCA/ CRS, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its interest in the Company or, in certain situations, the investor’s interest in the Company may be sold involuntarily. The Company may at it discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the Company deems appropriate or necessary to comply with FATCA/ CRS, subject to this being legally permitted under the IGA or the Indian laws and regulations. Other countries are in the process of adopting tax legislation concerning the reporting of information. The Company also intends to comply with such other similar tax legislation that may apply to the Company although the exact parameters of such requirements are not yet fully known. As a result, the Company may need to seek information about the tax status of investors under such other country’s laws and each investor for disclosure to the relevant governmental authority. Investors should consult their own tax advisors regarding the FATCA/ CRS requirements with respect to their own situation. In particular, investors who hold their Units through intermediaries should confirm the FATCA/CRS compliance status of those intermediaries to ensure that they do not suffer FATCA/CRS withholding tax on their investment returns.

### **23. SEBI Scores Platform:**

As referred under Investor Relations details, 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.

### **24. Investor Charter in Respect of Portfolio Management Services**

#### **Vision and Mission Statements for investors.**

##### **Vision:**

To implement diligently researched customised investment strategies which help investors meet their long-term financial goals in a risk appropriate manner.

##### **Mission:**

To ensure that the PMS industry provides a viable investment avenue for wealth creation by adopting high levels of skill, integrity, transparency and accountability.

#### **A. Details of business transacted by the organization with respect to the investors.**

- a. Appropriate risk profiling of investors
- b. To provide Disclosure Document to investors
- c. Executing the PMS agreement
- d. Making investment decisions on behalf of investors (discretionary) or investment decisions taken at the discretion of the Investor (non-discretionary) or advising investors regarding their investment decisions (advisory), as the case may be.

#### **B. Details of services provided to investors and estimated timelines:-**

- i. Discretionary & Non-Discretionary Portfolio Management Services (PMS):-  
Under these services, all an investor has to do, is to give his portfolio in any form i.e. in stocks or cash or a combination of both. The minimum size of the portfolio under the Discretionary and/ or Non-Discretionary Funds Management Service should be Rs.50 lakhs as per the current SEBI Regulations. However, the PMS provider reserves the right to prescribe a higher threshold product-wise or in any other manner at its sole discretion. The PMS provider will ascertain the investor's investment objectives to achieve optimal returns based on his risk profile. Under the Discretionary Portfolio Management service, investment decisions are at the sole discretion of the PMS provider if they are in sync with the investor's investment objectives. Under the Non-Discretionary Portfolio Management service, investment decisions taken at the discretion of the Investor.

- ii. Investment Advisory Services: -  
Under these services, the Client is advised on buy/sell decision within the overall profile without any back-office responsibility for trade execution, custody of securities or accounting functions. The PMS provider shall be solely acting as an Advisor to the Client and shall not be responsible for the investment/divestment of securities and/or administrative activities on the client's portfolio. The PMS provider shall act in a fiduciary capacity towards its Client and shall maintain arm's length relationship with its other activities. The PMS provider shall provide advisory services in accordance with guidelines and/or directives issued by the regulatory authorities and/or the Client from time to time in this regard.
  
- iii. Client On-boarding
  - a. Ensuring compliance with KYC and AML guidelines.
  - b. franking & signing the Power of Attorney to make investment decisions on behalf of the investor.
  - c. opening demat account and funding of the same from the investor's verified bank account and/or transfer of securities from verified demat account of the investor an
  - d. Mapping the said demat account with Custodian.
  
- iv. Ongoing activities
  - a. To provide periodic statements to investors as provided under the PMS Regulations 2020 and other SEBI notifications and circulars ("PMS Regulations") and
  - b. Providing each client an audited account statement on an annual basis which includes all the details as required under the PMS Regulations.
  
- v. Fees and Expenses  
Charging and disclosure of appropriate fees & expenses in accordance with the PMS regulations.
  
- vi. Closure and Termination  
Upon termination of PMS Agreement by either party, the securities and the funds lying in the account of the investor shall be transferred to the verified bank account/ demat account of the investor.
  
