

DALAL & BROACHA STOCK BROKING PVT. LTD.

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Portfolio Management Service

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)
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PART-I STATIC SECTION:

1. Disclaimer Clause

This Disclosure document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time and filed with SEBI. This document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the document.

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.



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2. Definitions

In this Disclosure Document, unless the context otherwise requires, the following words and expressions shall have the meaning assigned to them:

1. **“Act”** means the Securities and Exchange Board of India Act, 1992.
2. **“Accreditation Agency”** means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time.
3. **“Accredited Investor”** means any person who is granted a certificate of accreditation by an accreditation agency who:
 - (i) in case of an individual, HUF, family trust or sole proprietorship has:
 - (a) annual income of at least two crore rupees; or
 - (b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores Seventy-five lakh rupees is in the form of financial assets; or
 - (c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.
 - (ii) in case of a body corporate, has net worth of at least fifty crore rupees;
 - (iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;
 - (iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.

4. **“Advisory Services”** means advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.
5. **“Agreement”** or **“Portfolio Management Services Agreement”** or **“PMS Agreement”** means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
6. **“Applicable Law/s”** means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.



7. **“Assets Under Management” or “AUM”** means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
8. **“Associate”** means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
9. **“Benchmark”** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
10. **“Board” or “SEBI”** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
11. **“Business Day”** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
12. **“Client(s)” / “Investor(s)”** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
13. **“Custodian(s)”** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
14. **“Depository”** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
15. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
16. **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
17. **“Disclosure Document” or “Document”** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
18. **“Distributor”** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
19. **“Eligible Investors”** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
20. **“Fair Market Value”** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.



21. **“Foreign Portfolio Investors” or “FPI”** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
22. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the following year.
23. **“Funds” or “Capital Contribution”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of 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.
24. **“Group Company”** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.
25. **“HUF”** means the Hindu Undivided Family as defined in Section 2(77) of the IT Act.
26. **“Investment Approach”** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
27. **“IT Act”** means the Income Tax Act, 2025, as amended and restated from time to time along with the rules prescribed thereunder.
28. **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
29. **“Non-resident Investors” or “NRI(s)”** shall mean non-resident Indian as defined in Section 2 (72) of the IT Act.
30. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
31. **“NISM”** means the National Institute of Securities Markets, established by the Board.
32. **“Person”** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
33. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.
34. **“Portfolio Manager”** means Dalal & Broacha Stock Broking Pvt Ltd., a company incorporated under the Companies Act, 2013 registered with SEBI as a portfolio manager bearing registration number INP000001975 and having its registered office at 506, Maker Chamber V, 221, Nariman Point, Mumbai – 400 021.



35. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:

- (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and
- (ii) (ii) all other operations of the Portfolio Manager

36. **“Regulations”** or **“SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.

37. **“Related Party”** means –

- (i) a director, partner or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, partner, manager or his relative is a partner;
- (iv) a private company in which a director, partner or manager or his relative is a member or director;
- (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
- (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act;

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;
- (ix) a related party as defined under the applicable accounting standards;
- (x) such other person as may be specified by the Board:

Provided that,

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party;

38. **“Securities”** means security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.



3. Description

(i) 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.

(ii) Promoters of the portfolio manager, 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-three 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 forty 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-seven 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 is to study the business environment in the country and to take a broader view of the economy. His inputs helps the firm to device 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 was 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 forty-One 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.



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(iii) Top 10 Group companies/firms of the portfolio manager on turnover basis

<u>Company/Firms Name</u>	<u>Industry</u>	<u>Year of Formation / Incorporation</u>
Central Finance Securities Pvt. Ltd.	RBI approved NBFC without accepting Public Fixed Deposit. However, at present the main area of business is dealing in debt securities.	09/02/1995
D&B India Opportunities Multicap Fund	SEBI registered Category III AIF.	10/05/2019
Dalal & Broacha Portfolio Managers Private Ltd.	Investment manager for SEBI registered Category III AIF.	12/03/2019
Dalal & Broacha Commodities Pvt. Ltd.	It has Registration with NSEL for Commodity Segment. (Inactive Member)	22/03/2005
Neelhari Holdings Pvt. Ltd.	It is predominantly into investments in Equity.	22/03/1991
Dalal & Broacha Partnership Firm	It is predominantly into investments in Equity.	28/10/1981

(iv) Details of the services being offered:

Discretionary & Advisory. (Refer to Section 5 below)



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

(i) All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder.	None
(ii) The nature of the penalty/direction.	Not Applicable
(iii) Penalties/fines imposed for any economic offence and/or for violation of any securities laws.	None
(iv) Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.	None
(v) Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	During FY 25-26, Advisory letter issued by SEBI to ensure compliance with SEBI Master Circular for PMS dated June 07, 2024 which mandates Charges for all transactions in a financial year (Broking, Demat, Custody etc) through self and associates shall be capped at 20% by value per associate (including self) per service
(vi) Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder.	None



5. Services Offered

(i) The services being offered under discretionary management would be predominantly equity oriented (securities listed or traded on a recognized stock exchange) with an investment objective of long term capital appreciation 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 these services, corpus for investing will be accepted only by cross account payee cheque, bank transfer 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**

(ii) Investment Approaches of the Portfolio Manager

LONG TERM GROWTH

Following paras document investment approach adopted by Dalal & Broacha Stock Broking Pvt. Ltd (Portfolio Manager) while managing the client funds to achieve client's investment objectives.

