

## Form C

### Securities and Exchange Board of India, (Portfolio Managers) Regulations, 1993

Name of the Portfolio Manager : Abans Broking Services Private Limited  
Registered Office Address : 36/37/38A, 227, Nariman Bhavan,  
Backbay Reclamation, Nariman Point,  
Mumbai 400 021  
Telephone No: 022 68354141  
Fax No: 022 6179 0010

Corporate Office Address : 36/37/38A, 227, Nariman Bhavan,  
Backbay Reclamation, Nariman Point,  
Mumbai 400 021  
Telephone No: 022 68354141  
Fax No: 022 6179 0010  
Email id: [compliance@abans.co.in](mailto:compliance@abans.co.in)

Ref: SEBI Reg. No. : INP000006484

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;

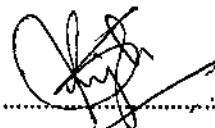
The Disclosures made in the documents are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management;

The Disclosure Document has been duly certified by an independent chartered accountant Mr. Hiten Sarvaiya, Partner – M/s. A.T. Jain & Co., Chartered Accountants, Phone No. +91-22-6736 2000, Membership No. 164094, and Firm Reg. No. 103886W on 9<sup>th</sup> Oct, 2019. (A copy of certificate for investors is attached with this Disclosure Document)



Date: 9<sup>th</sup> Oct, 2019

Place: Mumbai

  
.....  
Shivshankar Singh  
Principal Officer



**A. T. JAIN & Co.**  
**CHARTERED ACCOUNTANTS**

**TO WHOMSOEVER IT MAY CONCERN**

We have been requested by Abans Broking Services Private Ltd. to certify the contents and information provided in the Disclosure Document required to be filed with the Securities and Exchange Board of India (SEBI) as per regulation 14, Schedule V of SEBI (Portfolio Managers) Regulations, 1993.

We have verified the date from the respective documents provided by the Management. We have relied on various representations made to me by the Management of the Company wherever necessary.

Based on my verification of the records and information provided to me, we certify that the contents and information provided in the Disclosure Document dated 25<sup>th</sup> September, 2019 are true, fair and adequate as required under Regulation 14, Schedule V of SEBI (Portfolio Managers) Regulations, 1993.

For A.T. Jain & Co.  
(Chartered Accountants)  
Firm Registration No.: 103886W

*H.B. Sarvaiya*

(Hiten Sarvaiya)  
Membership Nos. 164094



Date : 9<sup>th</sup> October, 2019  
Place : Mumbai  
UDIN : 19164094AAAACQ4474

# **PORTFOLIO MANAGEMENT SERVICES**

## **DISCLOSURE DOCUMENT**

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

This Disclosure Document has been filed with the Securities and Exchange Board of India together with the certificate in the prescribed format in terms of Regulation 14 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.

This Disclosure Document sets forth, concisely, the essential information that a prospective investor ought to know about portfolio management services, to assist and enable the investor to make an informed decision before engaging a portfolio manager. Investors should carefully read the Disclosure Document before making a decision to appoint a portfolio manager.

This Disclosure Document remains effective until a 'material change' occurs. Material changes will be filed with Securities and Exchange Board of India ("SEBI") and notified to the investors, subject to the applicable regulations.

The particulars of this Disclosure Document have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended till date and this Disclosure Document has been filed with SEBI.

This Disclosure Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this Disclosure Document.

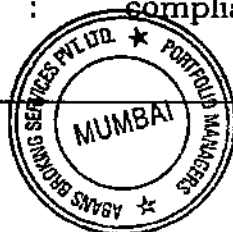
No person has been authorized to give any information or to make any representations, not confirmed in this Disclosure Document in connection with the services proposed to be provided by the Portfolio Manager, and any information or representations not contained herein must not be relied upon as having been authorized by the **Portfolio Manager, Abans Broking Services Private Limited**.

This Disclosure Document discloses the necessary information about the Portfolio Manager that an investor needs to know before investing.

The updated Disclosure Document shall be provided to the existing client every six months, or as and when there is a material change in the contents of the Disclosure Document. The Certificate of Registration and Disclosure Document shall be provided to the proposed client at least 2 days before entering into agreement.

***Please retain this Disclosure Document for future reference.***

Name of Principal Officer: Mr. Shivshankar Singh  
Name of the Company : Abans Broking Services Private Limited  
Contact Address : 36/37/38A, 227, Nariman Bhavan, Backbay Reclamation,  
Nariman Point, Mumbai - 400021, Maharashtra.  
Telephone No. : +91 022 68354141  
E-mail address : [compliance@abans.co.in](mailto:compliance@abans.co.in)



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*This Disclosure Document, dated 27<sup>th</sup> March, 2019, revised on 25<sup>th</sup> September, 2019 is approved by the Board of Directors of Abans Broking Services Private Limited on the 25<sup>th</sup> of September, 2019.*

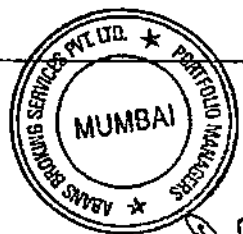
## 1. DISCLAIMER

This Disclosure 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. This document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

## 2. DEFINITIONS

- 1) "Affiliate" shall include any company, body corporate, individual or other person who or which is in any manner associated with or related to the Portfolio Manager or any Director, Shareholder or Employee of the Portfolio Manager or any holding company or subsidiary of the Portfolio Manager or any company under common control as the Portfolio Manager.
- 2) "Agreement" means this Discretionary Portfolio Management Agreement and shall include any recitals, schedules, annexures or exhibits to this Agreement and any amendments, modifications, alterations, additions or deletions made to this Agreement by the Parties in writing upon mutual consent.
- 3) "Application Form" means the application form made and submitted by the Client to the Portfolio Manager to place its funds / securities with the Portfolio manager for discretionary portfolio management services. The application form shall be deemed to form an integral part of this Agreement.
- 4) "Applicable Law" shall mean the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and all (other) applicable laws, bye-laws, rules, regulations, orders, ordinances 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.
- 5) "AML Laws" means Prevention of Money Laundering Act, 2002, the rules issued there under, and the guidelines/ circulars issued by SEBI thereto, as amended from time to time.
- 6) "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.
- 7) "Client Securities" mean the Securities, which forms part of the Portfolio.
- 8) "Closing NAV" means the NAV as on the date of the expiry of the term or the date of termination of this Agreement, as the case may be.
- 9) "Custodian" means any person who carries on the business of custodial services in accordance with the regulations issued by SEBI from time to time.
- 10) "Depository Participant (DP) 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.
- 11) "Derivative" means a forward, future, option or any other hybrid contract of predetermined fixed duration, linked for the purpose of contract fulfilled to the value of a specified real or financial asset or to an index of securities.

Derivative Includes:



Security derived from a debt instrument, share, risk instrument or contract for differences or any other form security; Contract which derives its value from the prices, or index of prices, of underlying securities.

12) "Discretionary Portfolio Management Services" or "Services" means the investment advisory and / or the portfolio Management services on 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.

13) "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.

