

## **DRAFT DISCLOSURE DOCUMENT FOR BHARAT BHUSHAN EQUITY TRADERS LIMITED**

### **DECLARATION**

- a. The Disclosure Document (hereinafter referred as the "Document") has been filed with the Securities and Exchange Board of India ("SEBI") along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 ("Regulations").
- b. The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging Bharat Bhushan Equity Traders Limited (hereinafter referred as the "Portfolio Manager") as the portfolio manager.
- c. The Document contains the 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.
- d. The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager is as follows:

<b>Principal Officer</b>	<b>Portfolio Manager</b>
Name- Ajay Khandelwal	Name-Bharat Bhushan Equity Traders Limited
Phone-+91-9999002120	Registered Address- 503,Rohit House, 3 Tolstoy Marg,Delhi,110001
<b>Email-</b> ajay.khandelwal@bharatbhushan.com	<b>Correspondence Address-</b> 204,Rohit House,3 Tolstoy Marg,Delhi,110001

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### **1. Disclaimer clause**

- a. The particulars of this document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020.
- b. 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**

In this Document, the following words and expressions shall have the meaning specified herein; unless the context otherwise requires:

- a. **“Act”** means the Securities and Exchange Board of India, Act 1992 (15 of 1992) and as amended from time to time.
- b. **“Advisory Services”** shall mean the non-binding investment advisory services rendered by the Portfolio Manager to the Client. The Portfolio Manager shall be solely acting as an advisor to the Portfolio of the Client and shall not be responsible for the investment / divestment of Securities.
- c. **“Agreement”** means the portfolio management services agreement entered between the Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.
- d. **“Application”** means the application made by the Client to the Portfolio Manager, for investing the monies and/or Securities therein mentioned with the Portfolio Manager in the Products for rendering the Services. Upon execution of the Agreement by the Parties, 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 Laws:** means any applicable Indian statute, law, ordinance, regulation including the Regulations, rule, order, bye-law, administrative interpretation, writ,

injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.

- f. **"Assets"** means funds and securities handed over by the Client to the Portfolio Manager from time to time for investing in securities and other assets and include cash deposited by the Client with the Portfolio Manager but yet to be invested. "Bank Account" means one or more bank accounts opened and/or operated and/ or maintained by the Portfolio Manager in the name of the Client on behalf of Client or a bank account in the name of the Portfolio Manager to keep the Funds of all clients as per the applicable laws, where the Fund of Client will be separately identified for the purpose of the Agreement.
- g. **Capital Contribution:** means the sum of money or Securities or combination thereof, contributed by the Client simultaneously upon execution of the Agreement or any time thereafter, subject to a minimum of INR 50,00,000 (Indian Rupees Fifty Lakhs) or such other higher amount as may be specified by the Portfolio Manager in compliance with Applicable Laws.
- h. **Chartered Accountant:** means a Chartered Accountant as defined in clause (b) of sub-section 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.
- i. **Client / Investor:** means such person(s) whose money or portfolio is advised or directed or managed by Portfolio Manager and is specified in Schedule I of the Agreement.
- j. **Custodian:** means one or more custodian appointed by the Portfolio Manager, from time to time, for maintaining custody of funds and/or Securities of the Client.
- k. **"Depository Account"** means one or more account, or accounts opened, maintained and operated by Portfolio Manager in the name of client or Product (as may be applicable) with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.
- l. **Disclosure Document or Document:** means this document filed by the Portfolio Manager with SEBI and issued to the Client as required under the Regulations and as may be amended by the Portfolio Manager from time to time.
- m. **"Discretionary Portfolio Management Services" or "Services"** shall mean the portfolio management services rendered to the Client, by the Portfolio Manager individually and independently, exercising its full discretion and/or advising and/or directing and/or undertaking on behalf of the Client, in respect of investments or management or administration of the Portfolio of the Assets of the Client in accordance with the various provisions of the Act, Rules, Regulations and/or laws in force and amendments made therein from time to time and on the terms and conditions set out in this Agreement.
- n. **"Distributor":** means a Person empaneled by the Portfolio Manager which refers clients to the Portfolio Manager in lieu of commission/charges.
- o. **"Eligible Investor":** means individuals, company, body corporate, partnership firm, association of persons, limited liability partnership, trust, Hindu undivided family and such other persons as may be deemed by the Portfolio Manager, to be eligible to avail of the services of the Portfolio Manager from time to time under the PMS.
- p. **"Exit Load"** means the withdrawal charge/s payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- q. **"Financial Year"** means the year starting from April 1 and ending on 31st March of the following year.
- r. **"Fund"** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the Application, any further monies that may be placed by the Client with the Portfolio Manager from time to time, for being managed pursuant to the Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.