At D&B, we believe in Long Term Growth. The longer you stay invested, the more you earn, and the rewards keep growing.

We follow following approach while managing the client funds



- Do Risk Profiling of The Client: Assess risk tolerance/ risk Appetite of the client
- Assess financial goals of the client
- Optimise Resource Allocation in accordance with Risk Profile and Financial Goals of the clients
- Regular Risk Management and protect earnings from market Risk
- Improve portfolio proficiency
- Maximize Returns and achieve long term financial goals of the clients

Strategy

India is a growth economy with a very large young population and rising per capita income.

The fund would endeavor to invest in such businesses that can take advantage of this opportunity offered by India's growth story and grow the portfolio significantly in the coming years.

Accordingly, our strategy would be focused mostly on Equity.

AGGRESSIVE GROWTH STRATEGY

The strategy would be sector agnostic and would endeavor to invest in undervalued companies that can generate good cash flows over a longer period.

The fund will have a concentrated portfolio.

(iii) The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.

No investment will be made in associates/group companies of the portfolio manager.



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6. Risk factors

A. General Risks Factors

- (1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
- (2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.
- (3) [Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager. [OR] The Portfolio Manager has no previous experience/track record in the field of portfolio management services. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.]
- (4) The names of the Investment Approach do not in any manner indicate their prospects or returns.
- (5) Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.
- (6) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.
- (7) Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.
- (8) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
- (9) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

B. Risk associated with equity and equity related instruments

- (10) Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity



related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.

- (11) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.
- (12) Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

C. Risk associated with debt and money market securities

(13) Interest Rate Risk

Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls, the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.

(14) Liquidity or Marketability Risk

The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.

(15) Credit Risk

Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.



(16) Reinvestment Risk

This refers to the interest rate risk at which the intermediate cash flows received from the Securities in the Portfolio including maturity proceeds are reinvested. Investments in fixed income Securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

D. Risk associated with derivatives instruments

- (17) The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.
- (18) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

E. Risk associated with investments in mutual fund schemes

- (19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.
- (20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.
- (21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
- (22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.



- (23) The Portfolio Manager shall not responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- (24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- (25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- (26) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

F. Risk arising out of Non-diversification

- (27) The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry. Similarly, the portfolios with investment objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets. Moreover, from the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.

G. Risk arising out of investment in Associate and Related Party transactions

- (28) All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- (29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.
- (30) The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits



permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.



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7. Nature of expenses

(i) Management and Performance fees

Management Fee relate to the portfolio management services offered to Clients. The fee may be a percentage of the quantum of funds managed or linked to portfolio on return achieved or a combination of any of these. Management Fee is charged on a quarterly pro rata basis.

Performance fee based on High Water Mark Principle may be applicable to certain clients on mutually agreed terms. Performance fee is charged on annual basis in applicable cases. Please refer to schedule of fees appended to PMS agreement for quantum and manner of fees payable by the client with illustrations.

(ii) Custodian Fees

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

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) Other Charges

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



8. Taxation

A. General

The following information is based on the tax laws in force in India as of the date of this Disclosure Document and reflects the Portfolio Manager's understanding of applicable provisions. The tax implications for each Client may vary significantly based on residential status and individual circumstances. As the information provided is generic in nature, Clients are advised to seek guidance from their own tax advisors or consultants regarding the tax treatment of their income, losses, and expenses related to investments in the portfolio management services. The Client is responsible for meeting advance tax obligations as per applicable laws.

B. Tax deducted at source

In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.

In the case of non-residents, any income received or accrues or arises; or deemed to be received or accrue or arise to him in India is subject to the provisions of tax deduction at source under the IT Act. The authorized dealer is obliged and responsible to make sure that all such relevant compliances are made while making any payment or remittances from India to such non-residents. Also, if any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. Non-residents without PAN or tax residency certificate (TRC) of the country of his residence are currently subjected to a higher rate of TDS.

The Finance Act, 2021 introduced a special provision to levy higher rate for TDS for the residents who are not filing income-tax return in time for previous two years and aggregate of TDS is INR 50,000 or more in each of these two previous years. This provision of higher TDS is not applicable to a non-resident who does not have a permanent establishment in India and to a resident who is not required to furnish the return of income.

C. Long term capital gains

Where investment under portfolio management services is treated as investment, the gain or loss from transfer of Securities shall be taxed as capital gains under section 45 of the IT Act.

