

Date: 30th April 2019

**Investment Management Department – PMS
Securities and Exchange Board of India
Exchange Plaza, Wing II, 4th Floor,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051**

Dear Sir,

**Sub: Filing of Disclosure Document as per Securities and Exchange Board of
India (Portfolio Managers) Regulations, 1993**

This has reference to above captioned subject please find enclosed following documents for your records:

1. Disclosure Document in accordance with SEBI (Portfolio Managers) Regulations, 1993
2. Form C duly signed by Principal Officer
3. Certificate in respect of Disclosure Document for Portfolio Management Services from Mr. Hiren N Mehta Membership No 109228 Partner in BY & Associates.

You are requested to acknowledge the same.

Thanking you

Yours faithfully
For **Nirmal Bang Securities Private Limited**



Samir Kamdar

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Tel.: 6273 8600 / 6273 8601 Fax : 6273 8610

Correspondence Address : 101 to 701, 'B' Wing, Khandelwal House, Poddar Road, Malad (E), Mumbai - 400 097.
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CIN NO.: U99999MH1997PTC110659

**Member : BSE , NSE , MSEI – SEBI Registration No. INZ000202536
Exchange Registered Broker in BSE Currency Segment ,
Exchange Registered Broker in BSE & NSE Commodity Segment**

PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT
OF

NIRMAL BANG SECURITIES PRIVATE LIMITED
(SEBI Registration No.INP000002981)

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

- (i) The Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended from time to time and filed with SEBI.
- (ii) The Document has been filed with the Board (SEBI) along with the certificate in the prescribed format in terms of regulation 14 of SEBI (Portfolio Managers) Regulation 1993.

(iii) The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.

- (iv) The document contains necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.

- (v) Details of Principal Officer

Name of Principal Officer : **Mr. Samir Kamdar**

Registered Office Address :

**B-2,302, Marathon Innova,
GanpatraoKadamMarg, Opp. Peninsula
Corporate Park, Lower Parel (W)
Mumbai - 400013**

Phone No(s) : **022 – 62739390 / 9391**

E-mail address : **samir.kamdar@nirmalbang.com**

- (vi) This Disclosure Document is dated 31st March 2019 (Financial data considered up to 30th September, 2018)

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Contents of Disclosure Document

1) Disclaimer clause:

The particulars given in this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations' 1993 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. You are requested to retain the document for future reference.

2) Definitions:

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

- (a) **"Act"** means the Securities and Exchange Board of India, Act 1992 (15 of 1992) as amended from time to time.
- (b) **"Activation Date"** is the date when the sum equivalent to either the funds or the securities respectively are received in the client Bank or Demat Account or the utilization of those funds/securities for the Portfolio Management by the Portfolio Manager whichever is later.
- (c) **"Agreement"** means agreement between Portfolio Manager and its Clients in terms of Regulation 14 of SEBI (Portfolio Managers) Regulations, 1993 and SEBI (Portfolio Managers) (Amendment) Regulations, 2016 issued by Securities and Exchange Board of India and shall include all recitals, schedules, exhibits and Annexure attached thereto and any amendments made to this Agreement by the Parties in writing.
- (d) **"Application"** means the application made by the Client to the Portfolio Manager to place the monies and/or securities mentioned therein with the Portfolio Manager for Portfolio Management Services. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.
- (e) **"Applicable Law"** shall mean the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and all (other) applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of the Government of India or any State of the Union of India or any department thereof, any semi-governmental or judicial or quasi-judicial Person in India or any Person (whether autonomous or not) who is charged with the administration of an Indian law.
- (f) **"Assets"** means (i) the Portfolio and/or (ii) the Funds and includes all accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest, including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value), in relation to or arising out of Assets.



- (g) **"Bank Account"** means the bank account(s) opened/maintained/ operated by the Portfolio Manager in the name of Client or in the name of the Portfolio Manager as may be required from time to time.
- (h) **"Board" or "SEBI"** means Securities and Exchange Board of India established under sub-section (1) of Section 3 of Securities and Exchange Board of India Act, 1992.
- (i) **"Business Day"** means days other than:
- Saturday and Sunday,
 - a day on which the Banks in Mumbai and/or RBI are closed for business/clearing,
 - a day on which the Bombay Stock Exchange and the National Stock Exchange are closed,
 - a day on which normal business could not be transacted due to storms, floods, bands, strikes, etc.
- (j) **"A Chartered Accountant"** means the person as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.
- (k) **"Cash"** includes cheques, demand drafts, pay-slips, etc and/or any other form of cash.
- (l) **"Client / Investor"** means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio/funds.
- (m) **"Client Securities"** mean the Securities, which forms part of the Portfolio.
- (n) **"Custodian"** means any person who carries on the business of custodial services in accordance with the regulations issued by SEBI from time to time
- (o) **"Depository Account"** means the separate depository account maintained/operated by the Portfolio Manager or the Custodian in the name of the Client with any SEBI registered depository participant of the Portfolio Manager's or Custodian's choice.
- (p) **"Discretionary Portfolio Management Services"** means the investment advisory and/or the portfolio management services on a discretionary basis rendered to the Client by the Portfolio Manager on the terms and conditions contained in this agreement, where-in-under the Portfolio Manager exercises any degree of discretion whilst making decisions for the investments or management of assets Portfolio of the Client.
- (q) **"Disclosure Document"** shall mean the relevant Disclosure Document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from time to time pursuant to PM Regulations.
- (r) **"FPI"** means Foreign Portfolio Investors registered with SEBI under Securities and Exchange Board of India(Foreign Portfolio Investors) Regulations, 2014
- (s) **"Financial year"** means the year starting from 1st April and ending on 31st March of the following year
- (t) **"Funds"** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to this agreement and includes the monies mentioned in the application, any



