

PMS SEBI Reg.No.INP000001975, Dt.16.03.2007

DISCLOSURE DOCUMENT

As required under Regulation 14 of the SEBI (Portfolio Managers) Regulations,1993

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 14 of the SEBI (Portfolio Managers) Regulations, 1993

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 required by an investor before investing, and the investor is advised to retain the document 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
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1. Disclaimer

This Disclosure document has been prepared in accordance with the SEBI (Portfolio Mangers) Regulations, 1993 as amended from Time and filed with SEBI. This document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy of adequacy of the contents of the document.

Dalal & Broacha Stock Broking Pvt. Ltd. has based this document on information obtained from sources it believes to be reliable but which it has not independently verified and hence makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. The information contained in this document is based upon publicity available information at the time of publication which is subject to change from time to time.

This document is for information only and should not be construed as a offer or solicitation of an offer for managing the portfolio of any client. In 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.

Neither this document nor the product offerings have been registered in any jurisdiction other than in India. The distribution of this document in certain jurisdiction may be restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about and to observe any such restrictions.

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.

“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, 1993, as may be amended from time to time.

“Rules” means Securities and Exchange Board of India (Portfolio Managers) Rules, 1993, as may be amended from time to time.

“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 four decades of experience behind us, we at Dalal & Broacha, are today one of the leading Stock Brokers of India. The company is incorporated under the Companies Act, and is a member of the 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 and Wholesale Debt Market 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 has 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 thirty five 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 fourteen 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 twenty nine 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 business with him. He has thirty three years of experience as a management consultant. Prior to this he has worked in the stock market for five years with Sushil Financial Consultants Ltd. Member BSE.

5. The Other Associated firms of Dalal & Broacha are

Dalal & Broacha Stock Broking Pvt. Ltd.

It has Registration with Research Analyst Regulations, 2014.
It has Registration with 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)

6. Portfolio Management Services being offered by Dalal & Broacha Stock Broking Pvt. Ltd.

The services being offered under discretionary management would be predominantly equity oriented with leeway to the fund manager to park the funds in any other instrument till such time as these funds are deployed in equity. Under both the services corpus for investing will be accepted only by cross account payee cheque.

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.

Details of Services Offered

Pure Advisory

This services 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.

Long term growth.

This 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.

Dynamic Growth

This 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 this 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

Mutual Fund Portfolio Management Services

Under this 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.

Aggressive Long Term Capital Appreciation Portfolio Management Services

Under this services, 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 efficiencies. 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.

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.

Low turnover. Typically, We would tend to own a stock for at least 4-5 years.

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**

Fee Structure

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

SCHEDULE OF FEES

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

Discretionary Services:

A) For Pure Advisory Services

A fixed advisory fee of 1% of the portfolio or Rs.1000 whichever is higher would be charged

B) For PMS, where only fixed management fee is opted for, the fee would be as follows

Fixed Management Fee

- A Fixed Management Fee of 2 % per annum is chargeable based on opening NAV.
- The Fixed Management Fee is payable upfront, for a period of one year, on signing of the Portfolio Investment Management Agreement.
- There would be no minimum tenure prescribed for any of the portfolio management services offered by the Portfolio Manager.
- The Fixed Management Fee on renewal is chargeable based on quarterly closing NAV.
- The Fixed Management Fee is payable, notwithstanding any withdrawals within the period of one year.

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

Year 1	AMOUNT	FEES
ANNUAL FEES-FIXED		
Amount Invested	5,000,000	
Closing NAV	4,500,000	
Annual Fixed fee @ 2%		100,000
TOTAL FEES PAID IN YEAR 1		100,000
Year 2	AMOUNT	FEES
ANNUAL FEES-FIXED		
Q1		
Opening NAV	4,500,000	
NAV at the end of Q1	5,500,000	
Fees @0.5%		27,500
Q2		
Opening NAV	5,500,000	
NAV at the end of Q2	5,000,000	
Fees @0.5%		25,000
Q3		
Opening NAV	5,000,000	
NAV at the end of Q3	5,700,000	
Fees @0.5%		28,500
Q4		
Opening NAV	5,700,000	
NAV at the end of Q4	5,400,000	
Fees @0.5%		27,000
TOTAL ANNUAL FIXED FEE IN YEAR 2		108,000