Period of Holding

The details of period of holding for different capital assets for the purpose of determining long term or short term capital gains are explained hereunder:

Securities	Position upto 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of	More than twelve (12) months	More than twelve (12) months	Long-term capital asset



equity oriented mutual funds, unit of UTI, zero coupon bonds	Twelve (12) months or less	Twelve (12) months or less	Short-term capital asset
Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term capital asset
	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture)	More than Thirty-six (36) months	More than twenty-four (24) months	Long-term capital asset
	Thirty-six (36) months or less	Twenty-four (24) or less	Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months		Short-term capital asset
	36 months or less	Any period	Short-term capital asset

- **Definition of Specified Mutual Fund:**

Before 1st April 2025:

“Specified Mutual Fund” means a Mutual Fund by whatever name called, where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.

On and after 1st April 2025:

“Specified Mutual Fund” means, —

- a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments; or*
- a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a).*

- **Definition of debt and money market instruments:**

“debt and money market instruments” shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

- **Definition of Market Linked Debenture:**

“Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are



linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.

- **For listed equity shares in a domestic company or units of equity oriented fund or business trust**

The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of equity oriented fund or business trust.

As per section 112A of the IT Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10% , provided such transfer is chargeable to STT. This exemption limit has been increased from INR 1 lakh to INR 1.25 lakh and tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.

Long term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, is also taxed at a rate of 10%. This benefit is available to all assessees. This tax rate is increased from 10% to 12.5%.

The long term capital gains arising from the transfer of such Securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to “step up” the COA of Securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the “indexed COA” (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.

No deduction under Chapter VI-A or rebated under Section 87A will be allowed from the above long term capital gains.



- **For other capital assets (securities and units) in the hands of resident of India**

Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.

As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take Fair Market Value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as Fair Market Value as on 1 April 2001.

- **For capital assets in the hands of Foreign Portfolio Investors (FPIs)**

Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

Long term capital gains, arising on sale of listed shares in the company or units of equity oriented funds or units of business trust and subject to conditions relating to payment of STT, are taxable at 10% as mentioned in para 12.10.2 above. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

- **For other capital asset in the hands of non-resident Indians**

Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.



D. Short term capital gains

Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

Short term capital gains in respect of other capital assets (other than listed equity shares of a company or units of equity oriented fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

The Specified Mutual Funds or Market Linked Debentures acquired on or after 1 April 2023 will be treated as short term capital asset irrespective of period of holding as per Section 50AA of the IT Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 50AA of the IT Act with effect from 23 July 2024.

E. Profits and gains of business or profession

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the IT Act. The gain/ loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

Interest income arising on Securities could be characterized as 'Income from other sources' or 'business income' depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

F. Losses under the head capital gains/business income

In terms of section 70 read with section 74 of the IT Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

G. General Anti Avoidance Rules (GAAR)

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible



avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- It results in directly / indirectly misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

In such cases, the tax authorities are empowered to reallocate the income from such arrangement, or recharacterize or disregard the arrangement. Some of the illustrative powers are:

- Disregarding or combining or recharacterising any step in, or a part or whole of the arrangement
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure; or
- Recharacterising equity into debt, capital into revenue, etc.

The GAAR provisions would override the provisions of a treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the Income-tax Rules, 1962. The Income-tax Rules, 1962 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

On 27 January 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (LOB) in a tax treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

H. FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May. The reporting financial institution is expected to maintain and report the following information with respect to each reportable account:

- (a) the name, address, taxpayer identification number and date and place of birth;



- (b) where an entity has one or more controlling persons that are reportable persons:
 - (i) the name and address of the entity, TIN assigned to the entity by the country of its residence; and
 - (ii) the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.
- (c) account number (or functional equivalent in the absence of an account number);
- (d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- (e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and other reportable accounts (i.e. under CRS).

Effective April 01, 2026 the provisions of the Income Tax Act, 2025 shall apply to the client in respect of their individual income. Reference should be made to Income Tax Act, 2025 for applicable sections corresponding to sections mentioned in above paras.

I. Goods and Services Tax on services provided by the portfolio manager

Goods and Services Tax (GST) will be applicable on services provided by the Portfolio Manager to its Clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards portfolio management fee.



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9. Accounting policies

Following accounting policies are followed for the portfolio investments of the Client:

A. Client Accounting

- (1) The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.
- (2) The books of account of the Client shall be maintained on an historical cost basis.
- (3) Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year.
- (4) All expenses will be accounted on due or payment basis, whichever is earlier.
- (5) The cost of investments acquired or purchased shall include brokerage, stamp charges and any charges customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- (6) Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

B. Recognition of portfolio investments and accrual of income

- (7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
- (8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- (9) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
- (10) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- (11) Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.



- (12) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
- (13) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

C. Valuation of portfolio investments

- (14) Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.
- (15) Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.
- (16) Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.
- (17) Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.
- (18) In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

The Investor may contact the customer services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues.

The Portfolio Manager may change the valuation policy for any particular type of security consequent to any regulatory changes or change in the market practice followed for valuation of similar Securities. However, such changes would be in conformity with the Regulations.