14) "Effective Date" means the date on which the Portfolio Management account of the client is activated in the books of Portfolio Manager.

15) "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 minus withdrawal / redemption made by the client with the Portfolio Manager for being managed pursuant to this agreement, the proceeds of the sale or other realization of the portfolio and interest, dividend or other monies arising from the funds, so long as the same is managed by the Portfolio Manager.

16) "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. Provided that in no event shall the High-Water Mark be reckoned to be less than the Starting NAV as on the date of activation of account.

17) "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.

18) "Net Asset Value" (NAV) is the market value of assets in the portfolio consisting of securities and funds.

19) "Parties" means all the signatories to this Agreement and "Party" means any party to this Agreement.

20) "Portfolio" means the total holdings of all investments, client's securities and funds belonging to the client and maintained / managed by the Portfolio Manager.

21) "Power of Attorney" shall mean the power of attorney granted by the Client to the Portfolio Manager in the form set out in "Schedule - A" and / or any further powers of attorney granted by the Client to the Portfolio Manager.

22) "Portfolio Manager" (PM) means Abans Broking Services Private Limited who has obtained certificate from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993, vide Registration No. **INP000006484**.

23) "Portfolio Management Fee" means the fee payable to the Portfolio Manager in accordance with "Schedule - C".

24) "Redemption" means the client shall be allowed to redeem (withdraw) its portfolio by filling the redemption form.



- 25) "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.
- 26) "Return" means the difference between the Closing NAV and the Starting NAV and includes realized and unrealized gains / losses.
- 27) "Rules" means the Securities and Exchange Board of India (Portfolio Managers) Rules, 1993.
- 28) "SEBI" means the Securities & Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.
- 29) "Securities" includes: "Securities" as defined u/s 2(h) of the Securities Contract (Regulations) Act, 1956.
- 30) "Starting NAV" means the NAV as on the Effective Date.
- 31) "Subscription" means funds and/or securities introduced by the client to Portfolio Manager for managing the portfolio.

### 3. THE PORTFOLIO MANAGER

#### 1) Historical Background / Present Business

Abans Broking Services Private Limited (ABSPL) is a private limited company incorporated in 2009 under the Companies Act, 1956 and headquartered in the financial hub of India, Mumbai.

ABSPL is an ISO 9001:2015 certified company for providing Commodity Trading and Broking Services. It is a SEBI regulated entity (**SEBI REGISTRATION NO. INZ000032733**) authorized to conduct dealings in the Indian commodities segment.

ABSPL has the memberships of the reputed Commodity Stock Exchanges of India namely;

- MCX – Multi Commodity Exchange of India Ltd. (**MEMBERSHIP NO. 40385**)
- NCDEX – National Commodity & Derivatives Exchange Ltd. (**MEMBERSHIP NO. F00681**)

Apart from providing commodity brokerage services to its customers, ABSPL is also a SEBI registered Research Analyst (**SEBI REGISTRATION NO. INH000006369**).

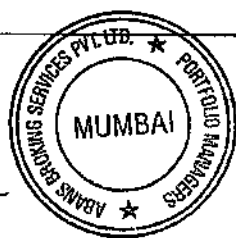
ABSPL has come a long way in its journey to become a full-fledged financial market player catering to high net worth corporates and high net worth individuals. It has been adjudged amongst the "Top-100 SMEs in India" for 2017 by a jury of eminent experts and the Secretariat of the Skoch Group.

**Now ABSPL strives to act, subject to SEBI approval, as a Portfolio Manager with a wide and varied clientele.**

#### 2) Promoter / Share-holders

The present equity shareholders and their shareholdings in the Company are:

Name of the Shareholder	Number of Shares	Amount (in Rs.)	% of holding
Abans Finance Pvt. Ltd.	41,34,999	4,13,49,990	99.999976



Abhishek Bansal	1	10	0.000024
Total	41,35,000	4,13,50,000	100.00

The present preference shareholders:

Type of Preference Shares: 6% Non-Convertible, Non-Cumulative, Non-Participating Redeemable Preference Shares

Period of Redemption: For 1st Allotment: 20 Years  
For 2nd Allotment: 20 Years

Sl. No.	Name of the Shareholder	Number of Shares	Amount (in Rs.)	% of holding
1	Abans Finance Private Limited	55,00,000	5,50,00,000	100
2	Abans Finance Private Limited	65,00,000	6,50,00,000	100
	Total	1,20,00,000	12,00,00,000	100

**Mr. Abhishek Bansal**, aged 32 years, is the Key Promoter and Director of Abans Group of Companies. At a very young age of 18, his father instilled in him a never-ending fascination for numbers and financial markets. It was this passion that gave him the courage to follow his dreams of opening an end-to-end financial institution. He completed his master's degree in commerce from Mumbai University and set out to fulfill his dreams.

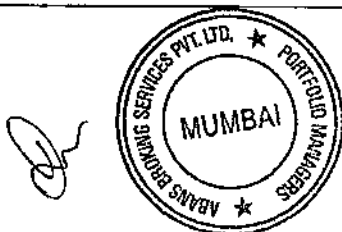
As they say, passion and hard-work can get you almost anything. He was convinced of his ability and expertise to trade commodities single handed as he set out to establish his first company Abans Commodities in the year 2005.

In the year 2010, he established his first international company in UK, Abans Global Limited soon to be followed by Abans International Limited in the year 2013, in Mauritius. In the Financial Services area, he has grown his company from being a traditional stock trading & broking firm into a dynamic and diversified business group.

Thereafter, Abans Group has gone on from strength to strength under his leadership and diversified its business interests into different sectors like Commodity services, Warehousing, Realty & Infrastructure, Precious Metal, Merchant Banking, Non-Banking Financial Services, Renewable Energy, Gems & Jewels, employing more than 500 people now.

Over the years Mr. Bansal has been conferred with several awards such as;

- "Udhyog Ratan Award" by the Institute of Economic Studies for excellence and outstanding contribution in the Financial Services industry.
- "Young Entrepreneur of the Year" by the Committee of "Commodity Equity Outlook (CEO) Awards 2017" on 9th June 2017 in Mumbai.
- "Doctor of Excellence Honoris Causa" for Excellence in The Field of Management by Confederation of International Accreditation Commission -





CIAC on 22nd July 2017 in Mumbai.

- "Young Achiever of the Year" in Financial Services by the committee of "Icon of the Year Awards" on 17th September 2017 in Mumbai.

### 3) Directors of the Portfolio Manager

The following are the Directors of the Portfolio Manager:

i. **Mr. Deepak Manohar Zope**

He is an MBA in finance having over 12 years of experience in corporate finance and strategy development in currencies and commodities markets. He has been associated with Abans Group for over 5 years.

Mr. Zope, has been newly appointed as the Designated Director of the Company, and the same has been intimated to the FIU-IND.

ii. **Mr. Shivshankar Singh**

He heads the Information Technology Infrastructure function at Abans group of companies. An IT professional with over 21+ years of experience in Information Technology in the BFSI sector with a proven ability to manage multiple assignments efficiently under extreme pressure adhering to market and regulatory compulsions. He is not only Pro-active but very result oriented with a broad experience in Information Technology. He heads the Information Technology Infrastructure function at Abans group of companies. He has worked with Bombay Stock Exchange, Power Exchange of India Ltd and Indian Commodity Exchange prior to Abans Group.