- further monies placed by the Client with the Portfolio Manager for being managed pursuant to this agreement, the proceeds of the sale or other realization of the securities and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
- (u) **“High Water Mark”** means value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (inclusive of any additional funds placed by the Client in that year) and net of (i) the Portfolio Management Fees and (ii) any withdrawals, if any, made by the Client in accordance with this Agreement, for that year.
- (v) **“Intermediaries”** means custodians, banker to an issue, trustee, registrar to an issue, merchant banker, depositories, depository participants, transfer and pricing agents, accountants, investee companies, investment advisers, consultants, attorneys, printers, underwriters, brokers and dealers, insurers and any other persons in any capacity who may be associated with the securities market.
- (w) **“Investment Advice”** means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.
- (x) **“Investment Management Fees”** shall have the meaning attributed thereto in Clause [10] of this Document under the head Fees & Services Charged (To be charged on Actuals)
- (y) **“Non-Discretionary Portfolio Management Services”** means the portfolio management services rendered to the client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager shall provide advice in relation to assets but does not exercise any discretion with respect to investments or management of the Assets of the Client, and invests and manage the Assets only after seeking and taking approval from the Client, entirely at the Client’s risk.
- (z) **“Net Asset Value” (NAV):** Net Asset Value is the market value of assets in a portfolio consisting of equity, derivative, debt, mutual funds units, cash, cash equivalents, accrued interest or benefits, receivables, if any, etc. less payable if any.
- (aa) **“NRI”** means a non-resident Indian.
- (bb) **“Parties”** means the Portfolio Manager and the Client, and **“Party”** shall be construed accordingly.
- (cc) **“Person”** includes any individual, partners in a partnership, limited liability partnership, central or state government, company, body corporate, cooperative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.
- (dd) **“Portfolio Manager”** means “Nirmal Bang Securities Private Limited” who have obtained a certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993.



- (ee) **"Product"** shall mean products launched by the Portfolio Manager from time to time and accepted by the client for the purpose of investments.
- (ff) **"Portfolio"** means the total holding of all investments, Client Securities and Cash belonging to the Client and maintained/managed by the Portfolio Manager.
- (gg) **"Principal Officer"** means an individual who is responsible for the activities of portfolio management and has been designated as a principal officer by the portfolio manager.
- (hh) **"Regulations"** means the Securities and Exchange Board of India (Portfolio Manager) Regulations, 1993 as amended by Securities and Exchange Board of India (Portfolio Managers) Amendment Regulations, 2002 and as may be amended by SEBI from time to time.
- (ii) **"Return"** means the difference between the Closing NAV and the Starting NAV and includes realized and unrealized gains/losses.
- (jj) **"Scheduled Commercial Bank"** means any bank included in the Second Schedule to the Reserve Bank of India Act, 1934(2 of 1934).
- (kk) **"Securities"** shall mean and include "Securities" as defined under the Securities Contracts (Regulation) Act, 1956; Shares, scripts, stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and/or by any mutual funds, exchange traded funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and any other instruments or investments (including borrowing or lending of securities) as may be permitted by applicable law from time to time.

Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall, in addition, be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.

- (ll) **"Term Sheet/Product Note"** means any term sheet or product note executed by the Client for availing any services of the Portfolio Manager pursuant to this Agreement.

3) Description about Portfolio Manager:

i) History, Present business and Background of the Portfolio Manager:

Nirmal Bang Securities Private Limited ("NBSPL") is a company incorporated under the Companies Act, 1956 on 12th September 1997, having its Registered Office at B-2,302,



Marathon Innova, GanpatraoKadamMarg, Opp. Peninsula Corporate Park, LowerParel (W) Mumbai – 400013.

NBSPL is registered with SEBI as Portfolio Manager vide registration no. INP000002981 under SEBI (Portfolio Managers) Regulations, 1993.

NBSPL is recognized as one of the retail broking houses in India, providing an array of financial products and services. The retail and institutional clients have access to products such as equities, derivatives, mutual funds, IPOs and depository services. NBSPL is a registered member of the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), and Metropolitan Stock Exchange of India and is also depository participants of NSDL and CDSL.

ii) Directors and Promoters of the Portfolio Manager:

➤ The details of the Directors of Nirmal Bang Securities Pvt. Ltd. are as below:

Name	Age/Qualification	Brief Experience
Dilip Bang	52, B.Com	He has a vast experience of more than twenty-two years in the capital market industry.
Kishore Bang	49, B.Com	He has a vast experience of more than twenty-one years in the capital market industry.
Samir Kamdar	51, B.Com	He has a vast experience of more than nineteen years in the capital market industry.
RakeshBhandari	48, CA	He has vast experience of more than fourteen years in the capital market industry.
Sunil Jain	52, CA	He has vast experience of more than eleven years in equity research.

➤ The details of the Promoters of Nirmal Bang Securities Pvt. Ltd. are as below:

1. Mr. Dilip Bang

He has been associated with the stock market since more than Twenty- Two years. He looks after the investment activity of the group.

2. Mr. Kishore Bang

He has a vast experience of more than Twenty – One years in the capital market industry.

iii) Top 10 Group Companies under the same Management as per section 370(1B) of the Companies Act, 1956, of the Portfolio Manager in India):

Below are the group companies under the same management as explained in the SEBI Circular No. RPM Circular No. 1 (2002-03) as on 31st March 2018*.

Sr no	Name of the Company
1	Mindset Securities Private Limited
2	Bang Securities Private Limited
3	Nirmal Bang Financial Services Private Limited
4	Nirmal Bang Commodities Private Limited
5	Bang Equity Broking Private Limited
6	Nirmal Bang Equities Private Limited



7	Nirmal Bang Wealth Solutions Private Limited
8	Shresth Projects & Insurance Private Limited
9	Shresth Securities Private Limited
10	Shresth Tech Solutions Ltd.

*The above list is based on the turnover of Indian Group Companies as per the audited accounts for the financial year ended March 31, 2018

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

Sr. No.	Particulars	Remarks
1	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
2	The nature of the penalty/direction	None
3	Any pending material litigation / legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any:	No material litigation or criminal cases is pending against the Portfolio Manager or key personnel
4	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency	None
5	Any inquiry/ 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
6	Penalties imposed for any economic offense and/or violation of any securities laws	None

5) Details of Services Offered

1. Services offered

The Portfolio Manager offers Portfolio Management services under Discretionary, Non-Discretionary, and Advisory categories to its prospective clients.

A. Discretionary Portfolio Management-

Under the Discretionary Portfolio Management Services, the Portfolio Manager will have the sole and absolute discretion with regard to the selection of the type of securities traded on behalf of the Client and held in the portfolio, based on the executed agreement. The Portfolio Manager has the discretion as regards the choice and timing of the investment decisions, to make changes in the investment and to invest some or all of the funds of the Client in such manner and in such industries/sectors/securities as the Portfolio manager discretion. The Securities invested/disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good



faith) in deployment of the Clients' funds is absolute and final and cannot be called in question or be open for review at any time during the course of the Agreement or any time thereafter except on the ground of malafide intent, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager will be exercised strictly in accordance with the relevant acts, rules, regulations, guidelines, and notifications in force from time to time.