10. Investors 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.client@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

(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:

Mr. Praful N. Trivedi

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

Tel: 022- 26141468

Email: pms.grievance@dalal-broacha.com



11. Details of the diversification policy of the portfolio manager

The Key investment theme of the scheme is to invest in sectors that benefit from rising per capita income and this gives enough leeway to the fund to invest in various sectors that include Banking and Finance, Insurance, aviation, Health care and pharmaceutical, travel, retail etc.

In addition to this, the scheme is also invested in capital goods and manufacturing sectors.

The portfolio consists of 25-30 stocks with a judicious mix of large caps and mid caps as well as a few small caps.

Liquidity is also kept in mind while investing to reduce the risk of impact cost.

Individual sector exposure is restricted to 30% and individual stock exposure is restricted to 10% at the time of investing

During the period of high volatility, the fund increases its investment in fixed income securities.



PART-II- DYNAMIC SECTION

12. Client Representation

(i)

Category of clients		No. of clients	Funds managed (Rs. Cr)	Discretionary/ non-discretionary (if available)
F.Y.2025-26	Associates /group companies	0	0	Discretionary
	Related Parties	11	18.66	Discretionary
	Others	603	1131.50	Discretionary
	Total	614	1150.15	
F.Y.2024-25	Associates /group companies	0	0	Discretionary
	Related Parties	11	19.55	Discretionary
	Others	517	1024.68	Discretionary
	Total	528	1044.23	
F.Y.2023-24	Associates /group companies	0	0	Discretionary
	Related Parties	11	16.74	Discretionary
	Others	394	773.87	Discretionary
	Total	405	790.61	

(ii) Complete disclosure in respect of transactions with related parties during FY 25-26.

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 Smt. Neeyati Saraf	Relatives of Key Management Personnel
4.	Dalal & Broacha Commodities Pvt. Ltd Dalal & Broacha Portfolio Managers	Wholly Owned Subsidiary



	Pvt. Ltd.	
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(Figures in brackets pertain to FY 24-25)

Figures Rs. In Lakhs

Sr. No	Particulars	Wholly Owned Subsidiary	Associates	Key Management Personnel	Relatives of Key Management Personnel
			Rs.	Rs.	Rs.
1	Expenditure				
	Salary		Nil (Nil)	240 (215)	575 (519)
	Professional Fees				NIL (5)
	Lease Payments		13 (11)	12 (9)	29 (24)
2	Income				
	Brokerage	0.38 (Nil)	3 (5)	7 (12)	16 (24)
3		Other Transactions of the related parties with the company			
	Purchase of Securities	215 (390)	1275 (1901)	4377 (6065)	13049 (10654)
	Sale of Securities	171 (185)	1301 (1279)	2547 (7394)	13421 (12428)
	Purchase of Bonds	Nil (Nil)	48 (30)	Nil (Nil)	Nil (Nil)
	Sale of Bonds	Nil (Nil)	5 (5)	Nil (Nil)	Nil (Nil)
4		Outstanding as at March 31,2025 in respect of broking transactions			
	Debtors	0 (Nil)	0 (Nil)	0 (Nil)	0 (Nil)
	Creditors	0.26 (Nil)	Nil (0)	16 (Nil)	85 (Nil)

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

While providing portfolio management services to the clients, services of group companies or associates were not availed except Demat and trade execution services; which were provided by the depository participant and equity broking divisions of the company respectively.



13. Financial Performance

The Financial Performance of the portfolio manager based on audited financial statements and in terms of procedure specified by the Board for assessing the performance.

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

Particulars	2025-2026	2024-2025	2023-2024
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Total Income	11845	12,939	8,871.05
Total Expenditure	4841	4,732	3,418.70
Profit Before Tax	7004	8,207	5,452.35
Tax Expense	1643	1,752	1,111.54
Profit After Tax	5361	6,455	4,340.81



14. Performance of Portfolio Manager

Assets under Management:

Services	As on 31.03.2026	As on 31.03.2025	As on 31.03.2024
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Long Term Growth	99366.00	92536.44	67487.38
Aggressive Long term Capital Appreciation	15649.48	11886.89	11573.97

Portfolio Management Performance: (calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020)

Services	01-04-26 To 31.08.2026	2025-26	2024-25	2023-24
Long Term Growth-Weighted Return	24.70	-5.74	10.94	51.31
Benchmark Index: Nifty 50 TRI	8.69	-3.99	6.65	30.08

Services	01-04-26 To 31.08.2026	25-26	2024-25	2023-24
Aggressive Long term Capital Appreciation	53.47	27.55	-0.44	53.17
Benchmark Index: Nifty 50 TRI	8.69	-3.99	6.65	30.08

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



15. Audit Observation

Audit observations of the preceding 3 years.

No audit was conducted by SEBI during preceding 3 year.