- s. **“Investment Approach”** is a broad outlay of the type of securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and securities and includes any of the current investment approach or such investment approach that may be introduced by the Portfolio Manager, from time to time.
- t. **“Management Fee”** means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- u. **“Performance Fee”** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- v. **“Portfolio or Client’s Portfolio”** means the total holdings of Securities and goods belonging to the Client in accordance with the Agreement.
- w. **“Portfolio Entity”** means companies, enterprises, bodies corporate, or any other entities in the Securities of which the monies from the Client Portfolio are invested subject to Applicable Laws.
- x. **“Portfolio Investments”** means investments in Securities of one or more Portfolio Entity/ies made by the Portfolio Manager on behalf of the Client under the PMS from time to time.
- y. **“Portfolio Manager”** means Bharat Bhushan Equity Traders Limited, a company incorporated under the provisions of Companies Act, 2013 and having its registered office at 503, Rohit house, 3 Tolstoy Marg, New Delhi- 110001 which pursuant to a contract or arrangement with a Client/Investor, advises or directs or undertakes on behalf of the Client/Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the Client/Investor, as the case may be.
- z. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
  - i. the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the funds of the Client, as the case may be; and
  - ii. all other operations of the Portfolio Manager.
- aa. **“PMS”** means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement, this Document and subject to Applicable Laws.
- ab. **“PML Laws”** means the Prevention of Money Laundering Act, 2002, Prevention of Money laundering (Maintenance of Records) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.
- ac. **“Regulations”** means the SEBI (Portfolio Managers) Regulations, 2020 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.
- ad. **“Securities”** shall mean and include securities/instruments of Portfolio Entities, all marketable securities including equity shares, quasi equity shares, preference shares, debentures (whether convertible or non-convertible and whether secured or unsecured and whether listed or unlisted), convertible securities, depository receipts, bonds, secured premium notes, government securities, pass-through certificates, treasury bills, units, derivatives, equity linked products, debt, hybrid debt products, mortgage-backed securities, commercial debt papers, notes, units of a trust and any other instrument falling within the definition of 'security' under section 2(h) of the Securities Contract (Regulation) Act, 1956.
- ae. **“SEBI” / “Board”** shall mean the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.
- af. **“Term”** means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.

### 3. Description

a. **History of the Portfolio Manager:**

Bharat Bhushan Equity Traders Ltd. (“**BBETL**”) was formed in the year 1982. BBETL has a well-established presence through a network of offices in New Delhi, **Noida and Gurgaon & Rajasthan** and are working towards nationwide growth.

b. **Present Business and Background:**

BBETL is a member of the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

BBETL is also registered with SEBI as a Research Analyst (Registration Number - INH100007310) since 25th July 2019. The research team at BBETL covers the top 500 companies by Market capitalization, listed on NSE and BSE. There is a special focus on Financial Services, IT, Auto, Pharma, FMCG, Energy and Consumer Durables.

Since 1999, BBETL has been depository participants registered with NSDL. We are also a member of NSE Currency Derivatives (NSE CD).