C) For PMS, where fixed management fee and performance based fee is opted for, the fee would be as follows

Fixed Management Fee

- A Fixed Management Fee of 1 % per annum is chargeable based on opening NAV.
- The Fixed Management Fee is payable upfront, for a period of one year, on signing of the Portfolio Investment Management Agreement.
- There would be no minimum tenure prescribed for any of the portfolio management services offered by the Portfolio Manager.
- The Fixed Management Fee on renewal is chargeable based on quarterly closing NAV.
- The Fixed Management Fee is payable, notwithstanding any withdrawals within the period of one year.

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 client.
- 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 onward is applicable on the basis of the “high watermark” principle

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

Year 1	AMOUNT	FEES
ANNUAL FEES-FIXED		
Amount Invested	5,000,000	
Closing NAV	4,500,000	
Annual Fixed fee @ 1%		50,000
Fixed fee @1% of the opening NAV in year 1= A		
PERFORMANCE FEES		
Amount Invested	5,000,000	
Closing NAV	4,500,000	
Profit	(500,000)	
Performance Fees @10% of accretion (on higher water		0
<i>As NAV below amount invested, performance fee is NIL</i>		
TOTAL FEES PAID IN YEAR 1 = A+B		50,000

Year 2		
ANNUAL FEES-FIXED		
Q1		
Opening NAV	4,500,000	
NAV at the end of Q1	5,500,000	
Fees @0.25%		13,750
Q2		
Opening NAV	5,500,000	
NAV at the end of Q2	5,000,000	
Fees @0.25%		12,750
Q3		
Opening NAV	5,000,000	
NAV at the end of Q3	5,700,000	
Fees @0.25%		14,250
Q4		
Opening NAV	5,700,000	
NAV at the end of Q4	5,400,000	
Fees @0.25%		13,500
TOTAL ANNUAL FIXED FEE = A		54,250
PERFORMANCE FEES		
Opening NAV/High water mark	5,000,000	
Closing NAV YEAR 2	5,400,000	
Profit	400,000	
Performance Fees @10% of accretion (on higher water mark) = B		40,000
TOTAL FEE FOR YEAR 2 Fixed+ Performance	A+B	94,250

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 services it would invest.

D) For PMS, where Aggressive long term capital appreciation Portfolio Management Services, the fee would be as follows

Fixed Management Fee

The Fixed fees for this services would be 1 percent annual charge on assets under management on the basis of opening corpus for the first year (payable at 0.25% every quarter) and thereafter from the subsequent year 0.25 percent charged on closing NAV every 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.

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

ANNUAL FEES-fixed			
	Year 1		
Amount Invested	5000000		
NIFTY	5000		
Closing NAV	7500000		
Fees for year 1			50,000
	Year 2		
Opening NAV	7500000		
Q1 closing NAV	6500000		
Fees for Q1		16,250	
Q2 Closing NAV	7000000		
Fees for Q2		17,500	
Q3 Closing NAV	6000000		
Fees for Q3		15,000	
Q4 Closing NAV	8500000		
Fees for Q4		21,250	
FEES FOR YEAR 2			70,000
TOTAL ANNUAL FEES PAID IN TWO YEARS	A		120,000

Performance Fees

Case 1 NAV SAY (after 2 years)	8,500,000		
NIFTY	7,800		
Percentage Increase in Nifty Value	56		
Percentage Increase in Portfolio Value	70		
Outperformance to Nifty	14		
Performance Fees @10% of Outperformance	1.4		
TOTAL PERFORMANCE FEES being 1.4% of the amount invested	B		70,000
TOTAL FEES PAYABLE	A+B		190,000

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

ANNUAL FEES-fixed			
	Year 1		
Amount Invested	5000000		
NIFTY	5000		
Closing NAV	7500000		
Fees for year 1			50,000
	Year 2		
Opening NAV	7500000		
Q1 closing NAV	6500000		
Fees for Q1			16,250
Q2 Closing NAV	7000000		
Fees for Q2			17,500
Q3 Closing NAV	6000000		
Fees for Q3			15,000
Q4 Closing NAV	6500000		
Fees for Q4			16,250
FEES FOR YEAR 2			65,000
TOTAL ANNUAL FEES PAID IN TWO YEARS	A		115,000

