

**PORTFOLIO MANAGEMENT SERVICES**

DISCLOSURE DOCUMENT



**ADVISORY  
SERVICES**

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

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**NJ ADVISORY SERVICES PRIVATE LIMITED**  
**("Portfolio Manager")**

Registered Office: Block No.901, 6th Floor, B Tower, Udhna Udyognagar Sangh Commercial Complex,  
Central Road No.10, Udhna, Surat – 394210, Gujarat. CIN: U74990GJ2005PTC046959  
Telephone No: +91 261 4025903, Fax: +91 261 4025880.  
**E-mail** Address: viral@njgroup.in | **Website:** www.njpmis.in

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.
3. The Disclosure Document has been duly certified by an independent chartered accountant M/s. Shah & Ramaiya Address: 36/227, RDP 10, Sector 6, Charkop, Near Ambe Mata Mandir, Kandivali (West), Mumbai: 400067; Phone no.:91-22-28085277 bearing registration no.126489W on April 23, 2020.

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

**For and on behalf of**  
**For NJ Advisory Services Private Limited**



**Viral Shah**  
Principal Officer

Date : April 23, 2020  
Place : Surat.



# CERTIFICATE

We have verified the Disclosure Document ("the Document") for Portfolio Management Services prepared by NJ ADVISORY SERVICES PRIVATE LIMITED a Portfolio Manager registered with SEBI under the SEBI (Portfolio Managers) regulations 2020 (SEBI Reg. No.INP000003518), dated 20th April 2020 having its Registered Office at Block No.901, 6th Floor, B Tower, Udhna Udhhyog Nagar Sangh Commercial Complex, Central Road No. 10, Udhna, Surat - 394 210, Gujarat.

The disclosures made in the document is made on the model disclosure document as stated in Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020.

Our certification is based on the audited Balance sheet of the Company as on 31st March, 2019 audited by Statutory Auditors, Hiren M. Diwan & Co. Chartered Accountants and examination of other records, data made available and information & explanations provided to us.

Based on such examination we certify that:

- The Disclosure made in the document is true and fair, and correct and
- The information provided in the Disclosure Document is adequate to enable the investors to make well-informed decisions.

The Disclosure Document is stamped and signed by us for the purpose of identification. The said document is currently not signed by NJ ADVISORY SERVICES PRIVATE LIMITED due to non-availability of Digital Signature. However, its Board of Directors have approved the same through circular resolution. Once the lockdown is lifted the Disclosure document, duly signed by NJ ADVISORY SERVICES PRIVATE LIMITED will be submitted.

**For Shah & Ramaiya.**  
Chartered Accountants  
FRN.: 126489W



CA Shardul Shah  
Partner

M No.: 118394

UDIN: 20118394AAAAAX6781

Place : Mumbai  
Date: April 23, 2020

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## PORTFOLIO MANAGEMENT SERVICES

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### DISCLOSURE DOCUMENT

[As required under Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020]

1. The Document has been filed with the Board along with the certificate in the specified format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
2. The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a portfolio manager.
3. The Document contains necessary information about the portfolio manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.
4. The Disclosure Document shall be provided to the existing client as and when there is a material change in the contents of Disclosure Document and the same shall be available at the Website of the Company at [www.njpmis.in](http://www.njpmis.in).
5. The Portfolio Manager shall provide to the client, the Disclosure Document along with the certificate in the specified format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020, prior to entering into an agreement with the client as referred to in sub-regulation (1) of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
6. This Disclosure Document is prepared in regard to the material change in Investment Approaches viz. Introduction of new investment approach namely, 'Value Portfolio' and changes in Multicap Portfolio with few other changes in other Investment Approaches which was approved by the Board of Directors of NJ Advisory Services Private Limited on April 20, 2020.
7. The name, phone number, e-mail address of the principal officer designated by the Portfolio Manager is as follows:

Name of Principal Officer : Mr. Viral Shah  
Name of the Company : **NJ Advisory Services Private Limited**  
Contact Address : Block No.901, 6th Floor, B Tower, Udhna Udyognagar Sangh Commercial Complex, Central Road No.10, Udhna, Surat - 394210, Gujarat.  
Telephone No. : +91 261 4025903  
Mobile No. : +91 93745 43691  
E-mail address : [viral@njgroup.in](mailto:viral@njgroup.in)

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Block No.901, 6th Floor, B Tower, Udhna Udyognagar Sangh Commercial Complex, Central Road No.10, Udhna, Surat - 394210.

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## 1.0 Disclaimer:

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

## 2.0 Definitions:

The language and terminology used in the Disclosure Document shall have reference to the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020. The new terms used in this Disclosure Document are defined hereunder:

1. "Board" or "SEBI" means the Securities and Exchange Board of India.
2. "Cash Account" means the account in which the funds handed over by the client shall be held by the Portfolio Manager on behalf of the Client.
3. "Client" or "Investor" means any body corporate, partnership firm, individual, HUF, association of person, body of individuals, trust, or any other person who enters into agreement with the Portfolio Manager for the management of his portfolio.
4. "Non Discretionary portfolio manager" means a portfolio manager who manages the funds in accordance with the directions of the client.
5. "Fund Manager" means the individual/s appointed by the portfolio manager who manages, advises or directs or undertakes on behalf of the Client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or the funds of the client, as the case may be.
6. "PMS Agreement" shall mean the agreement between the Client and the Portfolio Manager for purpose of Portfolio Management Services

by the Portfolio Manager to that Client and stating therein the terms and conditions on which the Portfolio Manager shall provide such services to that Client.

7. "Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 including any modification or amendment thereof.
8. "Securities" shall mean the securities, whether listed or unlisted, in which the Portfolio Manager may from time to time invest for and on behalf of the Client, including securities issued by private companies, and shall include all papers / instruments included within the definition of "security" under the Section 2(h) of the Securities Contract (Regulation) Act, 1956 as amended from time to time.

## 3.0 Description of the Portfolio Manager:

### 3.1 Historical background and Present business:

The Portfolio Manager is a company incorporated under the Companies Act, 1956 on 21st October 2005, having its Registered Office at Block No.901, 6th Floor, B Tower, Udhna Udyognagar Sangh Commercial Complex, Central Road No.10, Udhna, Surat – 394210, Gujarat. The Portfolio Manager is a subsidiary of NJ India Invest Private Limited, a Company engaged in mutual fund distribution, stock broking, depository services and distribution of other financial products, having approx 98 branch offices across India.

The Portfolio Manager holds a renewed certificate from SEBI dated January 11, 2019 to continue to act as a Portfolio Manager under the applicable Regulations vide Registration No. INP000003518 w.e.f. December 22, 2018 and the same is valid unless it is suspended or cancelled by the Board as per Securities and Exchange Board of India (change in conditions

of registration of certain Intermediaries) (Amendment) Regulations, 2016 notified on December 08, 2016.