Internal Audit Observations:

F.Y. 25-26	FY 24-25	F.Y. 23-24
Major Observations For a period April 2025 to June 2025: Partial Compliance of SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 Demat accounts of the PMS clients re maintained at the depository division of the Portfolio Manager Demat Charges through self are not capped at 20% by value during FY 2024-25.	Major Observations: Partial Compliance of SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 Demat accounts of the PMS clients are maintained at the depository division of the Portfolio Manager. Demat Charges through self are not capped at 20% by value during FY 2024-25. Brokerage is not capped at 20% by value during FY 2024-25.	Major Observations: Partial Compliance of SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 Demat accounts of the PMS clients are maintained at the depository division of the Portfolio Manager. Demat Charges through self are not capped at 20% by value during FY 2023-24. Brokerage is not capped at 20% by value during FY 2023-24.-

Corrective Actions/ Management Comments

Demat Charges: Effective July 2025, Demat charges (transaction charges as well as AMC charges) waived for all PMS accounts. The Portfolio Manager has thus ensured compliance with requirement of capping charges paid to self / associates below 20% in respect of Demat Charges w.e.f July 2025

Brokerage: 90% of Resident PMS client trades are now executed at these external stock brokers. Further, all new NRI clients are now registered with external stock brokers which are not related/associated. The Portfolio Manager has thus ensured compliance with requirement of capping charges paid to self / associates below 20% in respect of brokerage services for FY 25-26.



16. Details of investments in the securities of related parties of the portfolio manager

The details of investment of client's funds by the portfolio manager in the securities of its related parties or associates. – NIL, As a policy Portfolio Manager does not invest clients funds in the securities of its related parties or associates.



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17. 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 and
- 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).



Sr. No	Service / Activity	Timeline
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.
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.



Sr. No	Service / Activity	Timeline
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.
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 Within 3 days of PMS and demat account
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.



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18. Grievance details as on March 2026

Sr. No.	Received from	Pending at the end of last month	Received	Resolved*	Total Pending#	Pending complaints > 3 months	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
	Grand Total	0	0	0	0	0	0

^ Average Resolution time is the sum total of time taken to resolve each complaint in days, in the current month divided by total number of complaints resolved in the current month.

Trend of monthly disposal of complaints

Sr. No.	Month	Carried forward from previous month	Received	Resolved*	Pending#
1	April 2025	0	0	0	0
2	May 2025	0	0	0	0
3	June 2025	0	0	0	0
4	July 2025	0	0	0	0
5	Aug 2025	0	0	0	0
6	Sep 2025	0	0	0	0
7	Oct 2025	0	0	0	0
8	Nov 2005	0	0	0	0
9	Dec 2025	0	0	0	0
10	Jan 2026	0	0	0	0
11	Feb 2026	0	0	0	0
12	Mar 2026	0	0	0	0
	Grand Total	0	0	0	0

*Inclusive of complaints of previous months resolved in the current month.

#Inclusive of complaints pending as on the last day of the month

Trend of annual disposal of complaints

SN	Year	Carried forward from previous year	Received	Resolved**	Pending##
1	2018-19	0	2	2	0
2	2019-20	0	0	0	0
3	2020-21	0	0	0	0



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4	2021-22	0	0	0	0
5	2022-23	0	0	0	0
6	2023-24	0	0	0	0
7	2024-25	0	0	0	0
8	2025-26	0	0	0	0
	Grand Total	0	2	2	0

** Inclusive of complaints of previous years resolved in the current year.

Inclusive of complaints pending as on the last day of the year.

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

N. Dalal

Nailesh Dalal

Director

Place : Mumbai

Date : 29/09/2026

Vipul Dalal

Vipul Dalal

Director



SCHEDULE OF FEES
ANNEXURE - I

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 whichever is higher would be charged



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SCHEDULE OF FEES ANNEXURE - II

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

Discretionary Services:

II) For LONG TERM GROWTH

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

Assumptions								
Capital Contribution (Rs.)	a	50,00,000						
Management Fee (%age per annum)	b	2.00%						
Other Expenses	c	0.15%						
Brokerage and Transaction cost	d	0.20%						
Fixed Fee Illustration			Scenario 1		Scenario 2		Scenario 3	
			Gain of	20%	Loss of	- 20%	No Change	0%
Capital Contributed / Assets under Management	i	i = a	50,00,000		50,00,000		50,00,000	
Gain / (Loss) on Investment based on the Scenario	ii	ii= i*Scenario	10,00,000		-10,00,000			-
Gross Value of the Portfolio at the end of the year	iii	iii= I + ii	60,00,000		40,00,000		50,00,000	
Average assets under management	iv	iv= (i + iii) / 2	55,00,000		45,00,000		50,00,000	



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Other Expense	v	$v = iv \times c$	-8,250	-6,750	-7,500
Brokerage and Transaction cost	vi	$vi = (iv \times d)$	-11,000	-9,000	-10,000
Management Fees	vii	$vii = (i \times b)$	-1,00,000	-1,00,000	-1,00,000
Total charges during the year	viii	$viii = v + vi + vii$	-1,19,250	-1,15,750	-1,17,500
Net value of the Portfolio at the end of the year	ix	$ix = iii + viii$	58,80,750	38,84,250	48,82,500
% Portfolio Return	x	$x = ((ix - i) / i) \%$	17.62%	-22.32%	-2.35%