Our other associate companies namely Bharat Bhushan Finance & Commodity Brokers Ltd is a NBFC registered with RBI & Bharat Bhushan Insurance Brokers Private Limited is registered with IRDA.

c. **Promoters & Directors of the portfolio manager:**

Promoters	Directors
(i) Mr. Vijay Bhushan (ii) Mrs. Nisha Ahuja	(i) Mr. Vijay Bhushan (ii) Mrs. Nisha Ahuja (iii) Mr. Madhav Bharat Bhushan (iv) Mrs. Madhvi Ahuja (v) Mrs. Sangeeta Bhushan

d. **Background of Promoters:**

(i) **Mr. Vijay Bhushan:**

He is an MBA from Faculty of Management Studies (1979-81), actively associated with capital market since 1981. Initially, he worked as a merchant banker and then moved to direct marketing of public issues successfully positioning parent firm Bharat Bhushan & Company (Established in 1954) among the top 10 New Issue Distributors on All India basis in the 1990s. In December 2017, was elected as a Director of Delhi Stock Exchange Ltd. and then appointed as Chairman of DSE. In April 2018, elected as Alternate President for the financial year 2018-19 and in April 2019 elevated as the National President of ANMI for the financial year 2019-20.

(ii) **Mrs. Nisha Ahuja:**

Mrs. Nisha Ahuja w/o Mr. Jogesh Chander Ahuja aged 60 years has been actively involved in the capital market for over 30 years. She did her schooling from Convent of Jesus & Mary School and subsequently her graduation from Jesus & Mary College, Delhi University. Mrs Nisha Ahuja in 1984 started working with M/s Bharat Bhushan & Company where her father Late Shri Shanti Narain was a partner. During this period, she actively engaged with the clients of the firm and coordinated their post transaction operations. Mrs. Nisha Ahuja become a member of Delhi Stock Exchange in the year 1990 and started her own brokerage firm under the name of M/s Ahuja Financial Consultants. She became a partner in Bharat Bhushan & Company in the year 1998. As a partner of Bharat Bhushan & Company she was actively involved in developing and expanding the retail, corporate and institutional client base of the firm.

**e. Background of Principal Officer of Portfolio Manager:**

Mr. Ajay Khandelwal has an experience of **eight years** as Principal Officer with Globe Capital Market Ltd, Delhi - a SEBI registered Portfolio Management Services (PMS) provider. The tenure was not only satisfying in terms of excellence in performance as also having a keen eye for studying markets, index, volatility, ranges, options strategies, special situations and above all scrip identification through holistic research.

In the past 28 years, he has occupied senior level positions with leading Indian Capital Market intermediaries like Globe Capital Market Ltd (2010-2021), Almondz Global, Sr Vice President (2007-2010), Indiabulls, Vice President (2005-2007), SS Corporate, General Manager (2003-2005), Alankit Assignments Ltd, Executive Director (1996- 2003). He has conducted several seminars and training sessions on various subjects relating to capital markets, addressing large assemblies. He possess excellent communication & presentation skills to articulate ideas, concepts in an effective manner to leave an impactful impression in the minds of the audience

**f. Top 10 Group companies/firms of the portfolio manager**

There are only three group entities of Bharat Bhushan Equity Traders Limited as on 31<sup>st</sup> March,2024; as follows:

**Name of Entities**

a.	Bharat Bhushan Technologies Pvt. Ltd.
b.	Bharat Bhushan Finance & Commodity Brokers Ltd
c.	Bharat Bhushan Insurance Brokers Pvt. Ltd

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

<b>a.</b> All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder.	<b>NONE</b>
<b>b.</b> The nature of the penalty/direction.	<b>NONE</b>
<b>c.</b> Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.	<b>NONE</b>
<b>d.</b> Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.	<b>NONE</b>
<b>e.</b> Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	<b>NONE</b>
<b>f.</b> Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder.	<b>NONE</b>

**5. Services Offered**

The present investment objectives and policies including the types of securities in which it generally invests shall be clearly and concisely stated in the document for easy understanding of the potential investor.