### 3.2 Promoters and Share holders:

Name	No. of shares	% of Shareholding
NJ India Invest Private Limited	100000	90.91%
Mr. Niraj R Choksi (Executive Director)	5000	4.55%
Mr. Jignesh R Desai	5000	4.54%

### 3.3 Directors of the Portfolio Manager:

The following are the Directors of the Portfolio Manager:

#### 1. Mr. Niraj R. Choksi

Mr. Niraj R. Choksi, 48 years, is a director of the group companies including the Portfolio Manager and holding company, NJ India Invest Private Limited. He holds bachelors degree in Business Administration from Sardar Patel University, Vidhyanagar and is a CFP Certificant from FPSB, India and has 25 years of experience in the financial markets.

Mr. Niraj is a co-founder and promoter of NJ Group of companies, and is currently working in the capacity of director in the group companies. The NJ Group of companies are engaged in various businesses such as mutual Fund Distribution, Real Estate distribution, Information & Technology, Training and Education, Loans and Advances, Insurance Broking & portfolio management services (PMS).

Designated Director: Mr. Niraj R. Choksi has been appointed as the Designated Director to comply with Anti-Money Laundering laws and SEBI's guidelines in this behalf and an intimation has been duly filed with FIU-IND.

#### 2. Mr. Anand N. Shah

Mr. Anand N. Shah, 45 years, is a director of the

Portfolio Manager. He holds degree of PGDM in finance & marketing from IIM Lucknow and is also B.E (Electronics) from SVNIT College. He has over 19 years of experience in investment management and business development.

Mr. Anand Shah is a professional director of NJ Advisory Services Private Limited. He has an eminent expertise and experience in financial services business.

### 3.4 Key Personnel of the Portfolio Manager:

#### 1. Viral J. Shah, Principal Officer:

Mr. Viral J. Shah, 42 years, is designated as the Principal Officer of the Portfolio Manager. He holds a Masters degree in Business Administration with Finance from the South Gujarat University, Surat and a Bachelors degree in Mechanical Engineering from SVR College of Engineering & Technology, Surat. Prior to this, he had worked as a Manger-Research with NJ India Invest Private Limited since November 2002 upto September 2009. He has also been responsible for development of different investment approaches to help investors in achieving their objectives for wealth creation. He has also been involved in preparing investment proposals and portfolio review of the clients & managing portfolios of few corporate investors including NJ India Invest Private Limited & group companies.

#### 2. Shivangi A. Upadhyay, Compliance Officer:

Ms. Shivangi A. Upadhyay, 24 years, is designated as the Compliance Officer of the Portfolio Manager. She is an Associate Company Secretary qualified from the Institute of Company Secretaries of India, holds a degree of Bachelors in Commerce from Veer Narmad South Gujarat University, Masters of Commerce

from Indira Gandhi National Open University and General degree of Bachelors of Law from V.T Choksi Sarvajanic Law College.

**3. Raj Mehta, Assistant Manager:**

Mr. Raj Arvindbhai Mehta, 22 years, is

designated as the Sr. Assistant Manager – Finance (PMS). He holds a degree of Bachelors of Commerce from Veer Narmad South Gujarat University and is an Associate Chartered Accountant qualified from the Institute of Chartered Accountants of India.

**3.5 Top ten Group companies/Companies under same management of the Portfolio Manager in India:**

Name of the Group Company	Services Offered
NJ India Invest Private Limited	Distributor of Mutual Fund, Stock Broker and Depository Participant
NJ Insurance Brokers Private Limited	Insurance Broking Services
Finlogic Technologies India Private Limited	Technology Services & Payment Aggregator Services
NJ Realty Services Private Limited	Real Estate Distribution
NJ Wellness Private Limited	Dealing in Food products & Health related Services
NJ Global Finance (IFSC) Private Limited	Financial Services
NJ Capital Private Limited	Non-Deposit Taking NBFC

**3.6. Details of the services being offered:**

**DISCRETIONARY SERVICES**

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager. The Portfolio Manager may at times and at its own discretion, consider the views of the Client pertaining to the investment / disinvestment decisions of the Portfolio. The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client’s account in any type of security as per the PMS Agreement and make such changes in the investments and invest some or all of the Client’s account in such manner and in such markets as it deems fit, subject to the investment objectives and other restrictions laid down in the client-member agreement and/or in

this Disclosure Document. The Client may give informal guidance to customize in relation to the Portfolio, however, the final decision rests with the Portfolio Manager. The securities invested / disinvested by the Portfolio Manager for Clients may differ from one Client to another Client even if they have the similar investment objectives and invested in similar approaches. The portfolio of each Client shall be managed individually and independently in accordance with the needs of each Client, however, the portfolio of the Client with similar needs and investing in similar approaches may look identical.

The Portfolio Managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in

question or be open to review at any time during the currency of the PMS Agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant laws, including any Acts, Rules, and Regulations, guidelines and notifications in force from time to time.

Under these services, the Clients may authorize the Portfolio Manager to invest their Funds in specific financial instruments or a mix of specific financial instruments or restrict the Portfolio Manager from investing in specific financial instruments or securities, however, within the given framework the Portfolio Manager shall have absolute discretion in taking investment decisions for the Client. Periodical statements in respect of Client's Portfolio shall be sent to the respective Clients in accordance with the Regulations.

## INVESTMENT ADVISORY SERVICES

The Portfolio Manager may provide Portfolio Advisory Services, in terms of the Regulations, which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio investment approach and investment and divestment of individual securities on the client's portfolio, for an agreed fee structure, however the administration of the portfolio shall not be done by the Portfolio Manager.

### 4.0 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 by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder, 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.

## 5.0 SERVICES BEING OFFERED BY THE PORTFOLIO MANAGER:

### 5.1. DISCRETIONARY SERVICES:

The present investment objectives and policies including the types of securities in which the Portfolio Manager generally invests are concisely stated as follows:

#### (I) Bluechip Portfolio:

**Objective:** The Portfolio objective is to generate capital appreciation in medium to long term by investing in well-established companies.

**Investment Discipline (investment discretion guidelines):**

- Rule based investment pattern;
- Investment Horizon: Medium to Long term;

- Investment Pattern: “Buy & Hold” Portfolio;
- Focus on companies which provide steady and consistent growth;
- Concentrated portfolio

It will be the endeavour of the Portfolio Manager to follow the norms listed above. However, the Portfolio Manager retains the right to deviate from these normal norms from time to time at its sole discretion.

**Clients are not being offered any guaranteed or assured returns.**

### (II) Value Portfolio:

**Objective:** The Portfolio objective is to generate capital appreciation in medium to long term by investing in value stocks.

**Investment Discipline (investment discretion guidelines):**

- Rule based investment pattern;
- Investment Horizon: Medium to Long term;
- Investment Pattern: Flexible allocation across all sectors and market capitalization;
- Focus on undervalued and less leveraged companies with robust long term growth and free cash flow

It will be the endeavour of the Portfolio Manager to follow the norms listed above. However, the Portfolio Manager retains the right to deviate from these normal norms from time to time at its sole discretion.