Year 2

Assumptions								
Capital Contribution (Rs.)	a	50,00,000						
Management Fee (%age per annum)	b	2.00%						
Other Expenses	c	0.15%						
Brokerage and Transaction cost	d	0.20%						
Fixed Fee Illustration			Scenario 1		Scenario 2		Scenario 3	
			Gain of	20%	Loss of	- 20%	No Change	0%
Capital Contributed / Assets under Management	i	$i = a$	50,00,000		50,00,000		50,00,000	
Gain / (Loss) on Investment based on the Scenario	ii	$ii = i \times \text{Scenario}$	10,00,000		-10,00,000		-	
Gross Value of the Portfolio at the end of the year	iii	$iii = i + ii$	60,00,000		40,00,000		50,00,000	
Average assets under management	iv	$iv = (i + iii) / 2$	55,00,000		45,00,000		50,00,000	
Other Expense	v	$v = iv \times c$	-8,250		-6,750		-7,500	
Brokerage and Transaction cost	vi	$vi = (iv \times d)$	-11,000		-9,000		-10,000	
Management Fees	vii	$vii = (iii + v + vi) \times b$	-1,19,615		-79,685		-99,650	
Total charges during the year	viii	$viii = v + vi + vii$	-1,38,865		-95,435		-1,17,150	



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Net value of the Portfolio at the end of the year	ix	ix = iii + viii	58,61,135	39,04,565	48,82,850
% Portfolio Return	x	$x = ((ix - i) / i) \%$	17.22%	-21.91%	-2.34%

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



Year 1

Assumptions								
Capital Contribution (Rs.)	a	50,00,000						
Management Fee (%age per annum)	b	1.00%						
Other Expenses (%age per annum)	c	0.15%						
Performance (%age per annum)	d	10.00%						
Hurdle Rate of Return (%age per annum)	e	0.00%						
Brokerage and Transaction cost	f	0.20%						
Fixed Fee Illustration			Scenario 1		Scenario 2		Scenario 3	
			Gain of	20%	Loss of	- 20%	No Change	0%
Capital Contributed / Assets under Management	i	i = a	50,00,000		50,00,000		50,00,000	
Gain / (Loss) on Investment based on the Scenario	ii	ii= i*Scenario	10,00,000		-10,00,000		-	
Gross Value of the Portfolio at the end of the year	iii	iii= I + ii	60,00,000		40,00,000		50,00,000	
Daily Weighted Average assets under management	iv	iv= (i + iii) / 2	55,00,000		45,00,000		50,00,000	
Other Expense	v	v= iv x c	-8,250		-6,750		-7,500	
Brokerage and Transaction cost	vi	vi= iv x f	-11,000		-9,000		-10,000	
Management Fees	vii	vii = i x b	-50,000		-50,000		-50,000	
Total charges before Performance fee.	viii	viii = v + vi + vii	-69,250		-65,750		-67,500	
Gross Value of the Portfolio before Performance fee	ix	ix = iii + viii	59,30,750		39,34,250		49,32,500	
High Water Mark Value (HWM) (Capital contributed for 1st year and second year onwards as defined in the PMS agreement.	x		50,00,000		50,00,000		50,00,000	
Hurdle Rate of return or as defined in the PMS agreement	xi	xi = i x e	0		0		0	



Gross Value of the Portfolio before Performance fee is greater than High Water Mark Value + Hurdle rate of return	xii	xii = ix > (x+xi) then Yes else No P Fees	Yes	No Pfee	No Pfee
If Yes, proceed to performance fee calculation else 0 (zero) performance fee for the period)					
Portfolio return subject of Performance Fee	xiii	xiii = ix - x - xi	9,30,750	0	0
Performance fee	xiv	xiv = xiii x d	-93,075	0	0
Net value of the Portfolio at the end of the year after all fees and expenses	xv	xv = ix + xiv	58,37,675	39,34,250	49,32,500
% Portfolio Return	xvi	xvi = ((xv - i) / i) %	16.75%	-21.32%	-1.35%
High Water Mark to be carried forward for next year. When performance fee is charged from the portfolio itself.	xvii	xvii = Max (x , xv)	58,37,675	50,00,000	50,00,000
High Water Mark to be carried forward for next year. When performance fee is paid separately by the investor to the PM.	xvii	xvii = Max (ix , x)	59,30,750	50,00,000	50,00,000

Year 2

Assumptions								
Capital Contribution (Rs.)	a	50,00,000						
Management Fee (%age per annum)	b	1.00%						
Other Expenses (%age per annum)	c	0.15%						
Performance (%age per annum)	d	10.00%						
Hurdle Rate of Return (%age per annum)	e	0.00%						
Brokerage and Transaction cost	f	0.20%						
Fixed Fee Illustraion			Scenario 1		Scenario 2		Scenario 3	
			Gain of	20%	Loss of	- 20%	No Change	0%
Capital Contributed / Assets under Management	i	i = a	50,00,000		50,00,000		50,00,000	