B. Non-discretionary Portfolio Management–

In the case of non-discretionary services, the investment objectives and the securities to be invested would be entirely decided by the Client. The same could vary widely from client to client. However, the execution would be carried out only after getting approval from the Client.

Under the Non-Discretionary category, the investment decisions of the Portfolio Manager are guided by the instructions received from the client. The deployment of funds is the sole discretion of the client and is to be exercised by the portfolio manager in a manner strictly complies with the client's instruction. The decision of the client in the deployment of funds and the handling of his / her / its portfolio is absolute and final. The role of the Portfolio Manager apart from adhering to investments or divestments upon instructions of the client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the client to take appropriate investment decisions. For the purpose of acting on the client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed such as email, fax, telephone or suitable and secured message and may include managing, renewing and reshuffling the portfolio, buying and selling of securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights, etc. so that all benefits accrue to the client's portfolio, for an agreed fee structure and for a definite described period, entirely at the client's risk.

C. Advisory Services –

The Portfolio client is given purely advisory services as stipulated under SEBI PMS Regulations and in accordance with the requirement of the client. Portfolio Manager gives advice to the client regarding investment/disinvestment in Securities. However, discretion lies with the client whether to act upon it or to ignore the advice. The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 1993 and SEBI (Investment Advisers) Regulations, 2013, which shall be in the nature of Investment advice and may include advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client. Investment advice shall be for an agreed fee structure and for a period agreed and entirely at the client's risk. The Portfolio Manager shall act in a fiduciary capacity towards its client.

2. Investment objective

The funds of the Clients shall be invested in such capital and money market instruments, including securities as defined under the Securities Contract (Regulation) Act, 1956, and shall include any securities, derivatives and other instruments which are tradable on any of Exchanges as wells such units of Unit Trust of India and / or other mutual funds (whether



listed or unlisted), government securities, debt instruments, negotiable instruments, unlisted securities, certificates of deposit, participation certificates, commercial paper, securitized debt instruments, investments in company deposits, bank deposits, treasury bills and such other eligible modes of investment and/or forms of deployment within the meaning of the Regulation issued by SEBI as amended from time to time.

The Portfolio Manager may, however, enter into futures contracts, options in securities, options on indices and other similar types of investment, which may result in the Client having to provide initial margin payments and which would be deemed. The Portfolio Manager shall observe a high standard of integrity and fair dealing in all transactions involving the Client's Account. The investment in the securities mentioned in the above point will be in accordance with the objectives as given in the agreement and also any of the product/plan categories accepted by the client.

The investment objectives would be one or more of the following or combination thereof:

- ❖ To generate a regular return on investments
- ❖ To generate short term and/ or long term capital appreciation
- ❖ To provide investment flexibility to client across various market segments

The Portfolio Manager offers various investment strategies based portfolios to allow for standardized customization in sync with investor profile and also customized portfolio as per suitability and specific requirements of the client. The general objective is to formulate and device the investment philosophy to achieve long term growth of capital.

Further, the Portfolio Manager shall also offers advisory services, in terms of the SEBI (Portfolio Manager) Regulations, 1993, which shall be in the nature of investment advisory incidental to its primary activity and shall include the responsibility of advising on the portfolio strategy, investment and divestment of individual securities of the clients portfolio, for an agreed fee structure, entirely at the Client's risk; to all eligible category of investors who can invest in Indian market including NRIs, FPIs, etc.

3. Types of Securities

The Portfolio Manager shall invest predominantly in the securities specified in the portfolio description. However the Client's funds may be invested in any of the Equity and Equity Related Instruments, Debt Instruments & Money Market Instruments and such other instruments falling under the definition of Securities under this Disclosure Document which shall inter-alia include:

- Equity and Equity Related Instruments:
 - ❖ Equity and Equity related instruments including convertible bonds, convertible debentures, warrants, convertible preference shares, etc.
 - ❖ Equity-linked instruments
 - ❖ Equity Derivatives including Futures and Options
- Debt Instruments & Money Market Instruments:
 - ❖ Certificate of Deposits (CDs)
 - ❖ Fixed Deposits with Banks
 - ❖ Commercial Paper (CPs)
 - ❖ Treasury Bills (T-Bills)



- ❖ Collateralized Borrowing and Lending Obligations (CBLO)
 - ❖ Government Securities
 - ❖ Non-Convertible Debentures as well as bonds or securities issued by companies/institutions promoted/owned by the Central or State Governments and statutory bodies
 - ❖ Floating rate debt instruments
 - ❖ Repo (Repurchase Agreement) or Reverse Repo
 - ❖ Securitised Debt including Asset-Backed Securities (ABS) or Mortgage Backed Securities (MBS)
 - ❖ Pass-Through Certificate (PTC)
 - ❖ Bills Rediscounting
 - ❖ Negotiable instruments
 - ❖ Debt derivative instruments including Interest Rate Swaps and Forward Rate Agreement.
- Units of Mutual Fund

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals.

4. Minimum Investment Amount

The Client shall deposit with the Portfolio Manager, an initial corpus consisting of Securities and /or funds of an amount prescribed by Portfolio Manager for a Portfolio, subject to minimum amount as specified by SEBI Regulation from time to time. The Client may on one or more occasion(s) or on a continual basis, make further placement of Securities and/or funds under the service.

5. Policy for Investment in Associates/ Group Companies

Portfolio Manager shall before investing in the securities of the associate/group companies, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's Portfolio. The investments in associate/group companies at the time of investments may be upto 100% of the Client's Portfolio. The investments in securities of the associate/group companies would be within the overall framework of applicable Regulations and in terms of the Portfolio Management Services Agreement executed with the client.

6. Transactions with Associates/ Group Companies

The Portfolio Manager shall utilize services of subsidiaries/associates/ joint ventures of NBSPL for operations of Portfolio Management Services on commercial terms and on an arms-length basis and at a mutually agreed terms and conditions to the extent and limits permitted under the Regulations. Appropriate disclosures, wherever mandated, shall be made by the Portfolio Manager.