**Clients are not being offered any guaranteed or assured returns.**

### (III) Multicap Portfolio:

**Objective:** The Portfolio aims to deliver medium to long term capital appreciation by focusing on well-managed companies across the entire market capitalization range.

**The proposed investment approach is summarized below:**

We offer Alpha 50 Index portfolio launched by NSE Indices Limited. (formerly known as India Index Services & Products Limited). We qualitatively analyse stocks part of IISL Alpha 50 Index and take 20-30 stocks in the portfolio.

**Investment Discipline (investment discretion guidelines):**

- Investment Horizon: Medium to Long term
- Investment Pattern: Flexible allocation to any particular market cap category
- Focus on companies which provide growth across the entire market capitalization range with comparatively lower volatility.

It will be the endeavour of the Portfolio Manager to follow the norms listed above. However, the Portfolio Manager retains the right to deviate from these normal norms from time to time at its sole discretion.

**Clients are not being offered any guaranteed or assured returns.**

### (IV) Freedom ETF Portfolio:

**Objective:** The main objective of the portfolio investment approach is to generate capital appreciation in the medium term to long term through investments in equity oriented exchange traded funds (ETFs).

The proposed investment approach is to select better performing ETFs from various ETFs launched by mutual funds.

**Investment Discipline (investment discretion guidelines):**

The Portfolio Manager will seek to invest in various exchange-traded funds (ETFs).

It will be the endeavour of the Portfolio Manager to follow the norms. However, the Portfolio Manager retains the right to deviate from these

norms from time to time at its sole discretion.

**Clients are not being offered any guaranteed or assured returns.**

#### **(V) Freedom Portfolio - Direct:**

**Objective:** The main objective of the portfolio approach is to generate capital appreciation in the medium term to long term through investments in equity oriented mutual fund schemes.

**Investment Discipline (investment discretion guidelines):**

The Portfolio Manager will seek to follow the following investment discipline under normal circumstances:

- a) Investments in any mutual fund scheme shall generally not be greater than 45% of the portfolio
- b) Single Asset Management Company exposure will generally be restricted to 70% of the portfolio
- c) Schemes are selected based on consistency of performance, suitability in the portfolio, fund manager experience, etc.
- d) The balance idle cash will be invested either in debt, debt oriented mutual funds, short term instruments or Equity Oriented Arbitrage Funds.

It will be the endeavour of the Portfolio Manager to follow the norms listed above. However the Portfolio Manager retains the right to deviate from these norms from time to time at its sole discretion.

**Clients are not being offered any guaranteed or assured returns.**

#### **(VI) Dynamic Stock Allocation Portfolio:**

**Objective:** The investment objective is to provide long term capital appreciation with lower volatility through dynamically managed

portfolio of equity and debt securities.

**The proposed investment approach is summarized below:**

- i). Optimise Returns through proper Asset Allocation of Equity and Debt asset classes from time to time.
- ii). Selecting stocks which provide steady and consistent growth.

**Investment Discipline (investment discretion guidelines):**

#### **Equity Investment:**

The Portfolio Manager seeks to invest in Largecap and Midcap stocks. Portfolio Manager may invest in various equity oriented Exchange Traded Funds (ETFs).

#### **Debt Investment:**

Portfolio Manager seeks to invest in Debt instruments including Equity Oriented Arbitrage Schemes, Debt ETFs, Bonds, Debentures and Debt Oriented Mutual Fund schemes. Equity Arbitrage Funds are considered as a debt asset on account of their characteristics of low volatility with commensurate returns and their composition.

The Portfolio Manager would endeavour to maintain a consistent performance in the portfolio by maintaining appropriate allocation between equity and debt instruments time to time to reduce volatility and use opportunities to deliver better returns.

It will be the endeavour of the portfolio manager to follow the norms listed above. However, the portfolio Manager retains the right to deviate from these normal norms from time to time as its sole discretion.

**Clients are not being offered any guaranteed or assured return.**

## **(VII) Dynamic ETF Allocation Portfolio:**

**Objective:** The investment objective is to provide long-term capital appreciation with relatively lower volatility through a dynamically balanced portfolio of equity and debt securities.

**The proposed investment approach is summarized below:**

- i. Optimise Returns through proper Asset Allocation of Equity and Debt asset classes from time to time
- ii. Selecting consistently better performing exchange traded funds (ETFs) and mutual fund schemes

**Investment Discipline (investment discretion guidelines):**

### **Equity Investment**

The Portfolio Manager will seek to invest in various exchange-traded funds (ETFs).

### **Debt Investment**

Portfolio Manager seeks to invest in Debt instruments including Equity Oriented Arbitrage Schemes, Debt ETFs, Bonds, Debentures and Debt Oriented Mutual Fund schemes. Equity Arbitrage Funds are considered as a debt asset on account of their characteristics of low volatility with commensurate returns and their composition.

The portfolio manager would endeavour to maintain a consistent performance in the portfolio by maintaining appropriate allocation between equity and debt instruments time to time to reduce volatility and use opportunities to deliver better returns.

It will be the endeavour of the portfolio manager to follow the norms listed above. However, the portfolio Manager retains the right to deviate from these normal norms from time to time as its sole discretion.

**Clients are not being offered any guaranteed or assured returns.**

## **(VIII) Dynamic Asset Allocation Portfolio - Direct:**

**Objective:** The investment objective is to provide long-term capital appreciation with relatively lower volatility through a dynamically balanced portfolio of equity and debt oriented mutual fund schemes with Direct Plans.

**The proposed investment approach is summarized below:**

- i. Optimise Returns through proper Asset Allocation of Equity and Debt asset classes from time to time.
- ii. Selecting consistently better performing mutual fund schemes.

**Investment Discipline (investment discretion guidelines):**

### **Equity Investment**

The Portfolio Manager will seek to follow the following investment discipline under normal circumstances:

- a) Investments in any single mutual fund scheme shall generally not be greater than 45% of the portfolio.
- b) Single Asset Management Company exposure will generally be restricted to 70% of the portfolio

It will be the endeavour of the Portfolio Manager to follow the norms listed above. However, the Portfolio Manager retains the right to deviate from these norms from time to time at its sole discretion.

### **Debt Investment**

Portfolio Manager seeks to invest in Debt instruments including Equity Oriented Arbitrage Schemes, Debt ETFs, Bonds, Debentures and Debt Oriented Mutual Fund Schemes. Equity Arbitrage Funds are considered as a debt asset on account of their characteristics of low volatility with commensurate returns and their composition.

The portfolio manager would endeavour to maintain a consistent performance in the portfolio by maintaining appropriate allocation between equity and debt instruments time to time to reduce volatility and use opportunities to deliver better returns.

It will be the endeavour of the portfolio manager to follow the norms listed above. However, the portfolio Manager retains the right to deviate from these normal norms from time to time as its sole discretion.