- vii. Grievance Redressal  
Addressing in a time bound manner investor's queries, service requests and grievances, if any, on an ongoing basis.

Timelines of the services provided to investors are as follows:

Sr. No	Service / Activity	Timeline
1	Opening of PMS account (including demat account) for residents.	7 days from receipt of all requisite documents from the client, subject to review of the documents for accuracy and completeness by portfolio manager and allied third party service providers as may be applicable.
2	Opening of PMS account (including demat account) for non-individual clients.	14 days from receipt of all requisite documents from the client, subject to review of the documents for accuracy and completeness by portfolio manager and allied third party service providers as may be applicable.
3	Opening of PMS account (including demat account, bank account and trading account) for non-resident clients.	14 days from receipt of all requisite documents from the client, subject to review of the documents for accuracy and completeness by portfolio manager and allied third party service providers as may be applicable.
4	Registration of nominee in PMS account and demat account.	Registration of nominee should happen along with account opening, therefore turnaround time should be same as account opening turnaround time.
5	Modification of nominee in PMS account and demat account.	10 days from receipt of requisite nominee modification form, subject to review of the documents for accuracy and completeness by portfolio manager and allied third party service providers as may be applicable.
6	Uploading of PMS account in KRA and CKYC database.	10 days from date of account opening (Portfolio Manager may rely on the custodian for updating the same).
7	Whether portfolio manager is registered with SEBI, then SEBI registration number.	At the time of client signing the agreement; this information should be a part of the account opening form and disclosure document
8	Disclosure about latest networth of portfolio manager and total AUM.	Disclosure of portfolio manager's total AUM - monthly to SEBI Disclosure of latest networth should be done in the disclosure document whenever there are any material changes.
9	Intimation of type of PMS account – discretionary.	At the time of client signing the agreement; this information should be a part of the account opening form.
10	Intimation of type of PMS account - non discretionary.	At the time of client signing the agreement; this information should be a part of the account opening form.
11	Intimation to client what discretionary account entails and powers that can be exercised by portfolio manager.	At the time of client signing the agreement; this information should be a part of the account opening form.

Sr. No	Service / Activity	Timeline
12	Intimation to client what non-discretionary account entails and powers that can be exercised by portfolio	At the time of client signing the agreement; this information should be a part of the account opening form.
13	Copy of executed PMS agreement sent to client.	Within 3 days of client request.
14	Frequency of disclosures of available eligible funds.	All details regarding client portfolios should be shared quarterly (point 26).
15	Issuance of funds and securities balance statements held by client.	This data should be shared on a quarterly basis or upon client request.
16	Intimation of name and demat account number of custodian for PMS account.	Within 3 days of PMS and demat account opening.
17	Conditions of termination of contract.	At the time of client signing the agreement; this information should be a part of the account opening form.
18	Intimation regarding PMS fees and modes of payment or frequency of deduction.	At the time of client signing the agreement; this information should be a part of the account opening form.
19	POA taken copy providing to client.	Within 3 days of client request.
20	Intimation to client about what all transactions can portfolio manager do using POA.	At the time of client signing the agreement; this information should be a part of the account opening form.
21	Frequency of providing audited reports to clients	Annual.
22	Explanation of risks involved in investment.	At the time of client signing the agreement; this information should be a part of the account opening form.
23	Intimation of tenure of portfolio investments.	Indicative tenure should be disclosed at the time of client signing the agreement; this information should be a part of the account opening form.
24	Intimation clearly providing restrictions imposed by the investor on portfolio manager.	Negative list of securities should be taken from the client at the time of client signing the agreement; this information should be a part of the account opening form.
25	Intimation regarding settling of client funds and securities.	Settlement of funds and securities is done by the Custodian. The details of clients' funds and securities should be sent to the clients in the prescribed format not later than on a quarterly basis.
26	Frequency of intimation of transactions undertaken in portfolio account.	Not later than on a quarterly basis or upon clients' request.