**Type of activity proposed to be carried on by the Portfolio Manager:**

The Portfolio Manager will manage & administer the portfolio of securities & funds of its client. It will design and develop various products, strategies as per the market conditions to ensure the achievement of client's financial goal in accordance with their risk profile.

The Portfolio Manager along with its team shall provide its services to all eligible category of investors who are permitted to invest in Indian market with minimum investment size or funds of Rs. 50 Lakh or as specified by SEBI. However, the minimum investment amount shall not be applicable to Accredited Investors.

The services of Portfolio Manager in all cases will be guided strictly by the relevant SEBI Regulations and circulars prevailing in force from time to time, and as per the agreement with the client.

**Types of Securities:** The portfolio manager shall allocate funds dynamically across Debt, Equity, International Equity, Commodities, and other asset classes through securities, including but not limited to all kinds of mutual funds, bonds, and/or debenture.

**Basis for selection of securities:** The Portfolio Manager will use quantitative and qualitative parameters to select the investment securities and assign weightage in accordance with the risk profile, financial goals, etc.

**Investment Philosophy:** The focus is on investing in companies exhibiting earnings growth, robust cash generation abilities, and trading at compelling valuations or discounts to their intrinsic worth.

**Risks associated with investment approach:** The *Risk associated with Investment Approach* is already specified in the Risk Factors section at Paragraph 6.

**The Portfolio Manager intend to offer the following services:**

**(i) Discretionary Portfolio Management Services:**

The portfolio of the clients will be managed & administered by the Portfolio Manager under the supervision of the Principal Officer, at its full discretion and liberty in accordance with the financial goals, risk profile of clients and the agreement executed with them. Here, the investment decisions will be taken by the Portfolio Manager independently on behalf its client.

**(ii) Non-Discretionary Portfolio Management Services:**

The portfolios of the clients will be managed & administered by the Portfolio Manager in accordance with the instructions of the client. The clients will also be provided advisory services & research to enable them to take an informed investment decision.

**(iii) Advisory Services:**

The Portfolio Manager will provide investment advice (non – binding) to its clients for their investments who intend to execute the trades independently. The Portfolio Manager will also assist its client in execution of the trades in accordance with the requirements of client & within the framework specified by SEBI.

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

- The Portfolio Manager may utilize the services of the group companies and / or any other subsidiary or associate company of the sponsor, in case such a company is in a position to provide requisite services to the Portfolio Manager.
- The Portfolio Manager will conduct its business with the aforesaid companies on commercial terms and on an arm's length basis and at mutually agreed terms and conditions and to the extent permitted under all applicable laws after evaluation of the competitiveness of the pricing offered and the services to be provided by them.
- Investments, if any, in securities issued by associate / group companies would be within the overall framework of Regulations and in terms of Agreement executed with the Client.
- The Portfolio Manager does not currently envisage any investments in securities issued by associate / group companies.

**Details of Investments in the securities of related parties of the Portfolio Manager**

Investments in the securities of associates/related parties of Portfolio Manager:

Sr. No	Investment Approach, if any	Name of the associate / related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter(INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
NIL					

**6. Risk factors:**

The risk factors mentioned below are not exhaustive and are intended to highlight the overall systematic (Inherent to the market subject to Government policies, political instability, geo political developments, economic factors, war, act of God, natural disaster, etc.) & non-systematic risks (Inherent to the sector, industry or company ) associated with investments in the capital market.

The following are the risk factors:

- Investments in securities are subject to market risks. The value of portfolio may go up or down depending upon factors and forces affecting the securities market including the fluctuations in the interest rates.
- There is neither any assured return provided by the Portfolio manager nor guarantee is given that the objective of the investments will be achieved. All investment decisions may not always yield profit.
- Past performance of the portfolio manager does not indicate its future performance.
- The names of the Products/Services do not in any manner indicate their prospects or returns.