Performance fees

Case 2 NAV SAY (after 2 years)	65,00,000		
NIFTY	7,800		
Percentage Increase in Nifty Value	56		
Percentage Increase in Portfolio Value	30		
Performance lower than Nifty therefore no performance fee payable			
TOTAL PERFORMANCE FEES	C		0
TOTAL FEES PAYABLE	A+C		115,000

7. 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 detailed above**
- **Custodian fee**
These would be payable to the depository participant with whom an account is maintained. Dalal & Broacha Stockbroking Pvt. Ltd. is a depository participant of the CDSL and will act as the custodian for the client. The fees payable for custody charges payable to the Depository department of Dalal & Broacha Stockbroking Pvt. Ltd. would be in addition to the management fees as mentioned above.
- **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 costs would be borne by the client. For the sake of confidentiality as well as convenience, Dalal & Broacha stock broking Pvt. Ltd. may route most/all of the transactions through its broking division.

8. 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.

9. Client Representation (Last 3 Years) 1

Category of clients		No. of clients	Funds managed (Rs. cr)	Discretionary/ Non Discretionary (if available)
F.Y.2014-15	Associates /group companies	0	0	Discretionary
	Related Parties	3	1.07	Discretionary
	Others	123	116.51	Discretionary
	Total	126	117.58	
F.Y.2015-16	Associates /group companies	0	0	Discretionary
	Related Parties	9	2.81	Discretionary
	Others	167	120.20	Discretionary
	Total	176	123.01	
F.Y.2016-17	Associates /group companies	0	0	Discretionary
	Related Parties	10	3.93	Discretionary
	Others	205	168.22	Discretionary
	Total	215	172.15	

10. 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	2016-17	2015-2016	2014-2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Total Income	3740.25	3177.75	3510.72
Total Expenditure	1637.02	1471.67	1311.72
Profit After Tax	1655.33	1359.66	1679.76

11. Portfolio Performance :

Assets under Management:

Services	As on 31.03.2015	As on 31.03.2016	As on 31.03.2017
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
Long Term Growth	10661.00	11136.54	15079.63
Aggressive Long term Capital Appreciation	1096.41	1164.74	2135.67

Portfolio Management Performance:

Services	2014-15	2015-16	2016-17
Long Term Growth-Weighted Return	42.52	-12.96	23.18
Benchmark Index: Sensex	22.38	-9.10	17.09

Services	2014-15	2015-16	2016-17
Aggressive Long term Capital Appreciation	36.39	7.77	76.13
Benchmark Index: Sensex	24.89	-9.42	17.34

12. Disciplinary action by regulatory authorities

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

13. Taxation

- **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 I.T. The total (taxable) income as reduced by such short-term capital gains and long-term capital gains, income-tax on such reduced total income is payable at the applicable scheduled rates. The aggregate of income-tax is to be increased by S.C. on I.T., if any, and addl. S.C. on I.T. & S.C.

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 gains and the balance of said short-term capital gains will be subject to flat rate of income-tax @ 15%

- **Long Term Capital Gains**

From assessment year 2005-06 and onwards, any income arising from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund is exempt u/s. 10(38), where 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 under that Chapter.

14. Accounting Policy

We would follow the FIFO (first in first out) method of accounting for calculation of capital gains on securities sold.

15. Investor Services

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

Mrs. Aarti Hande

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

Tel: 26141459

Email: pms@dalal-broacha.com

(Note :- Our above Disclosure soft copy also displayed on our web site- www.dalal-broacha.com , click on downloadable forms- 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 Hande has been appointed as the Investor Relations Office.

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

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.

16. 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.

17. 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.

18. 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, 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 thereunder and the guidelines/circulars issued by SEBI thereto, as amended from time to time, are hereinafter collectively referred to as 'AML laws'.

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 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.

19. 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.

20. 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.

21. 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 compliant 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 compliant 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 9th 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 its 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.

22. SEBI Scores Platform:

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

For Dalal & Broacha Stock Broking Pvt. Ltd

Nailish Dalal
Director

Vipul Dalal
Director

Parimal Merchant
Director

Mumbai : 31/03/2017