7. Portfolio management team



Investor's funds, in various Portfolios' would be managed by a team of skilled professional's under guidance and supervision of Fund Manager of Portfolio Management Services, Manish Ostwal - Equity co-fund manager, he is the Co-Portfolio Fund Manager and he has 14 years of experience in across equity fund management and Equity Research covering Indian markets He holds a Bachelor Degree in Commerce (Hons) and Chartered Accountants

8. Execution of Trade in Own Company

All trade would be executed in Own company. All trades executed will be in Pool account of PMS Portfolio. And shares would be transferred to individual DP account as soon as the shares are received from Exchange.

9. Appointment of Distributors

Account activated would be sourced by various channel partners, employees, sub-brokers, Remisier, franchisee and distributors of NBSPL.

10. Details of PMS Plans for Discretionary Services-

The Portfolio Manager offers Discretionary Portfolio Management Services, Advisory Services and Non-Discretionary Portfolio Management Services as per individual Portfolio Management Services Agreement.

The Portfolio Manager under it's Discretionary Portfolio Management Services offers Portfolios with different investment objectives and policies to cater to individual requirements of Client's. The Portfolio Manager shall deploy the Securities and/ or funds of the Client in accordance with the investment objectives stated in the Portfolio selected by the Client. All the trades would be executed in Pool Account and thereafter the scrips will be transferred to the respective client's account. At present the Portfolio Manager is offering following Portfolios:

❖ **MINT**

Given its association with a sweet fragrance and refreshing aroma, Mint signifies both the promise and fulfillment of good health. In an extended corollary, mint symbolizes the creation of wealth. Therefore, it brings to you this rich blend of health and wealth.

Product Details

A product for investors with high-risk appetite, Mint has been developed with a minimum two-year horizon, with the **S&P BSE Sensex** as its benchmark.

Portfolio Philosophy

The strategy of this Product / Plan is to hand-pick stocks from an array of companies that make up the S&P BSE Sensex as well as those stocks that are not a part of the benchmark index but are likely to be outperformers.

Portfolio Characteristics

- a) Concentrated calls.
- b) Significant focus on benchmark stocks
- c) There would be no cap on exposure to a single stock at all times



Mint would comprise of equity and equity-related instruments and units of mutual funds.

❖ **GROWTH**

Product Details

A product for investors with Medium risk appetite, Growth has been developed with a minimum three-year-plus horizon, with the **CNX NIFTY 50** as its benchmark.

Portfolio Philosophy

The Product will adopt the strategy of growing capital of the client by picking those stocks from the benchmark universe which, in our opinion, will mirror the same and those stocks from the peripheral universe, which in our opinion will provide the outperformance.

Portfolio Characteristics

- a) There would be no cap on exposure to a single stock at all times
- b) Growth stocks those are available at a reasonable price.

Growth would comprise of equity and equity-related instruments and units of mutual funds.

❖ **OPPORTUNITY**

Product Details

A product for investors who look for actively traded portfolio, the opportunity has been developed with a minimum of twelve months plus horizon, with the **S&P BSE SENSEX** as its benchmark.

Portfolio Philosophy

Designed to fulfill the needs of investors who want to make money on short term price movements.

It will be momentum-oriented, with short tenure of holding, usually under 6 months.

Portfolio Characteristics

- a) Short holding period.
- b) Active change of asset allocation across sectors to potentially capture short term price movement in the stocks
- c) The active churn of the portfolio
- d) An entire universe of stocks

The opportunity would comprise of equity and equity-related instruments and units of mutual funds.

❖ **DISCOVERY**

Product Details

A product where trading would be done in scrips which are having potential to grow and is yet to be discovered, Discovery has been developed with a minimum five years plus horizon, with the **S&P BSE Midcap Index** as its benchmark.

Portfolio Philosophy



The portfolio aims to create wealth for the clients by picking growth-oriented stocks available at reasonable price and sale when either price target is achieved or potentially true values of the stock is reflected in the current price.

Portfolio Characteristics

Growth stocks available at a reasonable price compared to their intrinsic value

Discovery would comprise of equity and equity-related instruments and units of mutual funds.

Note:

The un-invested funds in all the above Portfolio's may be deployed in liquid fund plan of mutual funds, debt-oriented plan of mutual funds, gilt schemes, bank deposits and other short term avenues for investment. The portfolio manager, with the written consent of the client, may lend the securities through an approved intermediary, for interest as permitted by the Regulations. The performance of the Portfolio may not be strictly comparable with the performance of the benchmark indices, due to inherent differences in the construction of the portfolios. The Portfolio Manager may from time to time, review the benchmark selection process and make suitable changes as to use of the benchmark, or related to the composition of the benchmark, whenever it deems necessary.

6) Risk Factors:

- 1) Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments in securities will be achieved. These investments may not be suited to all categories of investors.
- 2) The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, a relatively small number of scrips accounting for a large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- 3) The past performance of the Portfolio Manager is not indicative of future performance. Investors are not being offered any guaranteed or indicative returns.
- 4) The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting, and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and Demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
- 5) Investment decisions made by the Portfolio Manager may not always be profitable.

Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy, and asset allocation.



- 6) Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.
- 7) Equity and Equity Related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
- 8) Macro-Economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have a direct or indirect impact on the investments, and consequently the growth of the Portfolio.
- 9) Liquidity Risk: Liquidity of investments in equity and equity-related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid securities and finding a buyer for such Securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the plan are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.
- 10) Credit Risk: Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the creditworthiness of the issuer and general market risk.
- 11) Interest Rate Risk: Is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance, etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when the interest rate rises, the value of a portfolio of fixed income securities can be expected to decline.
- 12) Acts of State, or sovereign action, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
- 13) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way



- of illustration include default or non-performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.
- 14) Reinvestment Risk: This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
 - 15) Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.
 - 16) Mutual Fund Risk: This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including the performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments, etc., will be applicable in the case of investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect the performance of the investment in mutual fund units.
 - 17) Prospective clients should review / study the Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalisation, disposal (sale, transfer or conversion into money) of Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.
 - 18) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
 - 19) Clients are not being offered any guaranteed/assured returns.
 - 20) The investments under the Portfolio may be concentrated towards equity/equity related instruments of companies primarily belonging to a single or few sectors and hence shall be affected by risks associated with those sectors.
 - 21) The Clients may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients. The Client may incur a higher rate of TDS/ Dividend Distribution Tax in case the investments are aggregated in the name of the Portfolio Management Portfolio/Product.