- e. Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk.
- f. Securities lending is subject to risks related to fluctuations in collateral value / settlement/ liquidity/counter party.
- g. Derivative products are specialized instruments and require investment techniques and risk analyses different from those associated with stock and bonds. The use of derivatives requires a high degree of skill, diligence, and expertise. Thus, derivatives are highly leveraged instruments. A small price movement in the underlying security could have a large impact on their value. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates, and indices. The Product/Services may use/recommend derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations.
- h. The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower or unrated securities offering higher yield. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- i. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delays in deployment. In such situation the Clients may suffer opportunity loss.
- j. Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of gross negligence, wilful default and/or fraud of the Portfolio Manager.

## 7. Client Representation:

(i) PMS Clients:

Category of Clients	Total No. of Clients	Funds managed*	Discretionary/ Non-Discretionary (Crore)
Associates/ group companies	Nil	Nil	Nil
Others:	Nil	Nil	Nil

(ii) Related Party transactions (Not related to PMS business)

( Rs in thousands)

Name of Related Party	Nature of Transaction	FY 2023-2024	FY 2022-2023	FY 2022-2021
BHARAT BHUSHAN & CO.	RENT	166	166	166
Vijay Bhushan HUF	RENT	287	246	246
JOGESH AHUJA HUF	RENT	363	322	322
NISHA AHUJA (Promoter & Director)	REIMBURSEMENT OF EXPENSE	190	329	480
SANGEETA BHUSHAN (Director)	RENT	226	226	226
	REIMBURSEMENT OF EXPENSE	3	-	-
VIJAY BHUSHAN (Promoter & Director)	RENT	330	330	330
	REIMBURSEMENT OF EXPENSE	24	25	67
MADHVI AHUJA (Director)	REIMBURSEMENT OF EXPENSE	112	151	64
MADHAV BHUSHAN (Director)	REMUNERATION REIMBURSEMENT OF EXPENSE	4320 7	3600 113	- 1558

## 8. Financial Performance

The Financial Performance of the portfolio manager based on audited financial statements as on 31<sup>st</sup> March,2024.

(Rs in thousands)

Particulars	FY 23 - 24	FY 22 - 23	FY21- 22
<b>Total Income</b>	70,237	51,543	60,724
<b>Total Expenditure</b>	39,671	33,504	27,861
<b>Profit / (Loss) before depreciation &amp; tax</b>	30,566	18,039	32,863
<b>Add/(Less): Deferred Tax Asset and excess/ short provision for tax in respect of earlier years</b>	7,360	4,346	7,870
<b>Profit/(Loss) for the year after tax</b>	23,206	13,693	24,993

## 9. Performance of Portfolio Manager

Not Applicable, the Portfolio Manager has applied for SEBI Registration and will commence its portfolio management business after the approval of PMS license.

## 10. Audit Observations

Not Applicable, the Portfolio Manager has applied for SEBI Registration and will commence its portfolio management business after the approval of PMS license.

## 11. Fees & Expenses:

### a. Portfolio Management & Advisory Fees of Portfolio Manager

The Portfolio Management Fees relate to the fees charged by Portfolio Manager for the services offered to the Clients.

This fee may be a fixed charge or a percentage of quantum of funds managed or linked to portfolio on return achieved or a combination of any of these or Advisory Fee, as set out in the Portfolio Management Service Agreements / annexure / schedules attached thereto. The detailed fee schedule is available as a part of the agreement and depends on the nature of the product.

### b. Depository / Custodian Fee

This includes charges relating to opening and maintenance of Depository Accounts and/or custody fee and charges (wherever required) paid to the Custodians and/or Depository Participants, dematerialization of scrips, Securities lending & borrowing & their transfer charges in connection with the operation and management of the Client's Portfolio account.

### c. Registration and Transfer Agents Fees:

This includes fees payable for the Registrars and Transfer Agents in connection with effecting transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps and courier charges.