Mr. Singh is the Designated Director of the Company and is also the Principal Officer, pursuant to SEBI requirement to comply with the AML obligations, and the same has been intimated to the FIU-IND.

iii. **Mr. Abhishek Pradeepkumar Bansal**

Being the Key Promoter & the Ultimate Beneficial Owner, Abhishek oversees the entire business, operational and functional aspects of the Group.

He is now acting as the Additional Director for Abans Broking Services Private Limited.

### 4) Key Personnel of the Portfolio Manager

i. **Mr. Bhavik Thakkar, CEO - Wealth & Investment Management**

He heads the Wealth management business at Abans group of companies. A reputed Banking and Wealth Management professional with over 15 years of rich experience across the spectrum in Portfolio Management, Investment Advisory, Relationship Management, Product Management and Channel development.

Before joining the Abans Group, he was the Director & Head for Alternate



Channels, Investment & Wealth Lending under Standard Chartered Bank. He is an MBA in Finance (Gold Medalist) who has worked at the top rung of the corporate ladder with big corporate's such as Aditya Birla Money and Kotak Mahindra Bank. He has a proven ability of "Wealth lending" through Banking and non-banking channels to the retail sector and has been very successful in leading big sales team across various verticals of wealth management.

His customer focus is exemplary as is evident from his efforts to reduce mis-selling by alignment of the client portfolio with the model portfolio in additions to his efforts all along to improve client experience through the institutionalization of portfolio advisory and simplifications of processes.

**ii. Mr. Amit Banerjee, Compliance Officer**

A Senior Management Professional with over 15 years of rich experience in Capital Market Operations and Compliance. He has worked in various important roles and demonstrated great ability in implementing best practices and ensuring ultimate customer satisfaction through excellent Turn-around Time (TAT) for delivery & service quality norms. He is well versed with SEBI, Stock Exchange and Depository Rules and Regulations and has developed best operating practices through a robust Internal Audit model. He is a professional with regulatory body certifications on important areas such as PMLA, Compliance, Stock Broking, Commodities Broking, Depositories and Internal Audit.

**iii. Mrs. Aditi Kulkarni, Manager - Customer Servicing & MIS**

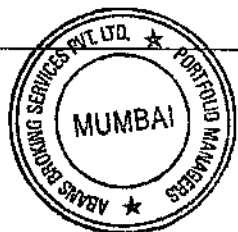
She is a qualified Company Secretary also pursuing Chartered Accountancy, has an excellent command over domestic and international compliances. She has been handling the FPI compliances for the Group and is the single point of contact for servicing all the queries & issues of the investors.

**iv. Mr. Sushil Joshi, Asst. Manager - Back Office Operations & Support**

He has a rich experience in handling the back-office operations for the broking and the wealth management business. He is a Commerce Graduate, holding several important NISM Certifications such as the Securities Operations & Risk Management (SORM) and the Equity Derivatives Market Module.

**v. Mr. Sumit Agarwal, Asst. Manager - Back Office Operations & Support**

Sumit has a rich experience in handling the risk and back-office operations for the broking and the wealth management business. He is an MBA, holding several important NISM Certifications e.g. Securities Operations & Risk Management (SORM), Equity Derivatives Market Module, Currency Derivatives, Commodity Broking Operations etc.



### 5) Associated Companies & Activities

Name of the Company	Category	CIN / SEBI Reg. No. / RBI License No.	Activities / Services Offered
Abans Vanijya Pvt. Ltd.	Ultimate Company	U74900MH2009PTC231660	Holding Company
Abans Finance Pvt. Ltd.	Holding Company	U51219MH1995PTC231627; <b>RBI Reg. No. B-13.02044</b>	NBFC; Holding, Investing, & Trading, lending loans to high net worth corporates
Abans Securities Pvt. Ltd.	Group Company	U67120MH2007PTC176260; <b>SEBI Reg. No. INZ000194431; SEBI CDSL DP Reg. No. IN-DP-12-2015</b>	Stock Broker - NSE, BSE, MSEI; Depository Participant - CDSL
Abans Global Broking (IFSC) Pvt. Ltd.	Group Company	U65999GJ2016PTC094775; <b>SEBI Reg. No. INZ000198632</b>	Broking Services - India International Exchange (India INX)
Abans Commodities (India) Pvt. Ltd.	Group Company	U74990UP2009PTC044177; <b>SEBI Reg. No. INZ000059831</b>	Commodity Broker - MCX; Physical trading in various Argo-Products

### 4. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY AGAINST THE PORTFOLIO MANAGER

- Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority against the Portfolio Manager
- There has been no instance of penalties imposed for any economic offense and/ or violation of any securities law on the Portfolio Manager.
- There are no pending material litigation/legal proceedings against the Portfolio Manager / key personnel.
- There is no deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency.
- There has been no instance of any enquiry/ adjudication proceedings initiated by the Board against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or Rules or



Regulations made there under.

## 5. SERVICES OFFERED

1) **The Portfolio Manager offers to its clients the following three types of services:**

### **A. Discretionary Portfolio Management Services:**

Under the Discretionary Portfolio Management Services, Abans Broking Services Pvt. Ltd. (Portfolio Manager) shall deploy the Assets brought in by a Client by investing or divesting suitably in the capital markets as per agreement executed with the client subject to the applicable Act and Regulations.

The Portfolio Manager shall be acting in a fiduciary capacity, both, as an agent as well as a trustee, with regard to the Client's assets and account consisting of investments, 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).

The Portfolio Manager will provide Discretionary Portfolio Management Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the 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 as described, entirely at the Client's risk.

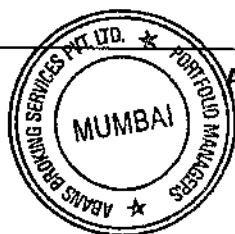
The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the client in any type of security as per executed Agreement and make such changes in the investments and invest some or all of the Funds in such manner and in such markets as it deems fit.

The Portfolio Manager's decision (taken in good faith) in deployment of the client's funds is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence.

The right of Portfolio Manager will be exercised strictly in accordance with the relevant acts, rules, regulations, guidelines and notification in force from time to time. Periodical statements in respect Client's Portfolio shall be sent to the respective Client.

### **B. Non-Discretionary Portfolio Management Services:**

Under this category, the investment decisions of the Portfolio Manager are guided by the instructions received from the Client under an agreement executed between the Portfolio Manager and 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 that strictly complies with the Client's instruction.



The decision of the Client in 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. However, the Portfolio Manager will continue to act and be strictly guided by relevant guidelines, acts, Rules, Regulations and notifications in force from time to time.

For the purpose of acting on the Client's instructions, the Portfolio Manager shall take instructions in writing or orally or through any other media mutually agreed such as e-mail or suitable and secured message and may include managing, renewing and reshuffling the portfolio, buying and selling the 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, entirely at the Client's risk.