Sr. No	Service / Activity	Timeline
27	Intimation regarding conflict of interest in any transaction.	The portfolio manager should provide details of related party transactions and conflict of interest in the Disclosure Document which should be available on website of portfolio manager at all times.
28	Timeline for providing disclosure document to investor.	The latest disclosure document should be provided to investors prior to account opening and the latest disclosure documents should be available on website of portfolio manager at all times. 29 Intimation to investor about
29	Intimation to investor about details of bank accounts where client funds are kept.	Within 3 days of PMS and demat account opening
30	Redressal of investor grievances.	Within 30 days, subject to all the information required to redress the complaint is provided by the complainant to the portfolio manager

Notes: The number of days in the above timelines indicate clear working days

**C. Details of grievance redressal mechanism and how to access it**

1. It is mandatory for every PMS provider to register itself on SEBI SCORES (SEBI Complaint Redress System). SCORES is a centralised online complaint resolution system through which the complainant can take up his grievance against the PMS provider and subsequently view its status.  
(<https://scores.gov.in/scores/Welcome.html>)
2. The details such as the name, address and telephone number of the investor relations officer of the PMS provider who attends to the investor queries and complaint should be provided in the PMS Disclosure document.
3. The grievance redressal and dispute mechanism should be mentioned in the Disclosure Document.
4. Investors can approach SEBI for redressal of their complaints. On receipt of complaints, SEBI takes up the matter with the concerned PMS provider and follows up with them.
5. Investors may send their complaints to: Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4- A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

**D. Expectations from the investors (Responsibilities of investors)**

1. Check registration status of the intermediary from SEBI website before availing services.
2. Submission of KYC documents and application form in a timely manner with signatures in appropriate places and with requisite supporting documents.
3. Read carefully terms and conditions of the agreement before signing the same.
4. Thorough study of the Disclosure Documents of the PMS to accurately understand the risks entailed by the said investment in PMS.
5. Accurate and sincere answers given to the questions asked in the 'Risk Questionnaire' shall help the PMS provider properly assess the risk profile of the investor.



6. Thorough study of the quarterly statements sent by the PMS provider to the investor intimating him about the portfolio's absolute and relative performance, its constituents and its risk profile.
7. Ensure providing complete details of negative list of securities as part of freeze instructions at the time of entering into PMS agreement and every time thereafter for changes, if any, in a timely manner.
8. To update the PMS provider in case of any change in the KYC documents and personal details and to provide the updated KYC along with the required proof.

**25. Grievance details as on March 2022**

(as per the SEBI circular SEBI/HO/IMD/IMD-II\_DO7/P/CIR/2021/681)

Sr. No.	Received from	Pending at the end of last month	Received	Resolved*	Total Pending#	Pending complaints > 3months	Average Resolution time^ (in days)
1	Directly from Investors	0	0	0	0	0	0
2	SEBI (SCORES)	0	0	0	0	0	0
3	Other Sources (if any)	0	0	0	0	0	0
	<b>Grand Total</b>	0	0	0	0	0	0

Trend of monthly disposal of complaints

Sr. No.	Month	Carried forward from previous month	Received	Resolved*	Pending#
1	April 2021	0	0	0	0
2	May 2021	0	0	0	0
3	June 2021	0	0	0	0
4	July 2021	0	0	0	0
5	August 2021	0	0	0	0
6	September 2021	0	0	0	0
7	October 2021	0	0	0	0
8	November 2021	0	0	0	0
9	December 2021	0	0	0	0
10	January 2022	0	0	0	0
11	February 2022	0	0	0	0

12	March 2022	0	0	0	0
	<b>Grand Total</b>	0	0	0	0

Trend of annual disposal of complaints

<b>Sr. No.</b>	<b>Year</b>	<b>Carried forward from previous year</b>	<b>Received</b>	<b>Resolved**</b>	<b>Pending##</b>
1	2018-19	0	2	2	0
2	2019-20	0	0	0	0
3	2020-21	0	0	0	0
4	2021-22	0	0	0	0
	<b>Grand Total</b>	0	2	2	0

For **Dalal & Broacha Stock Broking Pvt. Ltd**

Nailesh Dalal

Director

Vipul Dalal

Director

Mumbai: 31/03/2022