### d. Brokerage, Transaction costs and Other Services:

This includes charges payable to the broker for account opening charges, brokerage / commissions execution of transactions on the stock exchange or otherwise on purchase & sale of shares, bonds, debentures, units, and other instruments and other charges like stamp duty, transaction cost and statutory levies such as service tax, securities transaction tax, turnover fees and such other levies as may be imposed upon from time to time.

**e. Outsourced Services:**

Charges payable for outsourced professional services like custodian, broking (if) and legal services etc. for documentation, notarizations, certifications, attestations required by bankers or regulatory authorities including legal fees etc. may be charged and recovered from the Client. Additional applicable taxes shall be charged on the amount of fees.

**f. Fees, entry/exit loads and charges in respect of investment in mutual funds:**

In case of investments in Mutual Funds, Mutual Fund shall be recovering expenses or management fees, entry/exit loads and other incidental expenses along with applicable taxes, if any, on such recoveries and such fees, entry/exit loads and charges including services tax on such recoveries shall be paid to the Asset Management Company of these Mutual Funds on the Clients' account. Such fees and charges are in addition to the Portfolio Management fees described above.

**g. Securities lending and borrowing charges:**

Charges payable under execution of deal/trades under Securities lending and borrowings (SLB) means charges payable for lending of securities, cost of borrowing, transfer of securities in connection with same.

**h. Other fees and expenses / Incidental Expenses:**

This includes charges in connection with day to day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account or any other out of pocket expenses as may be incurred by the Portfolio Manager.

The range of fees proposed to be charged by the Portfolio Manager is as follows:

<b>Transaction Type</b>	<b>Range</b>
Client on Boarding	

Fixed Management Fees / Performance Fees		Fixed Plan	Performance Plan	Hybrid Plan
	Brokerage	0	0	0
	Entry Load	0	0	0
	Hurdle Rate	0	0	8%
	Management Fees	2.5	0	1.5
	Performance Fees	0	20%	20%
	Exit Load:			
	a) Within 1 year	3%	3%	3%
	b) 1 – 2 years	2%	2%	2%
	c) 2 – 3 years	1%	1%	1%
	d) After 3 years	0	0	0
	Transaction Charges	On actual basis		
Equity Brokerage	No Brokerage			
Custody Charges	On actual basis			
DP Charges	On actual basis			
Accounting Charges				
Demat Charges	On actual basis			
Outsourced Services	On actual basis			
Incidental Expenses	On actual basis			

## 12. **Taxation**

This information gives the tax implications on the footing that the securities are/will be held for the purpose of investments. The general information stated below is based on

the basic understanding of direct tax laws in force in India. 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. This information gives the direct tax implications on the footing that the securities are/will be held for the purpose of investments. Hence, the Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment, or any other matter. The Client is advised to best consult its or his or her own tax consultant, with respect to specific tax implications arising out of its or his or her portfolio managed by the Portfolio Manager.

a. **Income Tax:**

Under the portfolio management service, responsibility of the income tax payment on the income earned is on the investors. The Portfolio Manager will provide adequate statements required for the accounting purpose.

If the gains arising from sale of capital assets being securities (including units, etc.) are characterised as capital gains, the tax rate depends on the period of holding of the securities. Capital assets are classified as long-term assets ('LTCA') or short-term assets ('STCA'), based on the period of holding of these assets. The period of holding of the asset is computed from the date of acquisition to the date of transfer. Depending on the period of holding for which the securities are held, the gains would be taxable as short term capital gains ('STCG') or long-term capital gains ('LTCG').