### **C. Portfolio Advisory Services:**

The Portfolio Manager provides Advisory Services, in terms of the SEBI (Portfolio Manager) Regulations 1993, which is in the nature of advisory and shall include the responsibility of advising on the portfolio strategy and on individual securities in the client's personal portfolio, for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk; to all eligible category of investors who can invest in Indian market including NRIs, FPIs, etc.

The Portfolio Manager shall be solely acting as an advisor to the portfolio of the client and shall not be responsible for the execution or administrative activities on the client's portfolio. The Portfolio Manager shall, provide advisory services in accordance with such guidelines and/ or directives issued by the regulatory authorities and /or the Client, from time to time, in this regard.

## **2) Strategy to be followed for Discretionary Portfolio Management:**

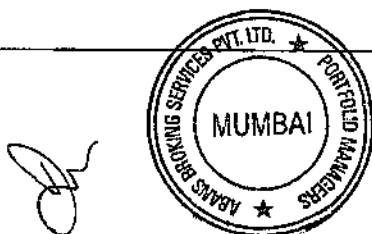
Each our PMS scheme will be unique, and the valuation and portfolio of each account may differ from one another. There will be no NAV for a PMS scheme; however, the customer will get the valuation of his portfolio on a daily basis from the PMS provider.

Just as each PMS account is unique from one another, every PMS scheme will have a model portfolio and all the investments for a particular investor are done in the Portfolio Management Services based on model portfolio of the scheme.

However, the portfolio may differ from investor to investor. This is because of:

- Entry of investors at different time.
- Difference in amount of investments by the investors
- Redemptions/additional purchase done by investor

Market scenario – E.g. If the model portfolio has investment in Infosys, and the current view of the Fund Manager on Infosys is "HOLD" (and not "BUY"), a new investor may not have Infosys in his portfolio.



We intend to ensure that for our PMS schemes the fund manager interaction with the clients will also take place on a quarterly/half yearly basis.

The benchmark index for the current product is NIFTY MIDCAP 100.

### 3) Policy for investments in and availing services of group / associate companies:

The Portfolio Manager may utilize the services of the sponsor, group companies and / or any other subsidiary or associate company of the Abans group of companies, established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The Portfolio Manager may hire services of its group company Abans Securities Private Limited (ASPL), SEBI Registered Stock Broker and DP to get opened its clients' trading and demat accounts. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on arm's length basis and at mutually agreed terms and conditions and under all applicable laws after evaluation of the competitiveness of the pricing offered and the services to be provided by them. While entering into such transactions, in accordance with obligations under the Regulations, the Client's interests shall always remain paramount. In case of transactions that may be entered into with related parties, the decision on such transactions shall be solely at the discretion of the advisory board appointed by the Portfolio Manager. The Portfolio Manager shall not invest any part of the Portfolio in Securities of its associates / group companies.

## 6. RISK FACTORS

An indicative list of the risks associated with investing through the services is set out below:

- 1) Securities investments are subject to market and other risks and the Portfolio Manager provides no guarantee or assurance that the objectives set out in the Disclosure Document and/or the Portfolio Management Services Agreement shall be accomplished.
- 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, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- 3) Past performances of the Portfolio Manager do not guarantee its future performance.
- 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 Client'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.
- 6) The Portfolio Manager has limited experience or track record.
- 7) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
- 8) 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.



9) The market prices of the Securities in the Portfolio may be volatile and may not truly reflect its fundamental or intrinsic value due to the lack of sufficient liquidity for those Securities.

10) Equity and Equity Related Risks: Equity risk is the risk that one's investments will depreciate because of stock market dynamics causing one to lose money. 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 Cash 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.

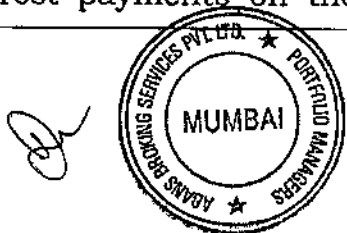
11) Derivative Instruments Related Risks: Derivative products can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies 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. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds.

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 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.

12) 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 direct or indirect impact on the investments, and consequently the growth of the Portfolio.

13) Liquidity Risk (Debt Instruments): These are considered to be safe in terms of protecting the Capital as compared to other type of investment. But there is an inflation risk associated with these types of Investments. If the rate of returns doesn't match or beat the inflation rate, there is no use in investing in Debts Funds/Instruments. Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a 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. This risk is higher under the Services since the Portfolio Manager may invest in unlisted securities. 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 are uninvested, 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.

14) 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 credit worthiness of the issuer and general market risk.

15) **Interest Rate Risk:** This 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 interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.

16) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.

17) 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, Portfolio Company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

18) **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.

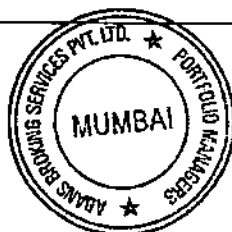
19) **Mutual Fund Risk:** The level of risk in a mutual fund depends on what it invests in. Usually, the higher the potential returns, the higher the risk will be. For example, stocks are generally riskier than bonds, so an equity fund tends to be riskier than a fixed income fund. This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, strategy specific risk factors of each such underlying scheme, including performance of their underlying stocks, derivative 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 performance of the investment in mutual fund units.

20) 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.

21) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.

22) Clients are not being offered any guaranteed / assured returns.

23) The investments under the Portfolio may have exposure towards equity/equity related instruments of companies belonging to different sectors and hence shall be affected by risks associated with the respective companies / sectors. The performance of the companies which





form the investment universe of the Portfolio would be affected by the growth and performance of the respective sector in the country

24) 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

25) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.

26) 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.

27) 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 were negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.

28) The Client has read and understood the disclosures made by the Portfolio Manager in the Disclosure Document.

29) Changes in Applicable Law may impact the performance of the Portfolio.

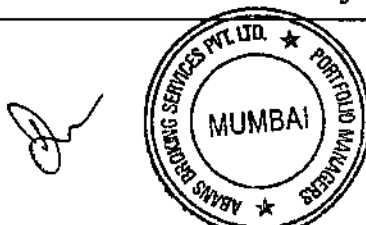
30) Volatility risk: Volatility refers to the dynamic changes in price that securities undergo when trading activity continues on the stock exchange. Generally, higher the volatility of security, greater is its price swings. There may be normally greater volatility in thinly traded securities than in active securities. As a result of volatility, orders may only be partially executed or not executed at all or the price at which the order gets executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.

31) Risk of Wider Spreads: Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities. This in turn will hamper better price formation.

32) Risk reducing orders: most exchanges have a facility for investors to place "limit orders", "stop loss orders" etc. the placing of such orders which are intended to limit losses to certain amounts may not be effective many a times because of rapid movement in market conditions may make it impossible to execute such orders.

33) System Risk: High Value trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution on confirmation. Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side or if trading is halted in a security due to any action on account of unusual trading activity or stock hitting circuit filters or for any other reason.