- 22) The arrangement of pooling of funds from various Clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961 and taxed accordingly.
- 23) In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.
- 24) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Clients may suffer opportunity loss.
- 25) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
- 26) In case of early termination of the Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that was negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.
- 27) Changes in Applicable Law may impact the performance of the Portfolio.
- 28) Derivative transactions may be prone to problems of liquidity, mispricing, lack of or improper correlation with assets or such other reasons.
- 29) Derivative transactions require maintenance of margins, adequate control mechanisms forecasting ability, etc.
- 30) Risks pertaining to stock lending: In the case of stock lending, risks relate to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, the inadequacy of the collateral and settlement risks.
- 31) Risk arising out of non-diversification, if any.
- 32) Specific Risk Disclosures associated with investments in Securitised Debt Instruments

Presently, the secondary market for such securitized papers is not very liquid. This could limit the ability of the portfolio manager to resell them. Even if sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

- a) Securitised transactions are normally backed by a pool of receivables and credit enhancement as stipulated by the rating agency, which differs from issue to issue. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.



33) Specific risk and disclosures associated with an investment in Structured Products like Index Linked Debentures

- a) The Structured Products like Index linked - Non-Convertible Debentures may lead to a portion of the funds being deployed in the derivatives markets including in the purchase of options. These investments are high risk, high return as they may be highly leveraged. A small movement in the underlying index could have a large impact on their value and may result in a loss.
- b) The Issuer of Equity index-linked debentures or any of its Agents, from time to time may have long or short positions or make markets including in indices, futures, and options. The value of these Debentures invested into on behalf of clients could be adversely impacted by a price movement in the above securities.
- c) The Structured Products, even after being listed, may not have a market at all;
- d) The returns on the Structured Products, including those linked to the may be lower than prevailing market interest rates or even zero or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the Debentures. Consequently, the Debenture holder may receive no income/return at all or negative income/return on the Debentures, or less income/return than the Debenture holder may have expected, or obtained by investing elsewhere or in similar investments.
- e) In the case of Equity Index-Linked Debentures, in the event of any discretions need to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach may be at the discretion of the by the issuer and may include the use of estimates and approximations.
- f) At any time during the life of such Structured Products, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Issuer goes down;
- g) The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products.

7) Client Representation:

Details of client's accounts active for the period 31st March 2019, 31st March 2018, 31st March 2017 and:

Sr. No.	Category of clients	No. of clients	Funds managed (amt in Rs. Crores)	Discretionary/ Non-Discretionary (if available)
i)	Associates/group companies			
	As at March 31, 2019	0	0.00	Discretionary



	As at March 31, 2018	5#	221.40	Discretionary
	As at March 31, 2017	5#	280.48	Discretionary
ii)	Others			
	As at March 31, 2019	0	0.00	Discretionary
	As at March 31, 2018	3*	2.71	Discretionary
	As at March 31, 2017	2*	1.33	Discretionary

Note: The above details are given for the funds managed by NBSPL in Portfolio Management Services.

2 Clients have invested in two different portfolios

* 2 Client has invested in more than one portfolio.

Complete Disclosure in respect of transactions with related parties as per the Accounting standards specified by the Institute of Chartered Accountants of India:

The details of related parties transaction based on unaudited accounts for the half year ended 30th September 2018 are given in **Annexure - A**.

8) **The Financial Performance of Portfolio Manager**

The financial results of Nirmal Bang Securities Pvt. Ltd for the last three financial years and as on 30th September, 2018 are set forth below:

(Rs.in thousands)

Particulars	April 1, 2018 – September 30, 2018 (Un-Audited)	April 1, 2017 – March 31, 2018 (Audited)	April 1, 2016 – March 31, 2017 (Audited)	April 1, 2015 – March 31, 2016 (Audited)
Sales and other income	798,076.02	18,69,089.19	15,30,807.04	13,94,690.78
Profit / (Loss) Before Tax	54,847.03	1,83,980.14	92,565.16	1,13,831.00
Profit/ (Loss) After Tax	32,251.98	96,505.69	58,610.63	88,311.12
Net Worth	1287987.28	13,57,729.15	12,72,387.63	12,12,580.61
Earnings Per Share (Rs.)	6.36	19.39	11.70	17.73
Equity Share Capital (par value Re. 10 per share)	49,310.70	49,310.70	49,310.70	49,310.70



9) Performance of the Portfolio Manager for the last 3 years:

Name of Portfolio's Benchmark	Type of Service	Date of Inception	01 st April 2018 to 31 st March 2019 *	01 st April 2017 to 31 st Mar 2018	1st April 2016 to 31st March 2017
Mint	Discretionary	01-05-2010	-7.78%	15.49%	5.57%
S&P BSE Sensex			6.77%	11.47%	16.57%
Discovery	Discretionary	19-06-2015	0.56%	22.37%	20.62%
S&P BSE Mid Cap			-2.75%	13.42%	32.16%
Growth	Discretionary	19-06-2015	-12.26%	33.77%	8.52%
Nifty 50			6.60%	16.48%	18.56%
Opportunity	Discretionary	19-06-2015	-19.34%	40.18%	22.12%
S&P BSE Sensex			8.29%	11.55%	16.92%

*** All the Client Account Has Been Closed in the month of July 2018, Hence the data from 01/04/2018 to 31/03/2019 is same as submitted in last half-yearly report(Sep 2018).**

10) Fees and Services Charged (To be based on actuals):

- Investment Management fee:** i.e. Fixed Fees charged as agreed with the client wide terms and conditions mentioned in the agreement relating to the Portfolio Management Services offered to the Clients.
- Performance Management fee i.e.** A performance fee based on profit slabs provided in the portfolio agreement is charged as agreed with the client wide terms and conditions mentioned in the agreement.
- The fees charged to the client for PMS Service comes under "Fees for technical services" under Sec 194J of the Income Tax Act 1961. This section calls for withholding tax on the fees that the client pays to the portfolio manager if he or she falls under
 - An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.
 - Corporates.
- Custodian fee / Depository Charges:** Charges relating to custody and transfer of shares, bonds, and units, opening and operation of demat account, dematerialization and rematerialization, and/or any other charges in respect of the investment, etc. The actual fees levied by the custodian shall be charged to the client as mentioned in the agreement with the client and as agreed between the Portfolio Manager and the Custodian from time to time.