Gain / (Loss) on Investment based on the Scenario	ii	ii= i*Scenario	10,00,000	-10,00,000	-
Gross Value of the Portfolio at the end of the year	iii	iii= i + ii	60,00,000	40,00,000	50,00,000
Daily Weighted Average assets under management	iv	iv= (i + iii) / 2	55,00,000	40,00,000	50,00,000
Other Expense	v	v= iv x c	-8,250	-6,750	-7,500
Brokerage and Transaction cost	vi	vi= iv x f	-11,000	-9,000	-10,000
Management Fees	vii	vii = (iii + v + vi) x b	-59,808	-39,843	-49,825
Total charges before Performance fee.	viii	viii = v + vi + vii	-79,058	-55,593	-67,325
Gross Value of the Portfolio before Performance fee	ix	ix = iii + viii	59,20,943	39,44,408	49,32,675
High Water Mark Value (HWM) (Capital contributed for 1st year and second year onwards as defined in the PMS agreement.	x		58,37,675	50,00,000	50,00,000
Hurdle Rate of return or as defined in the PMS agreement	xi	xi = i x e	0	0	0
Gross Value of the Portfolio before Performance fee is greater than High Water Mark Value + Hurdle rate of return	xii	xii = ix > (x+xi) then Yes else No P Fees	Yes	No Pfee	No Pfee
If Yes, proceed to performance fee calculation else 0 (zero) performance fee for the period)					
Portfolio return subject of Performance Fee	xiii	xiii = ix - x - xi	83,268	0	0
Performance fee	xiv	xiv = xiii x d	-8,327	0	0
Net value of the Portfolio at the end of the year after all fees and expenses	xv	xv = ix + xiv	59,12,616	39,44,408	49,32,675
% Portfolio Return	xvi	xvi = ((xv - i) / i) %	18.25%	-21.11%	-1.35%
High Water Mark to be carried forward for next year. When performance fee is charged from the portfolio itself.	xvii	xvii = Max (x , xv)	59,12,616	50,00,000	50,00,000



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High Water Mark to be carried forward for next year. When performance fee is paid separately by the investor to the PM.	xvii	xvii = Max (ix, x)	59,20,943	50,00,000	50,00,000
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**SCHEDULE OF FEES
ANNEXURE - IV**

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

Discretionary Services:

IV) 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.



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**SCHEDULE OF FEES
ANNEXURE - V**

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

Discretionary Services:

V) Aggressive long term capital appreciation Portfolio Management Services

Fixed Management Fee

- In first year, a Fixed Management Fee of 0.60 % per annum; of the quantum of funds managed; is applicable. The fixed management fee is payable, at the end of each quarter, pro-rata (@ 0.15%) 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 (@0.15%) based on quarterly closing NAV.
- There would be no minimum tenure prescribed for any of the portfolio management services offered by the Portfolio Manager.

Year 1

Assumptions								
Capital Contribution (Rs.)	a	50,00,000						
Management Fee (%age per annum)	b	0.60%						
Other Expenses	c	0.15%						
Brokerage and Transaction cost	d	0.20%						
Fixed Fee Illustration			Scenario 1		Scenario 2		Scenario 3	
			Gain of	20%	Loss of	- 20%	No Change	0%
Capital Contributed / Assets under Management	i	i = a	50,00,000		50,00,000		50,00,000	
Gain / (Loss) on Investment based on the Scenario	ii	ii= i*Scenario	10,00,000		-10,00,000		-	
Gross Value of the Portfolio at the end of the year	iii	iii= i + ii	60,00,000		40,00,000		50,00,000	
Average assets under management	iv	iv= (i + iii) / 2	55,00,000		45,00,000		50,00,000	



Other Expense	v	$v = iv \times c$	-8,250	-6,750	-7,500
Brokerage and Transaction cost	vi	$vi = (iv \times d)$	-11,000	-9,000	-10,000
Management Fees	vii	$vii = (i \times b)$	-30,000	-30,000	-30,000
Total charges during the year	viii	$viii = v + vi + vii$	-49,250	-45,750	-47,500
Net value of the Portfolio at the end of the year	ix	$ix = iii + viii$	59,50,750	39,54,250	49,52,500
% Portfolio Return	x	$x = ((ix - i) / i) \%$	19.02%	-20.92%	-0.95%