34) System / Network Congestion: Trading on Exchange is in electronic mode, based on satellite/ leased line-based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any such other problem whereby not being able to establish access to the trading system/ network, which may be beyond the control of and may result in delay in processing or not processing buy or



sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

## 7. CLIENT REPRESENTATIONS – CATEGORIES OF CLIENTS SERVICED

*(6 months since commencement of operations i.e. w.e.f. 1<sup>st</sup> Apr, 2019)*

Category of clients	No. of clients	Funds managed (Rs. cr)	Discretionary/ Non Discretionary (if available)
Associates /group companies Last 3 years	Nil	Nil	Not Applicable
Others (last 3 years)	5	1.30	Discretionary
Total	5	1.30	

## 8. PORTFOLIO MANAGER'S FINANCIAL PERFORMANCE

*We are yet to complete one year and hence the same is not applicable as of now*

## 9. PORTFOLIO MANAGEMENT PERFORMANCE

*We are yet to complete one year and hence the same is not applicable as of now*

## 10. NATURE OF COSTS AND EXPENSES FOR CLIENTS

The following are indicative types of fees, costs and expenses for clients availing the portfolio management services through the Portfolio Manager. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management agreement to be entered into, between the Portfolio Manager and the Client, and the agreements of each of the services availed at the time of execution of such agreements. Any taxes, cess or levies by government authorities in respect of portfolio management fees and charges shall be borne and paid by Client from time to time.

- **Entry/Exit Load** – As may be mutually agreed to between the Client and the Portfolio Manager.
- **Investment Management Fee** – Investment Management and Advisory fees charged may be a fixed fee or a return-based fee or a combination of both *as detailed in the Schedule C to the Portfolio Management Services agreement*. The Fees may be charged upfront and/or at the end of a specified tenure as agreed between the Client and the Portfolio Manager.



### Illustration for Annexure on Fees and Charges

For all products where Performance fee is charged Pursuant to SEBI circular No. Cir./IMD/DF/13/2010 dated October 5, 2010; we provide these illustrations for fees and charges payable to the Portfolio Manager under the Portfolio Management Agreement executed with **Abans Broking Services Private Limited**.

The illustrations are provided for three scenarios:

Scenario 1 - Portfolio Performance: Gain of 20%

Scenario 2 - Portfolio Performance: Loss of 20%

Scenario 3 - Portfolio Performance: No change

#### The assumptions for the illustrations are as follows:

The computation is for illustrative purposes. The illustration provided and the terms offered to the client may differ, however the principles of calculation remain same.

Size of sample portfolio is taken as Rs. 10 lacs.

Period taken as 1 Year.

Upfront Charges as per Option A i.e. 1.50% of the capital contributed and NIL for Option B

Brokerage/DP charges are charged at actuals on a transaction basis. However, for the purpose of the below illustration the same has been estimated @ 0.50% of Assets under Management (AUM).

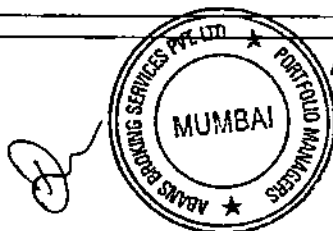
Fixed Management Fees is charged @ 2.50% p.a. on a quarterly basis at the end of each calendar quarter under Option A and 0.50% under Option B. The same is calculated on the daily weighted average portfolio value.

Fees calculated below are exclusive of GST charges, which will be charged as per prevailing rates.

### ILLUSTRATION FOR FEES AND CHARGES

A: Illustration showing calculation of Fees and Charges under Option A (Refer Schedule "C"):

Nature of Fees	Frequency of charge	Scenario 1 Gain 20%	Scenario 2 Loss 20%	Scenario 3 No Change
Capital Contributed		1,000,000	1,000,000	1,000,000
Less: Upfront Charges		15,000	15,000	15,000
Assets under Management		985,000	985,000	985,000
Add: Gain or Loss on Investment based on the Scenario		200,000	(200,000)	0
Gross Value of the portfolio at the end of the year		1,185,000	785,000	985,000
Less: Amount of Brokerage / DP charges / any other similar charges (e.g. 0.50% of Assets under Management)	Event Based	(4,925)	(4,925)	(4,925)
Less: Depository account maintenance charges	One time	(250)	(250)	(250)
Less: Fixed Management Fees (as agreed) (e.g. 2.5% p.a. of Daily Weighted Average of Assets under Management. Refer the note below)	Quarterly	(27,125)	(22,125)	(24,625)
Total charges during the year		(32,300)	(27,300)	(29,800)
Net value of the portfolio at the end of the year		1,152,700	757,700	955,200
% change over Capital Contributed		15.27%	(24.23%)	(4.48%)
<b>Note:</b> Daily Weighted Average of assets under management assumed to be		1,085,000	885,000	985,000



<b>B: Illustration showing calculation of Fees and Charges under Option B (Refer Schedule "C"):</b>				
<b>Nature of Fees</b>	<b>Frequency of charge</b>	<b>Scenario 1 Gain 20%</b>	<b>Scenario 2 Loss 20%</b>	<b>Scenario 3 No Change</b>
Capital Contributed		1,000,000	1,000,000	1,000,000
Less: Upfront Charges		0	0	0
Assets under Management		1,000,000	1,000,000	1,000,000
Add: Gain or Loss on Investment based on the Scenario		200,000	(200,000)	0
Gross Value of the portfolio at the end of the year		1,200,000	800,000	1,000,000
Less: Amount of Brokerage / DP charges / any other similar charges (e.g. 0.50% of Assets under Management)	Event Based	(5,000)	(5,000)	(5,000)
Less: Fixed Management Fees (as agreed) (e.g. 0.50% p.a. of Daily Weighted Average of Assets under Management. Refer the note below)	Quarterly	(5,425)	(4,425)	(4,925)
Less: Depository account maintenance charges	One time	(250)	(250)	(250)
Less: Performance fees (if any). (Refer calculation below)	Annually	(30000)	0	0
Total charges during the year		(40,675)	(9,675)	(10,175)
Net value of the portfolio at the end of the year		1,159,325	790,325	989,825
% change over Capital Contributed		15.93	(20.97)	(1.02)
<b>Note:</b> Daily Weighted Average of assets under management assumed to be	Quarterly	1,085,000	885,000	985,000
<b>Calculation of Performance Fees for above</b>				
A) Profit for the year		200,000	(200,000)	0
B) Less: Minimum profit level (Hurdle Rate@8% on Asset Under Management)		80000	0	0
C) Amount on which Profit Sharing Fees to be calculated (B-A)		120000	0	0
D) Performance Fees (@25% of C)		30000	0	0

- **Depository Account charges** - As may be applicable from time to time.
- **Transaction brokerage** - The investments under Portfolio Management would be done through registered members of the Stock Exchange(s) who charge brokerage up to a maximum of 2.5% of contract value. In addition to the brokerage, transaction cost like network charges, turnover charges, stamp duty, transaction costs, turnover tax, Securities transaction tax or any other tax levied by statutory authority (ies), foreign



transaction charges (if any) and other charges on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments would also be levied by the broker (including Abans Securities Ltd.) Entry or exit loads (if any) on units of Mutual Funds will also be charged from Clients.