5. **Registration and transfer agents' fees :**
Fees payable for the Registrars and Transfer Agents in connection with effecting the transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps, and courier charges.
6. **Brokerage, transaction costs, and other services:** The brokerage and other charges like stamp duty, transaction cost and statutory levies such as GST, securities transaction tax, turnover fees, and such other levies as may be imposed upon from time to time.
7. **Fees and charges in respect of investment in mutual funds:** Mutual Funds shall be recovering expenses or management fees and other incidental expenses and such fees and charges shall be paid to the Asset Management Company of the Mutual Funds on behalf of the Client. Such fees and charges are in addition to the portfolio Management fees described above.
8. **Certification charges or professional charges:**
The charges payable to professional services like accounting, taxation, certification and any other legal services, etc.
9. **Securities lending and borrowing charges:** The charges pertaining to the lending of securities, costs of borrowings and costs associated with the transfer of securities connected with the lending and borrowing transfer operations.
10. **Any incidental and ancillary out of pocket expenses:**
All incidental and ancillary expenses not recovered above but incurred by the Portfolio Manager on behalf of the client shall be charged to the Client.
11. The portfolio manager shall deduct directly from the cash account of the client all the fees/costs specified above. Other expenses, which could be attributable to the Portfolio Management, would also be directly deducted and the client would be sent a statement about the same.
12. The fee so charged may be a fixed fee or a return based fee or a combination of both as agreed in the agreement.
13. The Portfolio Manager may at its sole discretion to charge a lower management fee and/or waive off or charge a lower Upfront fee/Exit Load.

The above are broad types of costs and expenses chargeable to Clients availing the Portfolio Management Services. The exact quantum of the expenses relating to each of the services shall be annexed to the Agreement executed between the Client and the Portfolio Manager. The expense charged may vary from Client to Client. The expenses incurred shall be directly debited on actual expense incurred basis to the Client's Portfolio as and when the same becomes due for payment or on a monthly basis.

11) Taxation:

Income on Investment in Securities is subject to tax in the following manner:

- a) Dividend



Dividends declared, distributed or paid on or after April 1, 2003, by domestic companies will be exempt in the hands of the shareholder recipient but a tax on distributed profits at applicable rates will be payable by the domestic company. However, as per Finance Act 2016, sanctioned by the parliament, from Assessment year 2017-18 in addition to DDT paid by the companies, tax at the rate of 10% of gross amount of dividend will be payable by the recipients i.e. shareholders being individuals, HUFs and firms receiving dividend in excess of Rs. 10 lakh per annum.

- b) Interests on Investment are taxable except in certain cases where it is exempted from tax under Income Tax Act 1961.
- c) In case the securities are sold within one year (for listed securities except for units other than units of equity oriented mutual funds) or within three years (for unlisted securities) from the date of purchase, the resultant gains or losses are termed as short term capital gains or losses. Short term gains arising out of transfer of equity shares if the securities are sold on a recognized stock exchange in India and on which securities transaction tax has been paid are taxed at a concessional rate of 15% (as increased by surcharge plus education cess), in other cases they would be taxed at the slab rate applicable to the respective PMS client type.

In case the securities are sold after one year (for listed securities) or two years (for unlisted securities) and three years for units other than units of equity oriented mutual funds from the date of purchase, the resultant gains or losses are termed as long term capital gains or losses and the gain is arising out of transfer of equity shares which are sold on a recognized stock exchange in India and on which securities transaction tax has been paid would be taxed at 10% (as increased by surcharge plus education cess) in case of listed securities and 20% (as increased by surcharge plus education cess) in case of unlisted securities and units other than units of equity oriented mutual funds. From A.Y. 2019-20, Long Term capital gain (where STT is paid) in excess of Rs. 1 Lakh will be chargeable at the rate of 10% and on the balance amount of the total income, the tax will be computed as if it were the total income of the assessee.

Note: "Listed Securities" as defined under the explanation to section 112(1) of Income Tax Act, means the securities as defined in clause 2(h) of Securities Contract (Regulations) Act, 1956 and listed on any recognized stock exchange in India.

"Unlisted Securities" means securities other than listed securities.

"Units" shall have the meaning assigned to it in clause (b) of explanation to section 115AB of Income Tax Act, 1961.

The following are the tax provisions presently applicable to clients investing in the Portfolio Management Products under the Income Tax Act, 1961.

Tax on Long Term Capital Gain:

If the capital asset, which is transferred, is equity share or units of equity oriented mutual funds and the transaction is subject to Securities Transaction Tax, the Long Term Capital Gain in excess of Rs. 1 Lakh is chargeable to tax @ 10%. In other cases, the tax will be calculated as follows:

Capital Asset	If it is not subject to Securities Transaction Tax
---------------	--



	Long Term		Short Term
	Without Indexation	With Indexation	
1. Deventure Listed	10 %	Not Applicable	Normal
2. Deventure Non Listed	20 %	Not Applicable	Normal
3. Government Securities	10 %	20 %	Normal
4. Bonds Listed	10%	Not Applicable	Normal
5. Bonds Non Listed	20%	Not Applicable	Normal

TDS

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. Interest would be subject to tax as per prevailing provisions of the Income Tax Act, 1961.

Advance Tax Obligations

It shall be the client's responsibility to meet the advance tax obligations payable on the due dates as per the Income Tax Act, 1961.

Provisions of Income Tax Act 1961, undergoes change frequently and is also based on the status of the client, thus the client is advised to consult his/her tax consultant for appropriate advice on the tax treatment of income indicated herein.

The fees charged to the client for PMS come under the ambit of "fees for technical services" under Section 194J of the Income Tax Act, 1961 ("the Act"). As the section calls for withholding tax, the client is required to withhold tax @ 10 % excluding GST, on the fees that the client pays to the Portfolio Manager if he/she falls under the following two categories:

a) An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year

b) Corporate

This implies, the Client (as mentioned in point 'a' and 'b' above) while making payment of the fees would deduct tax at Source. The taxes payable on any transactions entered into or undertaken by the Portfolio Manager on behalf of the client, whether by way of deduction withholding, payment or other, shall be fully borne by the client. Payment of the tax shall be the personal responsibility and liability of the client. In case the client deducts and pay the withholding tax, the client shall provide Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of filing return or due date of filing TDS Return for the quarter whichever is earlier. The Portfolio Manager is not by law, contract or otherwise required to discharge any obligation on behalf of the client to pay any taxes payable by the clients.