**Clients are not being offered any guaranteed or assured returns.**

#### **(IX) Large Cap Portfolio:**

**Objective:** The Portfolio aims to deliver medium to long term capital appreciation by investing in well-established, large size listed companies.

**Investment Discipline (investment discretion guidelines):**

- Investment Horizon: Medium to Long term
- Investment Pattern: "Buy & Hold" Portfolio; Low portfolio churn
- Focus on Sectors and Companies which provide steady and consistent growth
- Concentration on blue-chip, large cap stocks.

It will be the endeavour of the Portfolio Manager to follow the norms listed above. However, the Portfolio Manager retains the right to deviate from these normal norms from time to time at its sole discretion.

**Clients are not being offered any guaranteed or assured returns.**

#### **(X) MidCap Portfolio:**

**Objective:** The Portfolio aims to deliver superior returns by investing in focused themes primarily in the mid and small cap space. It aims to predominantly invest in Small & Mid Cap stocks

with a focus on identifying Emerging Stocks/Sectors.

**Investment Discipline (investment discretion guidelines):**

- Investment Horizon: Medium to Long term
- Investment Pattern: "Buy and Hold" Portfolio; Low to medium portfolio churn.
- Focus on Sectors & Companies with potential to deliver higher growth rates than the well established, large size companies.

It will be the endeavour of the Portfolio Manager to follow the norms listed above. However, the Portfolio Manager retains the right to deviate from these normal norms from time to time at its sole discretion.

**Clients are not being offered any guaranteed or assured returns.**

### **5.2 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 NJ 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. Portfolio Manager has hired services of its holding company NJ India Invest Private Limited, SEBI Registered Stock Broker and Depository Participant to get opened trading and demat accounts of its clients. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on arms 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 clients 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 management of the Portfolio Manager.

The Portfolio Manager shall not invest any part of the Portfolio in Securities of its associates / group companies.

## 6.0 Risk Factors

- i) 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 PMS Agreement shall be accomplished.
- ii) Past performances of the Portfolio Manager do not guarantee its future performance.
- iii) 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.
- iv) The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
- v) The Portfolio Manager has reasonable experience or track record.
- vi) Investments made by the Portfolio Manager

are subject to risks arising from the investment approach, investment objective, investment approach and asset allocation.

- vii) Not meeting the obligation with regards to corpus in terms of the PMS Agreement may have implications as set out therein and may also impact the profitability of the Portfolio.
- viii) Equity and Equity Related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
- ix) 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.
- x) Liquidity Risk: Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If 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 if the Portfolio Manager proposes to invest a large portion of the Portfolio 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 of the portfolio are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.

- xi) 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.
- xii) interest Rate Risk: is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments in fixed income Securities 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 rate rise, the value of a portfolio of fixed income securities can be expected to decline.

- xiii) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
- xiv) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.
- xv) Reinvestment Risk: This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
- xvi) 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.
- xvii) Mutual Fund Risk: This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including performance of their underlying stocks,

derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect performance of the investment in mutual fund units.

- xviii) 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, capitalization, disposal (sale, transfer or conversion into money) of portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.
- xix) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
- xx) Clients are not being offered any guarantee /

assured returns.

- xxi) 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.
- xxii) 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.
- xxiii) 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 PMS Agreement and in the Regulations.
- xxiv) The Client has perused and understood the disclosures made by the Portfolio Manager in the Disclosure Document.
- xxv) Changes in Applicable Law may impact the performance of the Portfolio.
- xxvi) Any of the transactions of purchase and sale of securities by Portfolio Manager and its employees who are directly involved in investment operations are not in conflict of interest with the transactions in any of the Client's Portfolio.
- xxvii) The portfolio manager has group companies and the policy for investments in and availing services of group / associate companies is being adhered. There is no conflict of interest related to the services offered by group companies of the portfolio manager.

## 7.0 CLIENT REPRESENTATION & DISCLOSURE OF RELATED PARTIES.

### 7.1 Client Representation – Categories of Clients Served

Category of Clients	No. of Client	Funds Managed(₹)	No. of Client	Funds Managed(₹)	No. of Client	Funds Managed(₹)	Discretionary/Non Discretionary, if any
	As on 31st Jan 2020		As on 31st Dec 2019		As on 31st Dec 2018		
Associate/ Group Companies (Last 3 Years)	3	32,90,36,696	3	32,32,42,812	2	30,42,22,886	Discretionary
Others (Last 3 years)	2768	12,36,77,25,043	2751	12,07,21,68,953	2253	8,58,71,70,328	Discretionary
<b>Total</b>	<b>2771</b>	<b>12,69,67,61,740</b>	<b>2754</b>	<b>12,39,54,11,765</b>	<b>2255</b>	<b>8,89,13,93,214</b>	<b>Discretionary</b>

### 7.2. Related Parties Disclosure as per AS-18

Disclosure of relationship and transaction with the related parties as defined in Accounting Standards 18 issued by The Institute of Chartered Accountants of India is as under:

#### A. Name of the related parties and description of relationship

- i. Key Management Personnel:
  - Niraj R. Choksi
  - Misbah Yousuf Baxamusa
- ii. Related Parties:
  - NJ India Invest Private Limited (Holding Company)
  - NJ Capital Private Limited
  - NJ Realty Services Private Limited
  - NJ Insurance Brokers Private Limited
  - Finlogic Technologies India Private Limited
  - NJ India Realty Opportunities LLP
  - Valuable Eventures LLP
  - NJ Charitable Trust
  - NJ Wellness Private Limited
  - NJ Global Finance (IFSC) Private Limited
  - Arundhati Desai
- iii. Promoters:
  - Jignesh Desai

## B. Details of Transactions for FY 2018-19

Particulars of Transaction	Related parties where control exists	Key Management Personnel	Relatives
<b>NJ India Invest Private Limited. (Holding Company)</b>			
Exit Load Expense	8,44,559	0	0
Management Fees Expense (referral fees)	12,36,31,531	0	0
Upfront PMS Expense	37,24,314	0	0
Infrastructure Support Charges	2,83,200	0	0
Management Fees Income	36,77,883	0	0
Demat Charges*	0	0	0
<b>Finlogic Technologies India Private Limited (Sister Concern)</b>			
Management Fees income	1,06,431	0	0
<b>Jignesh Desai (Promoter)</b>			
Management Fees income	0	3,36,570	0
<b>Arundhati Desai (Relative of Promoter)</b>			
Management Fees income	0	0	1,53,901
<b>Niraj Choksi (Managing Director)</b>			
Management Fees income	0	3,21,253	0
<b>Misbah Baxamusa (Director)</b>			
Management Fees income	0	2,32,955	0

\* The Holding Company does not deduct/levy Demat charges.

The Company has paid Rs. 12,82,00,404/- (Inclusive of GST/Service Tax) as brokerage to its Holding Company.