- **Goods and Service Tax** - As applicable from time to time.

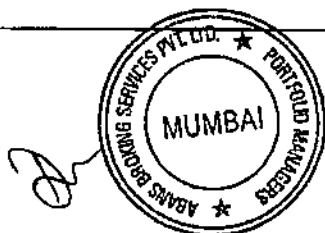
## 11. CUSTODY OF SECURITIES

Details regarding the safe custody facilities i.e. ownership details, office space, details of furniture and fixtures especially to perform custodian functions

1. **Ownership details:** Own
2. **Office Space:**  
36, 37, 38A, 3rd Floor, 227 Nariman Bhavan,  
Backbay Reclamation, Nariman Point,  
Mumbai - 400 021.
3. **Furniture and Fixtures:**  
Storage cabinets with lock and key for the safe keeping of
  - PMS Account Opening Form
  - PMS Agreement
  - PMS Demat Account Opening Form
  - POA executed between Client and the Portfolio Manager
  - Demat books for POA account
4. **Proper storage of data pertaining to:**
  - records containing details of securities received and released on behalf of each client;
  - records containing details of monies received and released on behalf of each client;
  - records containing details of rights or entitlements of each client arising from the securities held on behalf of the client;
  - records containing details of registration of securities in respect of each client;
  - ledger for each client;
  - records containing details of instructions received from and sent to clients; and
  - records of all reports submitted to the Board

## 12. TAXATION

It may be noted that the information given hereinafter is only for general information purposes and is based on the advice received by the Portfolio Manager regarding the law and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change, or it may not be acceptable to the tax authorities. As is the case with any interpretation of any law, there can be no assurance that the tax position or the



proposed tax position prevailing at the time of an investment will be accepted by the tax authorities or will continue to be accepted by them indefinitely.

Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the Portfolio Manager to induce any investor to invest whether directly from the Portfolio Manager or indirectly from any other persons by the secondary market operations. In view of the above, and since the individual nature of tax consequences may differ in each case on its merits and facts, each Investor is advised to consult his / her or its own professional tax advisor with respect to the specific tax implications arising out of its participation in the Portfolio Management Services, as an investor. In view of the above, it is advised that the Investors appropriately consult their investment / tax advisors in this regard.

*The tax implications given hereunder are broad level implications. Such implications may differ considering the specific facts of each individual case. Further, the tax rates and provisions are as applicable as on the date of issue of this document and would need to be considered as on the date of the taxable event.*

**○ Clients are accordingly advised to avail the services of a professional consultant in determining their exact tax implications.**

- **TDS**

Presently, Tax is not withheld at source for non- resident and resident. 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 these regards.

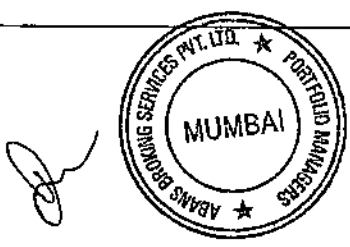
- **Tax implications**

Income arising from purchase and sale of securities under portfolio management services can give rise to business income or capital gains in the hands of the Client. The issue of characterization of income is relevant as the tax computation and rates differ in either of the two situations. The said issue is essentially a question of fact and depends on whether the securities are held as business / trading assets or on capital account.

- **Securities Transaction Tax (STT)**

It is applicable on certain specified transactions (on the stock exchange or redemption of equity-oriented units), which are tabulated below, the rates are as applicable as per provisions of laws in force:

Sl.	Nature of Transaction	Transaction on Stock Exchange	'Value' on which STT is payable
1	Delivery based transaction in equity shares / units of 'equity-oriented fund'	Yes	Price at which shares / units are purchased/sold
2	Sale of units of an 'equity-oriented fund' to the mutual fund	No	Price at which units are sold



3	Non-delivery-based transaction in equity shares/ units of 'equity-oriented fund'	Yes	Price at which shares / units are sold
4	Derivatives: Futures	Yes	Futures: Price at which futures are traded
5	Derivatives: Options	Yes	Payable on option premium; Payable on settlement price if exercised on expiry

The above STT is payable, irrespective of whether the securities are characterized as business assets or as capital assets.

o **Capital Gains Tax**

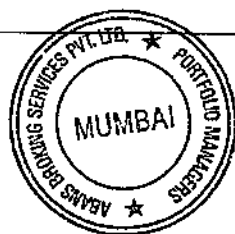
- Sale of listed equity shares  
The gains arising on sale of listed equity shares (which are subjected to STT) of the Portfolio Companies on the stock exchange would be taxable as capital gains as per the applicable provisions in force.
- Sale of unlisted Equity Shares  
The gains arising on sale of unlisted equity shares of the Portfolio Companies would be taxable as capital gains as per the applicable provisions in force
- Dividends  
The dividend paid by an Indian company would be taxable as per applicable provision in force
- Listed Preference Shares  
Sale / Buy-back / Redemption of listed preference shares  
In such a scenario, the gains arising on sale / buy-back / redemption of preference shares may be taxed as capital gains as per the applicable provisions in force.

*Each Client is advised to consult his/her/its tax advisor with respect to the tax consequences /implications to him/ her/it in respect of transaction in derivative products.*

### 13. ACCOUNTING POLICIES

**Abans Broking Services Private Limited (Portfolio Manager) envisages to follow the Accounting system as mentioned below;**

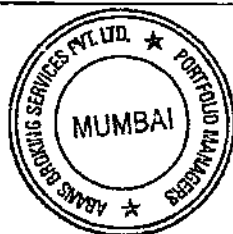
- a) The portfolio manager shall maintain separate client-wise accounts.
- b) The funds received from the clients, investments or disinvestments and all the credits to the account of the client like interest, dividend, bonus, or any other beneficial interest received on the investment and debits, for expenses, if any, shall be properly accounted for and details thereof shall be properly reflected in the client's account.



- c). Investments in Equities, Mutual funds, Exchange Traded Funds and Debt instruments will be valued at closing market prices of the exchanges (BSE or NSE as the case may be) or the Repurchase Net Asset Value declared for the relevant scheme on the date of the report or any cut-off date or the market value of the debt instrument at the cutoff date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned. In case of structured products, the portfolio will be valued at the face value of the product until the expiry of the tenure.
- d) Realized gains/ losses will be calculated by applying the first in / first out principle. The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting the same as may be mutually agreed between them on a case specific basis.
- e) For derivatives and futures and options, unrealised gains and losses will be calculated by marking to market the open positions.
- f) Unrealised gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.
- g) 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. Other income like bank interest, interest on FD etc. shall also be accounted on receipt basis.
- h) Bonus shares shall be recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- i) Right entitlement shall be recognised only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- j) The cost of investment acquired or purchased shall include brokerage, stamp duty and any charge customarily included in the brokers cost note/bought note.
- k) The Accounting Policies and Standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.
- l) The tax deducted at source as required under the provisions of the Income-Tax Act, 1961, (43 of 1961) shall be recorded in the portfolio account.
- m) 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.
- n) 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 course of the audit.