12) Accounting Policies:
1. Basis of accounting


- (a) Books and Records for each product is separately maintained in the Back office software in the name of the client to account for the assets and any additions, income, receipts, and disbursements in connection therewith, as provided by the SEBI (Portfolio Management) Regulations, 1993, and SEBI (Investment Advisers) Regulations, 2013 as amended from time to time.
 - (b) Accounting under the respective portfolios is done in accordance with Generally Accepted Accounting Principles except with Point (a) of Income/Expenses.
 - (c) Transactions for purchase and sale of investments are recognized as of the trade date. In determining the holding cost of investments and the gain or loss on sale of an investment, the first-in-first-out method is followed. The same is done at the product level. The cost of the investments acquired or purchased would include brokerage, stamp charges, and any charges customarily included in the broker's contract note or levied by any statute except STT (Securities Transaction Tax). Securities Transaction Tax incurred on buying and selling of securities is charged to revenue account.
 - (d) Realized Gains/Losses are calculated by applying the First in/ First Out method.
 - (e) Where eligible securities have been received from the client towards corpus, the closing market value of the previous day of activation of account/receipt of securities (in case of additional corpus) is considered as a capital contribution and deemed to be the cost of investments for the purpose of tracking performance.
- 2. Income/expenses**
- a. All investment income and Expenses are accounted on accrual basis except Custodian & Depository charges which are on actual basis for the last month of the financial year.
 - b. The dividend is accrued on the Ex-date of the securities and the same is reflected in the clients' books on the ex-date.
 - c. Similarly, bonus shares are accrued on the ex-date of the securities and the same are reflected in the client's books on ex-date.
 - d. In case of fixed income instruments, purchased/sold at Cum-interest rates, the interest component up to the date of purchase /sale is taken to interest receivable/payable account.
- 3. Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 1993.**
- 4. Audit**
- a. The Portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be given to the client.



- b. The client may appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such chartered accountant in the course of the audit.

13) Agreement:

1. The Portfolio Manager before taking up an assignment of management of funds or portfolio of securities on behalf of the client, enters into an agreement in writing with such client clearly defining the inter se relationship and setting out their mutual rights liabilities and obligations relating to the management of funds or portfolio of securities, containing such details as per the regulations.
2. The money or securities accepted by the portfolio Manager shall not be invested or managed by the Portfolio Manager except as mentioned in terms of the agreement between the Portfolio Manager and the client.
3. The Portfolio Manager shall not change any terms of the agreement without the prior written consent of the client
4. Generally, The term of the PMS Agreement shall initially be for a period of one year from the Activation Date ("Term") and, unless terminated by either Party in accordance with the terms of the PMS Agreement, shall be deemed to be automatically renewed from the next day of date of expiry of the Term on the such terms and conditions as may be mutually agreed upon by the Parties in writing, till any further communication by either of the party to terminate the same. The Client shall be entitled to terminate the PMS Agreement before the expiry of the term according to the terms/clauses specified in the said agreement.

14) Termination of Agreement:

- A. The client has the right to terminate the Agreement after giving a minimum notice of thirty days to the Portfolio Manager, in the prescribed form, subject to the minimum period, if any, as may be stipulated by SEBI from time to time.
- B. The Portfolio Manager can also terminate this Agreement without assigning any reason therefore but after giving a minimum 30 days' notice to the Client. Provided such notice shall not be required if the termination is for prevention of money laundering or such other illegal activities that the Portfolio Manager may reasonably suspect.
- C. The Assets of Account can be withdrawn or taken back by the Client at his/her/its sole risk before the expiry of the Agreement under the following circumstances:
 - Voluntary or compulsory termination of the Services by the Portfolio Manager;
 - Suspension or termination of the registration granted to the Portfolio Manager by SEBI and/or any other competent authority;
 - Liquidation of the Portfolio Manager;
- D. Where no person has been nominated by the Client under this Agreement and in the event of death, insolvency, dissolution or winding up of a Client during the currency of the Agreement, and on receipt of notice from the Client or successors/heirs, in writing of



such an event, the Agreement shall ensure to the benefit of the successors/heirs. However, the Portfolio Manager shall be entitled to terminate this agreement and cease operations of the Client's Account.

15) Disclaimer by Portfolio Manager:

Prospective investors should review / study this Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.

16) Investor Services:

Portfolio Manager seeks to provide PMS clients a high standard of service and is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology.

(i) The details of the investor relation officer who shall attend to the investor queries and complaints are mentioned here below:

Name of the person	Mr. Samir Kamdar
Designation	Vice President
Address	301/302, B-2, 3rd Floor, Marathon Innova Opp. Peninsula Building, G.K. Marg, Lower Parel (West), Mumbai-400013
Email	Samir.kamdar@nirmalbang.com
Telephone	022- 62739390
Fax No	022-62739310

The official mentioned above will ensure prompt investor services. The portfolio manager will ensure that this official is vested with the necessary authority, independence and the means to handle investor complaints.

In case the query is not resolved within 45 days of the complaint then you can get in touch with the Principal officer Mr. Samir Kamdar by sending an email on samir.kamdar@nirmalbang.com or call him on his landline number 022-62739390/91.

Further if not resolved in due course then you can contact Mr. RakeshBhandari – Senior Vice President by sending an email on rakesh.bhandari@nirmalbang.com or you can call him on his landline number 022-62738384/85



(ii) Grievances redressal and Dispute settlement mechanism.

Grievances, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 1993 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of the court in Mumbai only and are governed by Indian laws.

The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor, and the Portfolio Manager shall abide by the following mechanisms: -

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

Alternatively, with effect from September 2011, SEBI has launched a new web-based centralized grievance system called SCORES i.e. SEBI Complaints Redressal System, for online filing, forwarding, and tracking of resolution of investor complaints. The Client may also make use of the SCORES facility for any escalations on redressal of their grievances. Following is the link to visit the website and inform their dispute/complaints against the company.