### 8.0 Performance of the Portfolio Manager

Financial performance of the Portfolio Manager based on audited financial statements of the Portfolio Manager for the preceding 3 financial years are as following:

Balance Sheet	As at 31st March, 2019(₹)	As on 31st March, 2018(₹)	As on 31st March, 2017 (₹)
<b>A. EQUITY AND LIABILITIES:</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	11,00,000	11,00,000	11,00,000
(b) Reserves and Surplus	6,41,98,808	4,82,77,188	3,30,21,758
<b>Total</b>	<b>6,52,98,808</b>	<b>4,93,77,188</b>	<b>3,41,21,758</b>
<b>2. Share application money pending allotment</b>		-	-
<b>3. Non-Current liabilities</b>	0.00	0.00	0.00
<b>4. Current liabilities</b>			
Short- Term Borrowings	-	-	-
(a) Trade payables	14,66,84,277	11,00,41,969	3,12,83,097
(b) Other current liabilities	64,75,860	68,71,493	27,30,593
(c) Short-term provisions	-	-	-
<b>Total</b>	<b>15,31,60,137</b>	<b>11,69,13,462</b>	<b>3,40,13,690</b>
<b>TOTAL</b>	<b>21,84,58,945</b>	<b>16,62,90,650</b>	<b>6,81,35,448</b>

<b>B. ASSETS:</b>			
<b>1. Non-current assets</b>			
(a) Deferred tax assets (net)	1,64,815	2,23,182	27,75,825
(b) Long-term loans and advances	-	4,78,596	23,83,401
(c) Other non-current assets	-	0.00	0.00
<b>Total</b>	<b>1,64,815</b>	<b>7,01,778</b>	<b>51,59,226</b>
<b>2. Current assets</b>			
(a) Current investments	7,01,25,152	4,67,88,447	1,65,21,152
(b) Trade receivables	4,34,35,733	3,34,92,067	1,82,23,095
(c) Cash and cash equivalents	10,14,30,907	8,28,63,070	2,61,84,013
(d) Short-term loans and advances	6,31,352	4,26,110	0.00
Other current assets	26,70,986	20,19,178	20,47,962
<b>Total</b>	<b>21,82,94,130</b>	<b>16,55,88,872</b>	<b>6,29,76,222</b>
<b>TOTAL</b>	<b>21,84,58,945</b>	<b>16,62,90,650</b>	<b>6,81,35,448</b>

**Profit & Loss Account for the year ended 31st March, 2019**

<b>A CONTINUING OPERATIONS :</b>	
1. Revenue from operations (gross)	14,76,76,156
2. Other Income	37,33,671
<b>3. TOTAL REVENUE (1+2)</b>	<b>15,14,09,827</b>
4. Expenses :	
(a) Employee benefits expense	98,27,647
(b) Finance Cost	-
(c) Other expenses	11,96,80,360
<b>TOTAL EXPENSES</b>	<b>12,95,08,007</b>
<b>5. PROFIT BEFORE TAX (3-4)</b>	
6. Tax expense:	<b>2,19,01,820</b>
(a) Current Tax	
(b) Deferred Tax	59,21,833
<b>7. PROFIT FOR THE YEAR (5 + 6)</b>	<b>58,367</b>
<b>8. Earnings per share (of Rs.10/- each) :</b>	<b>1,59,21,620</b>
(a) Basic	145

## 9.0 Portfolio Management performance of the Portfolio Manager in the last 3 years

Investment Approaches	Upto January 31, 2020				
	No of Accounts	Corpus	Value	Returns#	
				Approach	Benchmark*
<b>Bluechip Portfolio (Pool) \$</b>					
Associate / Group Companies	3	18,17,13,160	19,15,80,174	5.15%	5.5%
Others	997	2,46,97,49,018	2,55,20,17,284	4.2%	6.55%
<b>Total</b>	<b>1000</b>	<b>2,65,14,62,178</b>	<b>2,74,35,97,457</b>	<b>5.86%</b>	<b>5.5%</b>
<b>Freedom ETF Portfolio (Pool) \$</b>					
Associate / Group Companies	2	12,38,07,527	12,93,83,848	2.01%	4.6%
Others	115	21,31,39,350	21,66,61,772	2.21%	6.31%
<b>Total</b>	<b>117</b>	<b>33,69,46,877</b>	<b>34,60,45,620</b>	<b>2.22%</b>	<b>6.31%</b>
<b>Freedom Portfolio – Direct (Separate)</b>					
Associate / Group Companies	1	10,00,000	11,03,945	10.39% ^	10.28% ^
Others	51	8,56,29,855	10,11,53,200	10.38%	11.53%
<b>Total</b>	<b>52</b>	<b>8,66,29,855</b>	<b>10,22,57,146</b>	<b>10.36%</b>	<b>11.53%</b>
<b>Multicap Portfolio (Pool)</b>					
Associate / Group Companies	2	15,00,000	17,25,834	2.46%	11.53%
Others	665	1538359852.14	1,26,31,13,508	1.42%	11.53%
<b>Total</b>	<b>667</b>	<b>1538359852.14</b>	<b>1,26,48,39,342</b>	<b>1.3%</b>	<b>11.53%</b>
<b>Dynamic Stock Allocation Portfolio (Pool)</b>					
Associate / Group Companies	2	15,00,000	17,02,634	0.92%	11.53%
Others	1083	2,54,72,62,777	2,60,92,83,956	5.02%	11.53%
<b>Total</b>	<b>1085</b>	<b>2,54,87,62,777</b>	<b>2,61,09,86,591</b>	<b>6.08%</b>	<b>11.53%</b>
<b>Dynamic ETF Allocation Portfolio (Pool) \$</b>					
Associate / Group Companies	1	10,00,000	1063791	6.38% ^	10.28% ^
Others	415	1,64,64,23,602	1,73,23,62,267	5.16%	5.5%
<b>Total</b>	<b>416</b>	<b>1,64,74,23,602</b>	<b>1,73,34,26,058</b>	<b>5.29%</b>	<b>5.5%</b>
<b>Dynamic Asset Allocation Portfolio – Direct (Separate) \$</b>					
Associate / Group Companies	2	20,00,000	24,76,467	10.73%	11.53%
Others	611	1,59,11,12,180	2,45,46,36,696	9.21%	11.53%
<b>Total</b>	<b>613</b>	<b>1,59,31,12,180</b>	<b>2,45,71,13,164</b>	<b>9.21%</b>	<b>11.53%</b>
<b>Largecap Portfolio (Pool)</b>					
Associate / Group Companies	-	-	-	-	-
Others	244	39,22,77,687	51,12,45,306	9.51%	13.29%
<b>Total</b>	<b>244</b>	<b>39,22,77,687</b>	<b>51,12,45,306</b>	<b>9.51%</b>	<b>13.29%</b>
<b>Midcap Portfolio (Pool)</b>					
Associate / Group Companies					
Others	342	60,93,90,179	92,72,51,052	11.07%	6.46%
<b>Total</b>	<b>342</b>	<b>60,93,90,179</b>	<b>92,72,51,052</b>	<b>11.07%</b>	<b>6.46%</b>