**As a portfolio manager Abans Broking Services Pvt. Ltd. shall keep and maintain the following books of accounts, records and documents namely for a minimum period of five years -**

- a) a copy of balance sheet at the end of each accounting period;
- b) a copy of the profit and loss account for each accounting period;
- c) a copy of the auditor's report on the accounts for each accounting period;
- d) a statement of financial position and;
- e) records in support of every investment transaction or recommendation which will indicate the data, facts and opinion leading to that investment decision.
- f) we shall intimate to the Board the place where the books of accounts, records and documents are maintained.
- g) Without prejudice we shall, after the end of each accounting period, furnish to the Board copies of the balance sheet, profit and loss account and such other documents as are





mentioned in any of the regulations under this chapter for any other preceding five accounting years when required by the Board.

#### 14. INVESTOR SERVICES

The investor queries and complaints can be addressed to:

**Name of the Officer** – Mr. Amit Banerjee

**Address** - 36/37/38A, Floor-3, Nariman Bhavan, Backbay Reclamation, Nariman Point, Mumbai 400021, Maharashtra

**Telephone Number** – 022 – 6835 4141

**Fax Number** – 022 6179 0010

**Email(s)** – 1. [invgriev@Abans.co.in](mailto:invgriev@Abans.co.in)

2. [abans.compliance@abans.co.in](mailto:abans.compliance@abans.co.in)

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official is invested with the necessary authority, independence and the wherewithal to handle investor complaints.

#### 15. RELATED PARTY DISCLOSURE *as on 31.03.2019*

Key Management Personnel – Category I	<ul style="list-style-type: none"> <li>• Shivshankar Singh</li> <li>• Karan Heda</li> </ul>
Relatives of key management personnel – Category II	<ul style="list-style-type: none"> <li>• None</li> </ul>
Enterprises owned or significantly influenced by key management personnel or their relatives – Category III	<ul style="list-style-type: none"> <li>• None</li> </ul>
Enterprise owned or significantly influenced by the group of individuals or their relatives who have control or significant influence over the company – Category IV	<ul style="list-style-type: none"> <li>• Abans Commodities (I) Private Limited</li> <li>• Abans Jewels Private Limited</li> <li>• Abans Finance Private Limited – Holding Company</li> <li>• Abans Global Broking (IFSC) Pvt. Ltd.</li> <li>• Abans Agriwarehousing &amp; Logistics Pvt. Ltd.</li> <li>• Abans Metals Pvt. Ltd.</li> <li>• Agrometal Vendibles Pvt. Ltd.</li> <li>• Abans Enterprises Ltd.</li> <li>• Abans Securities Pvt. Ltd.</li> </ul>
Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise and relatives of any such individual –	<ul style="list-style-type: none"> <li>• Abhishek Bansal</li> <li>• Shriyam Bansal</li> </ul>

Category V	
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**Balance Outstanding as on 31<sup>st</sup> March, 2019:-**

	Nature of Transaction	Category - I	Category - II	Category - III	Category - IV	Category - V
1	Trade Payables	Nil Nil	Nil Nil	Nil Nil	1,92,89,170 40,31,845	Nil Nil
2	Trade Receivables	Nil Nil	Nil Nil	Nil Nil	1,12,91,086 Nil	Nil Nil
3	Other Payables	Nil Nil	Nil Nil	Nil Nil	15,14,171 Nil	Nil Nil
4	Other Receivables	Nil Nil	Nil Nil	Nil Nil	Nil 1,98,946	Nil Nil
5	Sale of Services	Nil Nil	Nil Nil	Nil 2,916	88,13,739 2,72,633	Nil Nil
6	Sales (Net of Taxes)	Nil Nil	Nil Nil	Nil 1,46,41,200	98,85,929 5,92,34,835	Nil Nil
7	Purchases (Net of Taxes)	Nil Nil	Nil Nil	Nil Nil	11,30,65,431 Nil	Nil Nil
8	Transaction Charges	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
9	Rent Paid	Nil Nil	Nil Nil	Nil 3,30,000	19,80,000 16,50,000	1,32,667 2,40,000
10	Brokerage & Commission Paid	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
11	Warehouse & Storage Charges	Nil Nil	Nil Nil	Nil Nil	5,05,192 Nil	Nil Nil
12	Sale of Investment	Nil Nil	Nil Nil	Nil Nil	47,615 Nil	Nil Nil
13	Preference Share Issued	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 6,50,00,000
14	Investment in Subsidiary Company	Nil Nil	Nil Nil	Nil Nil	6,36,45,000 1,03,00,000	Nil Nil

**Trade Payables**

Name of the Related Party		Opening as on 01/04/2018	Closing as on 31/03/2019
Abans Commodities (I) Private Limited	CY	40,31,845	53,80,646
	PY	9,39,538	40,31,845
Agrometal Vendibles Private Limited	CY	Nil	1,39,08,524
	PY	Nil	Nil



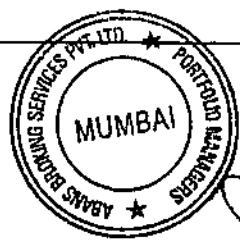
<b>Other Payables</b>			
<b>Name of the Related Party</b>		<b>Opening as on 01/04/2018</b>	<b>Closing as on 31/03/2019</b>
Abans Jewels Private Limited	CY	Nil	10,59,498
	PY	Nil	Nil
Rent Payable to Abhishek Bansal	CY	Nil	Nil
	PY	2,16,000	Nil
Abans Agriwarehousing & Logistics Private Limited	CY	Nil	4,54,673
	PY	4,89,301	Nil
<b>Trade Receivables</b>			
<b>Name of the Related Party</b>		<b>Opening as on 01/04/2018</b>	<b>Closing as on 31/03/2019</b>
Abans Commodities (I) Private Limited	CY	Nil	1,12,91,086
	PY	Nil	Nil

<b>Other Receivables</b>			
<b>Name of the Related Party</b>		<b>Opening as on 01/04/2018</b>	<b>Closing as on 31/03/2019</b>
Abans Jewels Private Limited	CY	Nil	Nil
	PY	3,50,500	Nil
Abans Metals Private Limited	CY	Nil	Nil
	PY	2,90,599	Nil
Abans Global Broking (IFSC) Private Limited	CY	8,225	Nil
	PY	3,21,415	8,225
Abans Commodities (I) Private Limited	CY	17,761	Nil
	PY	Nil	17,761
Abans Securities Private Limited	CY	1,72,960	Nil
	PY	Nil	1,72,960

**Transactions with Related Parties during the year ending on 31<sup>st</sup> Mar, 2019**

**Income and Expenditure**

1. Sale of Services including Brokerage received from Abans Jewels Private Limited Rs. 26,13,116/- (P.Y. Rs. Nil); Abans Commodities (I) Private Limited Rs. 3,35,173/- (P.Y. Rs. 40,035/-) & Agrometal Vendibles Private Limited Rs. 53,65,450/- (P.Y. Rs. 2,35,515/-).
2. Other Operating Income includes Consultancy Income from Abans Global Ltd. Rs. 12,39,244/- (P.Y. Rs. 11,60,041/-).