Year 2

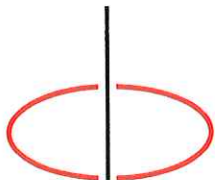
Assumptions								
Capital Contribution (Rs.)	a	50,00,000						
Management Fee (%age per annum)	b	0.60%						
Other Expenses	c	0.15%						
Brokerage and Transaction cost	d	0.20%						
Fixed Fee Illustration			Scenario 1		Scenario 2		Scenario 3	
			Gain of	20%	Loss of	- 20%	No Change	0%
Capital Contributed / Assets under Management	i	$i = a$	50,00,000		50,00,000		50,00,000	
Gain / (Loss) on Investment based on the Scenario	ii	$ii = i \times \text{Scenario}$	10,00,000		-10,00,000		-	
Gross Value of the Portfolio at the end of the year	iii	$iii = i + ii$	60,00,000		40,00,000		50,00,000	
Average assets under management	iv	$iv = (i + iii) / 2$	55,00,000		45,00,000		50,00,000	
Other Expense	v	$v = iv \times c$	-8,250		-6,750		-7,500	
Brokerage and Transaction cost	vi	$vi = (iv \times d)$	-11,000		-9,000		-10,000	
Management Fees	vii	$vii = (iii + v + vi) \times b$	-35,885		-23,906		-29,895	
Total charges during the year	viii	$viii = v + vi + vii$	-55,135		-39,656		-47,395	



Net value of the Portfolio at the end of the year	ix	$ix = iii + viii$	59,44,866	39,60,345	49,52,605
% Portfolio Return	x	$x = ((ix - i) / i) \%$	18.90%	-20.79%	-0.95%



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DALAL & BROACHA STOCK BROKING PVT. LTD.

BSE / NSE - SEBI REG. NO. INZ000210337 DT. 28.11.2018 • CIN NO. U67120MH1997PTC111186

MEMBER : B.S.E. ★ N.S.E. ★ D.P. - CDSL ★ I.P.O. ★ FIXED INCOME ★ MUTUAL FUNDS

REGD. & ADMN. OFFICE : 506, MAKER CHAMBERS V, 221, NARIMAN POINT, MUMBAI - 400 021.

Tel. : 2282 2992 / 2287 6173 / 6714 1414 • Fax : 2287 0092 • Email : db@dalal-broacha.com

Compliance Officer : Praful Trivedi • Tel : 2282 2992 • Email : compliance.officer@dalal-broacha.com



FORM C

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

DALAL & BROACHA STOCK BROKING PVT.LTD.

(Name of the Portfolio Manager)

506, Maker Chambers-V, 221,
Nariman Point,
Mumbai-400 021

Tel.no.:22822992 / 67141410, Fax no.: 22870092

Email ID: db@dalal-broacha.com, pms@dalal-broacha.com

(Address of the Portfolio Manager including phone number, fax and email)

We confirm that:

i) The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;

ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager.

iii) The Disclosure Document has been duly certified by an independent chartered accountant M/s Lovi Mehrotra & Associates, 5, (2nd Floor) Tardeo A.C. Market, Tardeo, Mumbai – 400 034 Tel.: 2352 0788 / 2351 0885 & Membership No.105709 on 30th September 2026.

(Enclosed a copy of the chartered accountants' certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision)

For Dalal & Broacha Stock Broking Pvt.Ltd.

Principal Officer

DATE : 30/09/2026

Place: Mumbai



Name and Address of Principal Officer
Mr. Nailesh P. Dalal
506, Maker Chamber V,
221, Namiman Point, Mumbai – 400 021

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

5, (2nd Floor) Tardeo A.C. Market, Tardeo,
Mumbai - 400 034 Tel.: 2352 0788, 2351 0885

The Board of Directors,
Dalal & Broacha Stock Broking Private Limited
Mumbai,

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

We have been requested by M/s Dalal & Broacha Stock Broking Private Limited (the Company) having registered office at 506, Maker Chamber V, Nariman Point, Mumbai -400 021 and having SEBI Registration No. INP000001975 dated March 16, 2007, to certify the contents and information provided in the Disclosure Document dated September 29, 2026 ("Disclosure Document") required to be filed with the Securities and Exchange Board of India (SEBI) as per Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020.

Management's responsibility

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

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

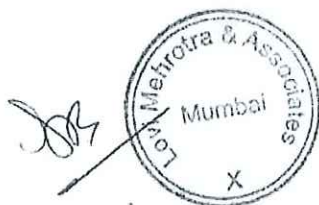
Our responsibility

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

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

We have verified Disclosure Document and the details with the respective documents by the Management of the Company and have relied on various representations made to us by the Management wherever necessary.

We have relied on the representation given by the management about the penalties or litigation against the Portfolio Manager mentioned in the Disclosure Document. We are unable to comment on the same.



Conclusion

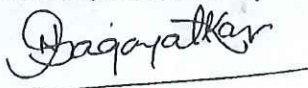
Based on the procedures performed by us, evidence obtained and information and explanations provided by the Company, nothing has come to our attention that causes us to believe that the Disclosure Document is not, in all material aspects, in compliance with the SEBI Regulations.

Based on our examination of attached Disclosure Document dated September 29, 2026 and other relevant records and information furnished by Management, we certify that the contents, information and disclosures made in the Disclosure Document and Annexures thereto are true, fair and adequate to enable the investors to make a well-informed decision.

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

UDIN No: 26105709JQORWD8783

For Lovi Mehrotra & Associates
Chartered Accountants
Firm Reg. No. 504724N



Shashank N Bagayatkhar
Partner
Membership No. 105709
Mumbai,
September 30, 2026