- Returns are calculated based Time Weighted Rate of Return (TWRR) Method
- \* Nifty 500 is the benchmark for Bluechip, Freedom ETF, Freedom Portfolio, Multicap Portfolio, Dynamic Stock Allocation Portfolio, Dynamic ETF Allocation Portfolio and Dynamic Asset Allocation Portfolio.
- \* Nifty 50 is the benchmark of Largecap Portfolio
- \* Nifty Midcap 100 is the benchmark of Midcap Portfolio
- # 3 year performance based on corpus inflow and outflow within 3 years
- \$ 3 years is not completed for the approach
- ^ 1 year is not completed

Investment Approaches	Upto December 31, 2019				
	No of Accounts	Corpus	Value	Returns#	
				Approaches	Benchmark*
<b>Bluechip Portfolio (Pool) \$</b>					
Associate / Group Companies	3	18,17,13,160	18,70,41,986	2.99%	6.28%
Others	964	2,35,80,75,242	2,41,71,04,090	4.02%	6.49%
<b>Total</b>	<b>967</b>	<b>2,53,97,88,402</b>	<b>2,60,41,46,077</b>	<b>3.90%</b>	<b>6.46%</b>
<b>Freedom ETF Portfolio (Pool) \$</b>					
Associate / Group Companies	2	12,38,07,527	12,82,77,731	2.40%	4.03%
Others	111	20,61,87,066	21,08,12,613	1.22%	4.35%
<b>Total</b>	<b>113</b>	<b>32,99,94,593</b>	<b>33,90,90,343</b>	<b>1.68%</b>	<b>4.22%</b>
<b>Freedom Portfolio – Direct (Separate) \$</b>					
Associate / Group Companies	1	10,00,000	10,87,866	8.63% ^	9.24% ^
Others	36	7,66,51,853	7,96,79,710	1.04%	2.55%
<b>Total</b>	<b>37</b>	<b>7,76,51,853</b>	<b>8,07,67,575</b>	<b>1.13%</b>	<b>2.63%</b>
<b>Multicap Portfolio (Pool)</b>					
Associate / Group Companies	2	15,00,000	16,54,433	16.20%	18.59%
Others	672	1,55,43,26,039	1,22,49,20,969	-11.36%	4.75%
<b>Total</b>	<b>674</b>	<b>1,55,58,26,039</b>	<b>1,22,65,75,402</b>	<b>-10.71%</b>	<b>5.15%</b>
<b>Dynamic Stock Allocation Portfolio (Pool)</b>					
Associate / Group Companies	2	15,00,000	16,82,421	8.34%	11.76%
Others	1068	2,50,92,73,112	2,55,78,20,009	1.68%	6.24%
<b>Total</b>	<b>1070</b>	<b>2,51,07,73,112</b>	<b>2,55,95,02,429</b>	<b>1.71%</b>	<b>6.27%</b>
<b>Dynamic ETF Allocation Portfolio (Pool) \$</b>					
Associate / Group Companies	1	10,00,000	10,55,594	5.44% ^	9.24% ^
Others	410	1,62,01,70,558	1,70,34,79,148	5.97%	7.81%
<b>Total</b>	<b>411</b>	<b>1,62,11,70,558</b>	<b>1,70,45,35,102</b>	<b>5.97%</b>	<b>7.81%</b>
<b>Dynamic Asset Allocation Portfolio – Direct (Separate) \$</b>					
Associate / Group Companies	2	20,00,000	24,42,422	10.56%	11.98%
Others	158	1,04,14,28,805	1,15,02,77,763	6.38%	4.22%
<b>Total</b>	<b>160</b>	<b>1,04,34,28,805</b>	<b>1,15,27,20,185</b>	<b>6.59%</b>	<b>4.21%</b>
<b>Dynamic Asset Allocation Portfolio (Separate)</b>					
Associate / Group Companies	-	-	-	-	-
Others	458	60,94,56,096	1,26,49,53,871	9.44%	13.40%
<b>Total</b>	<b>458</b>	<b>60,94,56,096</b>	<b>1,26,49,53,871</b>	<b>9.44%</b>	<b>13.40%</b>
<b>Freedom Portfolio (Separate)</b>					
Associate / Group Companies	-	-	-	-	-
Others	15	79,94,911	1,83,42,750	14.70%	14.27%
<b>Total</b>	<b>15</b>	<b>79,94,911</b>	<b>1,83,42,750</b>	<b>14.70%</b>	<b>14.27%</b>
<b>Largecap Portfolio (Pool)</b>					
Associate / Group Companies	-	-	-	-	-
Others	246	39,32,79,687	51,58,37,072	12.15%	15.50%
<b>Total</b>	<b>246</b>	<b>39,32,79,687</b>	<b>51,58,37,072</b>	<b>12.15%</b>	<b>15.50%</b>
<b>Midcap Portfolio (Pool)</b>					
Associate / Group Companies	-	-	-	-	-
Others	344	61,44,15,719	92,89,40,958	15.89%	8.81%
<b>Total</b>	<b>344</b>	<b>61,44,15,719</b>	<b>92,89,40,958</b>	<b>15.89%</b>	<b>8.81%</b>



- Notes:
- Returns are calculated on the basis of XIRR method
  - \* Nifty 500 is the benchmark for Dynamic Asset Allocation Portfolio, Freedom Portfolio, Dynamic Stock Allocation Portfolio, Dynamic Asset Allocation Portfolio-Direct, Multicap Portfolio, Bluechip Portfolio, Freedom ETF Portfolio, Dynamic ETF Allocation Portfolio & Freedom Portfolio – Direct.
  - \* Nifty 50 is the benchmark of Largecap Portfolio.
  - \* Nifty Midcap 100 is the benchmark of Midcap Portfolio.
  - # 3 year performance based on corpus inflow and outflow within 3 years
  - \$ 3 years is not completed for the investment approach
  - ^ As 1 year is not completed, returns are shown on and Weighted Average Absolute Return