3. Sales include Sale (Net of Taxes) of Rs. 98,85,929 (P.Y. Rs. 5,50,97,285/-) to Abans Commodities India Private Limited and Rs. Nil (P.Y. Rs. 1,87,78,750/-) to Abans Enterprises Limited.
4. Purchases include Purchase (Net of Taxes) of Rs. 2,44,63,262/- (P.Y. Rs. Nil) from Abans Commodities India Private Limited and Rs. 8,86,02,169/- (P.Y. Rs. Nil) from Abans Jewels Private Limited.
5. Rent Rs. 1,32,667/- (P.Y. Rs. 2,40,000/-) is paid to Abhishek Bansal & Rs. 19,80,000/- (P.Y. Rs. 19,80,000/-) paid to Abans Finance Private Limited.

#### **Transactions in Assets and Liabilities**

6. Preference shares issued of Rs. Nil (P.Y. Rs. 6,50,00,000/-) to Abhishek Bansal.
7. Warehouse and Storage Charges paid Rs. 5,05,192/- (P.Y. Rs. Nil) to Abans Agriwarehousing & Logistics Private Limited
8. Sale of Investment in Equity shares (100 shares) of Abans Securities Private Limited to Abans Finance Private Limited Rs. 47,615/- (P.Y. Rs. Nil)
9. Investment in Abans Global Broking (IFSC) Pvt. Ltd. Rs. 6,00,000/- (P.Y. Rs. 1,03,00,000/-) & Abans Global Ltd. Rs. 6,30,45,000/- (P.Y. Rs. 3,22,14,678/-)

#### **Contingent Liabilities**

Personal Guarantee by Abhishek Bansal and Shriyam Bansal and Corporate Guarantee by Abans Finance Private Limited and Abans Jewels Private Limited for Bank Overdrafts and Short Term Loans availed.

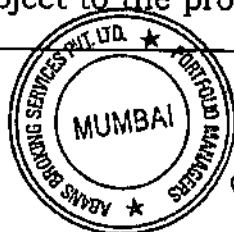
## **16. GRIEVANCES / DISPUTE HANDLING MECHANISM**

The Portfolio Manager shall ensure proper and timely handling of complaints from the Client and take appropriate action immediately. The above-mentioned officer shall attend to the grievances of the client. The complaints by investors should be sent to the above-mentioned address to **Mr. Amit Banerjee, the Compliance Officer**.

*In case the client does not get the resolution, and/or, if he/she wants to escalate, he / she can also lodge their grievances with SEBI, at <https://scores.gov.in>*

## **17. DISPUTE SETTLEMENT MECHANISM**

All disputes, differences, claims and questions whatsoever, which shall arise either during the subsistence of the agreement with a client or afterwards with regard to the terms thereof or any clause or thing contained therein or otherwise in any way relating to or arising therefrom or the interpretation of any provision therein shall be, in the first place settled by mutual discussions, failing which the same shall be referred to and settled by arbitration in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or



any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be held in Mumbai and be conducted in English language. The agreement with the client shall be governed by, construed and enforced in accordance with the laws of India. Any action or suit involving the agreement with a client or the performance of the agreement by the either party of its obligations will be conducted exclusively in courts located **within the city of Mumbai in the State of Maharashtra.**

## 18. GENERAL

### 1) Acts done in good faith

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

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

Submission of these documents/ details by such investors shall be full and final proof of the corporate Client's authority to invest and the Portfolio Manager shall not be liable under any circumstances for any defects in the documents so submitted. In cases where there is a change in the name of such client, such change will be affected by the Portfolio Manager only upon receiving the duly certified copy of the revised Certificate of Incorporation issued by the relevant Registrar of Companies/ Registering Authority. In cases where the changed PAN Number reflecting the name change is not submitted, such transactions accompanied by duly certified copy of the revised Certificate with a copy of the old Pan Card and confirmation of application made for new PAN Card along with amended PAN Card copy will be required as a documentary proof.

### 2) Prevention of Money Laundering

Prevention of Money Laundering Act, 2002 (PML Ac/) came into effect from July 1, 2005 vide Notification No. GSR 436 (E) dated July 1, 2005 issued by the Department of Revenue, Ministry of Finance, Government of India. Further, SEBI vide its Circular No. ISD/CIR/RR/AML/7/06 dated January 18, 2006 mandated that all intermediaries including Portfolio Managers should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures and also to adopt a "Know Your Customer" (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by clients. SEBI has further issued Circular No. ISD/CIR/RR/Allr4L/2/06 dated March 20, 2006 advising all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the PML Act requiring inter-alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to



- Financial Intelligence Unit - India (FIU-IND). The PML Act, the Rules issued thereunder, and the guidelines/ circulars issued by SEBI thereto, as amended from time to time, are hereinafter collectively referred to as 'AML laws'.

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

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

The Client(s) and their Attorney(ies), if any, shall produce reliable, independent source documents such as photographs, certified copies of Aadhaar Card/Passport/ Driving License/ PAN card etc. and/ or such other documents or produce such information as may be required from time to time for verification of the personal details of the Client(s) including inter alia identity, residential address(es), occupation and financial information by the Portfolio Manager. If the Client(s), their attorney(ies), or the person making payment on behalf of the Client(s), refuses/ fails to provide the required documents/ information within the period specified by the Portfolio Manager then the Portfolio Manager shall have absolute discretion to freeze the Account of the Client(s), reject any application(s) and effect mandatory repayment/ returning of Assets of the Account of the Client(s) subject to the fees payable to the Portfolio Manager, if any. The Portfolio Manager shall also, after application of appropriate due diligence measures, have absolute discretion to report any transactions to FIU-IND that it believes are suspicious in nature within the purview of the AML Laws and/ or on account of deficiencies in the documentation provided by the Client(s) and the Portfolio Manager shall have no obligation to advise investors or distributors of such reporting. The KYC documentation requirements shall also be complied with by the persons becoming the client by virtue of operation of law e.g. transmission, etc. The Portfolio Manager, and its Directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Account/ rejection of any application or mandatory repayment/ returning of funds/ Asset of the Account due to non-compliance with the provisions of the AML Laws and KYC policy and / or where the Portfolio Manager believes that transaction is suspicious in nature within the purview of the AML Laws and / or reporting the same to FIU-IND.

### 3) Client Information

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by him is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources/ manner

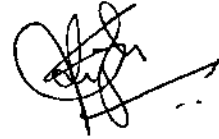


and the investor is duly entitled to invest the said funds. Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and / or registered, the Client shall provide an undertaking that the Client is holding the funds/ Securities in his name is legally authorized/ entitled to invest the said funds through the services of the Portfolio Manager, for the benefit of the beneficiaries. Notwithstanding anything contained in this Disclosure Document, the provisions of the Regulations and the guidelines there under shall be applicable. Investors are advised to read the Disclosure Document carefully before entering into an agreement with the Portfolio Manager.

For **Abans Broking Services Pvt. Ltd. Portfolio Managers**



**Deepak Manohar Zope**  
Director



**Shivshankar Singh**  
Director

**Date:** 25<sup>th</sup> Sep, 2019  
**Place:** Mumbai