<https://scores.gov.in/scores/complaintRegister.html>

SEBI vide press release PR No. 80/2012 dated 30th August' 2012 has extended its toll-free helpline service for Investors (1800 22 7575 / 1800 266 7575) to Saturday and Sunday from the existing Monday to Friday. The service on Saturday and Sunday would be available initially to investors from all over India in English, Hindi, Marathi, and Gujarati from 9:30 a.m. to 5:30 p.m. For any queries/ feedback or assistance, the Client may also e-mail to sebi@sebi.gov.in.

The agreement with the client shall be governed by construed and enforced in accordance with the laws of India. Any dispute with the client shall at first be settled by mutual discussion, failing which the same will be referred to and settled by arbitration in accordance subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification/enactment thereof for the time being in force. A sole arbitrator will be appointed by mutual consent of the portfolio manager and the client. The arbitration shall be held in Mumbai and be conducted in the English language. Any action or suit involving the agreement with a client or the performance of the agreement by either party of its obligations will be exclusively in courts located at any place in India subject to the jurisdiction clause in the portfolio agreement.

17) Anti-Money Laundering Compliances:

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). PMLA 2002 and the Rules notified there under (PMLA Rules) came into effect from July 1, 2005. Director, FIU-IND, and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act. Consequently, SEBI has mandated that



all registered intermediaries formulate and implement a comprehensive policy framework on anti-money laundering and adopt 'Know Your Customer' (KYC) norms.

Further, SEBI vide Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/104 dated July 04, 2018 (which supersedes all the earlier circular) issued a '**Master Circular for Guidelines on Anti Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules frame thereunder**' consolidating all the requirements/instructions/obligations of Securities Market Intermediaries.

Accordingly, the investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Prevention of Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti-money laundering laws and regulations in all of its operations. Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client doesn't comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements.

The Portfolio Manager shall not be held liable in any manner for any claims arising whatsoever on account of freezing the account/rejection or refund of the application etc. due to non-compliance with the provisions of any of the aforesaid Regulations or Applicable Laws.

Investors are requested to note that KYC is mandatory for all investors. SEBI vide circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011, and CIR/MIRSD/ 11/2012 dated September 5, 2012, has mandated that the uniform KYC form and supporting documents shall be used by all SEBI registered intermediaries in respect of all new clients from January 1, 2012. Further, SEBI vide circular no. MIRSD/Cir-23/2011 dated December 2, 2011, has developed a mechanism for centralization of the KYC records in the securities market to bring about uniformity in securities markets.

Accordingly, KYC registration is being centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA. Applications shall be liable to be rejected if the investors do not comply with the aforesaid KYC requirements.

As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005 (the rules), every reporting entity shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the Rules, as per the KYC template for 'Individuals' finalized by CERSAI. Accordingly, the KYC template finalized by CERSAI shall be used by the registered intermediaries as Part I of AOF for individuals.



18) List of Approved Share Brokers, involved for Portfolio Management activities

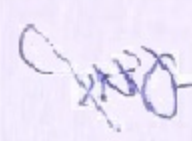
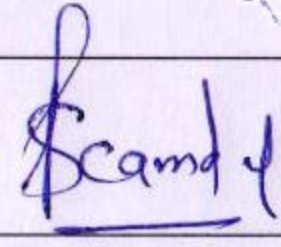
Sr. No.	Name	SEBI Registration No
1	Nirmal Bang Securities Pvt. Ltd	INZ000202536

19) General:

The portfolio manager and the client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement.

The Portfolio Manager has not outsourced any of its PMS activities to any third party.

For Nirmal Bang Securities Pvt. Ltd.,

Name of the Director	Signature
Sunil Jain	
Samir Kamdar	

Place: Mumbai

Date: 25th April 2019

FORM C

**SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 1993
(Regulation 14)**

We confirm that:

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

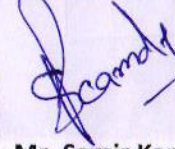
The disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management;

The Disclosure Document has been duly certified by an independent Chartered Accountant M/s. B Y & Associates, Chartered Accountants, 8A-2, ChanderMukhi Building, Opp. Nirmal Building, Nariman Point, Mumbai – 400 021, Phone No-022 40172000, firm registration number 123423W on 25th April 2019

Date: 25th April, 2019

Place: Mumbai

Signature of the Principal Officer



Mr. Samir Kamdar

B-2,302, Marathon Innova,
GanpatraoKadamMarg, Opp.
Peninsula Corporate Park, Lower
Parel (W) Mumbai - 400013

Certificate

We, B Y & Associates, Chartered Accountants, Mumbai, have reviewed the Disclosure Document dated 31st March, 2019, (signed on 25th April, 2019) prepared by **M/s. Nirmal Bang Securities Pvt. Ltd. (SEBI Registered Portfolio Manager – INP000002981)** having address as B/38, Khatau Bldg, 2nd Floor, Alkesh Dinesh Mody Marg, Fort, Mumbai - 400001, in accordance with disclosure document as stated in Schedule V of Regulation 14(2) of Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 1993, ('the Regulations').

The Management of the Company is responsible for preparation of the attached Disclosure Document in accordance with the Regulations.

Our responsibility is to issue the certificate based on our review which is primarily limited to inquiries of the Company's personnel, tracking the financial information from the audited financial statements for the year ended March 31, 2016, March 31, 2017, March 31, 2018 and unaudited financial statements for the year ended March 31, 2019, and previous disclosure document submitted to SEBI, other relevant records, the information, explanations and representations furnished by the Management.

We have relied on the representation given by the Management about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure Document and related party disclosure.

Based on such review of attached Disclosure Document, we hereby certify that the disclosures made in the Disclosure Document dated 31st March 2019 (signed on 25th April, 2019) are true, fair and adequate to enable the investors to make well informed decisions.

This Certificate has been issued pursuant to Schedule V of Regulation 14(2) of Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 1993, ('the Regulations') and at the request of **M/s. Nirmal Bang Securities Pvt. Ltd.** for the purpose of submitting the same to SEBI and the Portfolio Manager Service Clients and should not be used or referred to for any other purpose without our prior written consent.

Place: Mumbai

Date: 25/04/2019

ICAI UDIN: 19109228AAAAAH6494
For B Y & Associates
Chartered Accountants
Firm Reg. No. 123423W



(Hiren N Mehta)
Partner
M. No.: 109228