Investment Approach	Upto December 31, 2018				
	No of Accounts	Corpus	Value	Returns#	
				Approach	Benchmark*
<b>Dynamic Asset Allocation Portfolio (Separate)</b>					
Associate / Group Companies	-	-	-	-	-
Others	532	81,96,13,067	1,48,77,67,798	11.22%	11.61%
<b>Total</b>	<b>532</b>	<b>81,96,13,067</b>	<b>1,48,77,67,798</b>	<b>11.22%</b>	<b>11.61%</b>
<b>Freedom Portfolio (Separate)</b>					
Associate / Group Companies	-	-	-	-	-
Others	19	1,05,69,911	2,20,97,197	11.12%	11.54%
<b>Total</b>	<b>19</b>	<b>1,05,69,911</b>	<b>2,20,97,197</b>	<b>11.12%</b>	<b>11.54%</b>
<b>Dynamic Stock Allocation Portfolio (Pool)</b>					
Associate / Group Companies	2	60,50,000	86,44,609	8.34%	8.00%
Others	646	1,41,29,31,648	1,40,48,34,601	2.50%	3.69%
<b>Total</b>	<b>648</b>	<b>1,41,89,81,648</b>	<b>1,41,34,79,209</b>	<b>2.60%</b>	<b>3.79%</b>
<b>Largecap Portfolio (Pool)</b>					
Associate / Group Companies	-	-	-	-	-
Others	310	49,57,66,703	54,34,77,337	11.20%	12.83%
<b>Total</b>	<b>310</b>	<b>49,57,66,703</b>	<b>54,34,77,337</b>	<b>11.20%</b>	<b>12.83%</b>
<b>Midcap Portfolio (Pool)</b>					
Associate / Group Companies	-	-	-	-	-
Others	408	73,81,09,693	1,04,93,78,914	18.82%	11.67%
<b>Total</b>	<b>408</b>	<b>73,81,09,693</b>	<b>1,04,93,78,914</b>	<b>18.82%</b>	<b>11.67%</b>
<b>Multicap Portfolio (Pool) \$</b>					
Associate / Group Companies	1	5,00,000	5,64,257	17.23%	15.70%
Others	774	1,78,60,36,747	1,37,88,07,670	-21.77%	1.93%
<b>Total</b>	<b>775</b>	<b>1,78,65,36,747</b>	<b>1,37,93,71,928</b>	<b>-19.72%</b>	<b>2.81%</b>
<b>Freedom Portfolio – Direct (Separate) \$</b>					
Associate / Group Companies	-	-	-	-	-
Others	25	4,24,58,520	4,13,01,827	-11.47%	-5.78%
<b>Total</b>	<b>25</b>	<b>4,24,58,520</b>	<b>4,13,01,827</b>	<b>-11.47%</b>	<b>-5.78%</b>
<b>Dynamic Asset Allocation Portfolio – Direct (Separate) \$</b>					
Associate / Group Companies	1	10,00,000	12,71,148	12.61%	14.47%
Others	82	74,65,02,878	77,91,13,338	3.65%	0.66%
<b>Total</b>	<b>83</b>	<b>74,75,02,878</b>	<b>78,03,84,486</b>	<b>3.68%</b>	<b>1.27%</b>
<b>Bluechip Portfolio (Pool) \$</b>					
Associate / Group Companies	1	17,28,09,153	17,01,45,109	-3.51% ^	1.05% ^
Others	463	98,48,33,454	97,16,11,233	-3.09% ^	-1.03% ^
<b>Total</b>	<b>464</b>	<b>1,15,76,42,607</b>	<b>1,14,17,56,342</b>	<b>-3.38% ^</b>	<b>-0.63% ^</b>

Investment Approach	Upto December 31, 2018				
	No of Accounts	Corpus	Value	Returns#	
				Approach	Benchmark*
<b>Freedom ETF Portfolio (Pool) \$</b>					
Associate / Group Companies	1	12,28,07,527	12,35,97,763	0.52% ^	-1.69% ^
Others	41	16,28,29,373	15,87,47,371	-4.36% ^	-4.43% ^
<b>Total</b>	<b>42</b>	<b>28,56,36,900</b>	<b>28,23,45,134</b>	<b>-2.19% ^</b>	<b>-3.79% ^</b>
<b>Dynamic ETF Allocation Portfolio (Pool) \$</b>					
Associate / Group Companies	-	-	-	-	-
Others	181	73,40,25,339	75,00,33,042	5.79% ^	4.83% ^
<b>Total</b>	<b>181</b>	<b>73,40,25,339</b>	<b>75,00,33,042</b>	<b>5.79% ^</b>	<b>4.83% ^</b>

- Notes.:
- Returns are calculated on the basis of XIRR method
  - \* Nifty 500 is the benchmark for Dynamic Asset Allocation Portfolio, Freedom Portfolio, Dynamic Stock Allocation Portfolio, Dynamic Asset Allocation Portfolio – Direct, Multicap Portfolio, Bluechip Portfolio, Freedom ETF Portfolio, Dynamic ETF Allocation Portfolio and Freedom Portfolio – Direct.
  - \* Nifty 50 is the benchmark of Largecap Portfolio.
  - \* Nifty Midcap 100 is the benchmark of Midcap Portfolio.
  - # 3 year performance based on corpus inflow and outflow within 3 years
  - \$ 3 years is not completed for the investment approach
  - ^ As 1 year is not completed, returns are shown on and Weighted Average Absolute Return

### 10.0 Audit observations of the preceding 3 Years:

The following are the details of Audit observations during preceding 3 years:

Audit Period	Audit remarks/observations
01st October 2016 – 31st March 2017 (Managements comments on clarification were submitted for the audit observation along with submission of the certificate of auditor for the audit period)	<ol style="list-style-type: none"> <li>1. Portfolio Manager has outsourced the core business activity in violation to SEBI Circular CIR/MIRSD/24/2011 December 15, 2011.</li> <li>2. Portfolio Manager has not sent details of risk foreseen by the portfolio manager and the risk relating to the securities recommended by the portfolio manager for investment or disinvestment as required by Regulation 21(1) of SEBI (Portfolio Manager) Regulations 1993.</li> </ol>
01st April 2017 – 30th September 2017	NIL
01st October 2017 – 31st March 2018	NIL
01st April 2018 – 30th September 2018	NIL
01st October 2018 – 31st March 2019	NIL
01st April 2019 – 30th September 2019	NIL

## 11.0 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.

### (a) Management Fees

Management fees relate to the Services offered to clients. The fee may be fixed charge or a percentage of the quantum of funds managed or linked to returns on the Portfolio achieved or a combination of any of these, as agreed by the Client in the Portfolio Management Agreement. With regard to the management fees, the following terms are agreed to, by the Client:

#### • Ongoing Management Fee (Exclusive of GST):

Sr. No.	Investment Approach	Outgoing Fees
1	Dynamic Asset Allocation Portfolio – Direct	Investment < 2 Crore: 1.5%
		Investment > 2 Crore to < 10 Crore: 0.5%
		Investment > 10 Crore: 0.3%
2	Dynamic Stock Allocation Portfolio	Investment < 2 Crore: 2.5%
		Investment > 2 Crore to < 5 Crores 2%
		Investment > 5 Crore to < 10 Crore: 1.5%
3	Dynamic ETF Allocation Portfolio	Investment > 10 Crore: 1.2%
		Investment < 2 Crore: 1.0%
		Investment > 2 Crore to < 10 Crore: 0.5%
4	Freedom Portfolio – Direct	Investment > 10 Crore: 0.3%
		Investment < 2 Crore: 1.5%
		Investment > 2 Crore to < 10 Crore: 0.5%
5	Freedom ETF Portfolio	Investment > 10 Crore: 0.3%
		Investment < 2 Crore: 1.0%
		Investment > 2 Crore to < 10 Crore: 0.5%
6	Multi Cap Portfolio	Investment > 10 Crore: 0.3%
		Investment < 2 Crore: 2.5%
		Investment > 2 Crore to < 10 Crore: 2.0%
7	Bluechip Portfolio	Investment > 10 Crore: 1.2%
		Investment < 2 Crore: 2.5%
		Investment > 2 Crore to < 5 Crores 2%
8	Large Cap Portfolio	Investment > 5 Crore to < 10 Crore: 1.5%
		Investment > 10 Crore: 1.2%
		upto 2.50% p.a.
9	Mid Cap Portfolio	upto 2.50% p.a.
		Investment < 2 Crore: 2.5%
		Investment > 2 Crore to < 5 Crore 2%
10	Value Portfolio	Investment > 5 Crore to < 10 Crore: 1.5%
		Investment > 10 Crore: 1.2%
		Investment > 10 Crore: 1.2%

Note: The Fees shall be payable monthly on average daily portfolio value.