Nature of Asset	STCA	LTCA
Listed securities (other than a Unit) / Unit of equity-oriented fund - Equity Mutual Funds	Held for not more than 12 months	Held for more than 12 months
Unlisted and listed units (other than units in an equity-oriented fund)	Always Short Term	N.A.
Unlisted shares	Held for not more than 24 months	Held for more than 24 months

b. **Securities Transaction Tax:** Securities Transaction Tax (STT) at the rate of 0.10% is applicable on delivery-based trade in equity shares or units of an equity-oriented fund entered in a recognized stock exchange. STT paid is eligible for income tax benefit under the provisions of the Income Tax Act, subject to such conditions prescribed therein.

c. **Goods and Service Tax (GST):** will be applicable on services provided by the Portfolio Manager to Clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee, Audit Fees, Custodian Fees, Fund Accounting Fees, etc.

d. **Dividend Distribution tax (DDT):** Effective 1 April 2020 the Dividend received on the shares and units of Mutual Funds held in the Portfolio Management Services are subject to tax in the hands of investor at the applicable slab rates.

e. **TDS on Sale Proceeds for Non-Resident Individuals:** In respect to short-term capital gains from units of equity-oriented schemes, tax is required to be deducted at the rate of 15% for both corporate and non-corporate non-

resident unit holders. Long term capital gains from equity-oriented schemes & listed equity shares are liable to be withheld @10% if the capital gain exceed Rs 1 Lakh during the financial year starting from April 1, 2018 subject to Grandfathering Clause.

### **13. Accounting policies:**

The following accounting policy will be applied for the investments of Clients:

#### **a. Accounting of investments:**

- i. The Books of Account of the Client is maintained on an historical cost basis.
- ii. Realised gains/losses will be calculated by applying the first in/first out method.
- iii. For derivatives/futures and options, unrealised gains and losses will be calculated by marking all the open positions to market.
- iv. Unrealised gains/losses are the differences between the current market values / NAV's and the historical cost of the securities/price at which securities are valued on the date of admitting as a Corpus.
- v. All income will be accounted on accrual or receipt basis, whichever is earlier.
- vi. All expenses will be accounted on due or payment basis, whichever is earlier.
- vii. The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investment or for accounting the same, as may be mutually agreed between them on a case-by-case basis.
- viii. Purchase and Sale transactions are accounted for on contract date basis.
- ix. Purchases are accounted at the cost of acquisition inclusive of brokerage, stamp duty, transaction charges and entry loads in case of units of mutual fund. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities Transaction Tax, Demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- x. Securities Transaction Tax paid on purchase/sale of securities including derivatives, during the Financial Year is recognized as an expense in the books of accounts.
- xi. Bonus shares are recorded on the ex-benefit date (ex-date).
- xii. Dividend income is recorded on the ex-dividend date (ex-date).
- xiii. Interest on Debt instruments/ Fixed Deposit with banks is accounted on accrual basis.
- xiv. Tax deducted at source (TDS) on interest on Fixed Deposits is considered as withdrawal of Portfolio and debited accordingly.
- xv. For derivatives including futures and options, unrealized gains and losses will be calculated by marking to market the open positions.

#### **b. Valuation of Investments:**

- i. 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 cut-off date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned.
- ii. 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.

#### **c. Valuation of Unlisted Shares, Valuation of Suspended/Non traded Share/debt:**

Valuation of Unlisted Shares, Valuation of Suspended/Non traded Share/debt shall be done by the fund Manager on a case to case basis.

#### 14. Investors services

The Portfolio Manager seeks to provide the Clients a high standard of service. The Portfolio Manager 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. The Client servicing essentially involves:

- a. Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- b. Attending to and addressing any client query with least lead time;
- c. Ensuring portfolio reviews at predefined frequency.

#### **Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints.**

<b>NAME</b>	SHARAD KUMAR
<b>DESIGNATION</b>	COMPLIANCE OFFICER
<b>ADDRESS</b>	204,ROHIT HOUSE,3 TOLSTOY MARG,DELHI,110001
<b>TELEPHONE NO.</b>	011- 49800900 [EXT. _____]
<b>EMAIL ID:</b>	<a href="mailto:sharad@bharatbhushan.com">sharad@bharatbhushan.com</a>