• **Performance Linked Fee:** Nil

• **Exit Fees:**

In the event the Client decides to withdraw any amount within one year of its infusion with Portfolio Manager, the Client will be liable to pay an Exit Fees equal to 2% of the fair market value of the Portfolio held on behalf of the Client, on a First In First Out Basis.

**(b) Custodian/Depository Fees**

The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts would be at actuals.

**(c) Registrar and transfer agent fee**

Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges may be at actuals.

**(d) Brokerage and transaction costs**

The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit fees on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments would be at actuals. Such fees shall be payable as and when it is charged by the relevant service provider.

**(e) Securities Lending and Borrowing charges**

The charges pertaining to the lender of securities, costs of borrowing including interest, and costs associated with transfers of securities connected with the lending and borrowing transfer operations. Such fees shall be payable at actuals when it is charged by the relevant service provider.

**(f) Certification and professional charges**

Charges payable for out sourced professional services like accounting, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory

authorities would be at actuals. Such fees shall be payable as and when it is charged by the relevant service provider.

**(g) Incidental Expenses:**

Charges in connection with the courier expenses, stamp duty, GST, postal, telegraphic, opening and operation of bank accounts etc. Such fees shall be payable at actuals when it is charged by the relevant service provider / authority.

**12.0 Custody of Securities:**

12.1 The Portfolio Manager has appointed Orbis Financial Corporation Limited as a Custodian vide duly executed Custodial Services Agreement dated August 02, 2017. The custody of all the securities of the client shall be with the Custodian.

12.2 The Custodian shall act on the instruction of the Portfolio Manager.

12.3 All such custodian fees, charged by the custodian, shall be payable by the Client.

The Portfolio Manager shall not be liable for any act of the Custodian done with or without the instruction of the Portfolio Manager, which may cause or is likely to cause any loss or damage to the Client.

**13.0 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 arrangement of pooling of funds from various Clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961 and taxed accordingly.

The tax implications given hereunder are broad level implications. Such implications may differ taking into account 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.

The 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 by Portfolio Manager. If any tax is required to be withheld on account of any future legislation, the portfolio manager shall be obliged to act in accordance with the regulatory requirements in this regards.

The Clients may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients. The Client may incur a higher rate of TDS/ Dividend Distribution Tax in case the investments are aggregated.

## Tax Implications

Income arising from purchase and sale of Securities under portfolio management services can give rise to business income 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")

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

Sr.	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

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

## 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.

- Listed Preference Shares

### Dividends

The dividend paid by an Indian company would be taxable as per applicable provision 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.

### 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.

## 14.0 Accounting policies

- 14.1 Following are the key accounting policies

14.1.1 All investments will be carried/ recorded on cost basis.

14.1.2 Transactions for purchase or sale of investments would be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the individual client account for that year.

14.1.3 The cost of investments acquired or purchased would include brokerage, stamp charges and any charge customarily included in the broker's contract note or levied by any Statute

except STT. STT payable on purchase/sale of investments would be recognized as expense in profit and loss Account.

- 14.2 Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided under SEBI (Portfolio Managers) Regulations, 2020.

### 14.3.Audit

14.3.1 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.

14.3.2 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.

## 15.0 Investor Services

15.1 The investor queries and complaints can be addressed to:

Name of the officer:

Ms. Shivangi A. Upadhyay  
(Compliance Officer)

Address : Block No.901, 6th Floor, B Tower, Udhna Udyognagar Sangh Commercial Complex, Central Road No. 10, Udhna, Surat - 394 210, Gujarat.  
Telephone number : 0261 4025912,

Email: [grievance@njpms.in](mailto:grievance@njpms.in)

SCORES: <http://scores.gov.in/Admin/>

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.

#### 15.2 Grievances / Dispute handling mechanism

The Portfolio Manager shall attend to and address any client query or concern as soon as possible to mutual satisfaction. 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 Ms. Shivangi A. Upadhyay, the Compliance Officer.

#### 15.3 Dispute Settlement Mechanism

All disputes, differences, claims and questions whatsoever which shall arise either during the subsistence of the PMS Agreement 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 Surat and be conducted in English language.

The PMS Agreement shall be governed by, construed and enforced in accordance with the laws of India. Any action or suit involving the PMS Agreement or the performance of the agreement by the either party of its obligations will be conducted exclusively in courts located within the city of Surat in the State of Gujarat.

#### 16.0 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.

Actions / inactions, deeds, decisions etc. undertaken by the Portfolio Manager, in good faith with reference to the instructions of the Client, based on the information from the Client / understanding of the Portfolio Manager will constitute good and full discharge of the obligations of the Portfolio Manager. Submission of documents / information by Clients shall be full and final proof of the non-individual Client's authority to invest and the Portfolio Manager shall not be responsible for the any defects / deficiencies in the document / information.

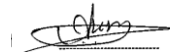
For NJ Advisory Services Private Limited



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**Niraj R Choksi**  
Managing Director  
Date : April 20, 2020.  
Place : Surat.

For NJ Advisory Services Private Limited



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**Anand N. Shah**  
Director

**Synopsis of changes in Disclosure Document dated April 20, 2020 over the Disclosure Document dated February 01, 2020.**

<b>Sr. No.</b>	<b>Description</b>	<b>Reference Clause No.</b>	<b>Page No.</b>
1	Insertion of the Value Portfolio Investment Approach	5.1 (II)	5
2	Updation in the content of Multicap Portfolio Investment Approach	5.1 (III)	5
3	Updation in the content of Freedom Portfolio Direct Investment Approach	5.1 (V)	6
4	Updation in the content of Dynamic Stock Allocation Investment Approach	5.1 (VI)	6
5	Updation in the Nature of Costs and Expenses for Clients - Mangement Fees	11 (a)	19
6	Updation of the format and other contents of the Disclosure Document to be in conformity with the SEBI (Portfolio Managers) Regulation 2020	-	-









**ADVISORY  
SERVICES**

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