<b>NAME</b>	AJAY KHANDELWAL
<b>DESIGNATION</b>	PRINCIPAL OFFICER
<b>ADDRESS</b>	204,ROHIT HOUSE,3 TOLSTOY MARG,DELHI,110001
<b>TELEPHONE NO.</b>	011-49800900 [EXT. _____]
<b>EMAIL ID:</b>	<a href="mailto:ajay.khandelwal@Bharatbhushan.Com">ajay.khandelwal@Bharatbhushan.Com</a>

<b>NAME</b>	RAHUL SAREEN
<b>DESIGNATION</b>	RELATIONSHIP OFFICER
<b>ADDRESS</b>	204,ROHIT HOUSE,3 TOLSTOY MARG,DELHI,110001
<b>TELEPHONE NO.</b>	011- 49800900 [EXT. _____]
<b>EMAIL ID:</b>	<a href="mailto:FO@bharatbhushan.com">FO@bharatbhushan.com</a>



### **Grievance redressal and dispute settlement mechanism.**

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

The Client servicing essentially involves:

- a) Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- b) Attending to and addressing any client query with least lead time;
- c) Ensuring portfolio reviews & client meet at predefined frequency.

For any assistance the client will be the liberty to approach the Relationship Manager of the client who will attend to the client's queries and complaints.

Additionally, the client can also lodge their grievances with the Compliance officer of the Portfolio Manager.

The Relationship Manager shall attend to and address any Client query/concern/grievance at the earliest. The Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle Client complaints. The official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the client.

Effective grievance management would be an essential element of the Portfolio Manager's portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously viz.

- **Quick action** – As soon as any grievance comes to the knowledge of the aforesaid personnel, it would be identified and resolved. This will lower the detrimental effects of the grievance.
- **Acknowledging grievance** – The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.
- **Gathering facts** – The aforesaid official shall gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.
- **Examining the causes of grievance** – The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.
- **Decision making** – After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analysed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
- **Review** – After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System), post which SEBI may forward the complaint to the Portfolio Manager and the Portfolio Manager will suitably address the same.

<http://scores.gov.in/> by clicking on "complaint registration"

The Client also has the option to raise an arbitration request using the online dispute resolution mechanism notified by SEBI and amendments issued thereon from time to time. The number of arbitrators to be appointed, the seat of arbitration and the language to be used for arbitration and the costs and expenses of arbitration would be as prescribed under the notifications and circulars issued in this regard from time to time.

<http://smartodr.in/> by clicking on "complaint registration"

**15. Details of investments in the securities of related parties of the portfolio manager**

Not Applicable, the Portfolio Manager has applied for SEBI Registration and will commence its portfolio management business after the approval of PMS license.

**16. Details of the diversification policy of the portfolio manager**

The Portfolio Manager will diversify investments among asset classes, providing a balance with the goal of enhancing the total return of the portfolio while attempting to avoid undue risk concentration. The investment portfolio will be diversified across asset classes and managers including but not limited to domestic equity, international equity, fixed income, REITs, InvITs, Commodities, Private Equity, Private Debt & Cash Equivalents. The Investment Committee will set the long-term asset allocation targets and ranges for different strategies and approaches offered by the PMS Manager. Decisions regarding the allocation targets or the inclusion of new asset classes will be made when such action is expected to increase the expected return and/or reduce the risk of the portfolio or when deemed appropriate by the internal Investment Committee of the PMS provider. Expected return, risk, and correlation, and these characteristics' overall impact on the portfolio, will be analysed before such asset class can be included.

**17. Custodian**

ICICI BANK LTD acts as the Custodian for all the Investment approaches offered by the Portfolio Manager.

**18. 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 for Portfolio Management Services.

**FORM C**

**Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020**

[Regulation 22]

**Bharat Bhushan Equity Traders Limited**

Regd office: 503,Rohit House, 3 Tolstoy Marg,Delhi,110001

Phone no: +91-9313575181

Email id:sharad@bharatbhushan.com

We confirm that:

1. the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
2. The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager.

**For Bharat Bhushan Equity Traders Limited-Portfolio Manager**

**Ajay Khandelwal  
Principal Officer**

Date:

Place: