

Form C – Certificate by Principal Officer

Pursuant to Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

Nikunj Stock Brokers Limited

A-92, Ground Floor, Left Portion, Kamla Nagar, North Delhi – 110007

Phone: +91-9811322534

Email: info@nikunjonline.com

We confirm that:

- i. The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time.
- ii. The disclosures made in the document are true, fair, and adequate to enable the investors to make a well-informed decision regarding entrusting the management of their portfolio to us / investment through the Portfolio Manager.
- iii. The Disclosure Document has been duly certified by an independent Chartered Accountant

CA NAME: CA Sawan Kumar Verma

FIRM NAME: B S Saini & Associates

MEMBERSHIP NO.: 510368

ADDRESS: 75 A, J and K Pocket Dilshad Garden, Delhi-110095

DATE OF CERTIFICATION: 28/07/2026

For Nikunj Stock Brokers Limited

**PRAMOD
KUMAR
SULTANIA**

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SULTANIA
Date: 2026.07.28
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Mr. Pramod Kumar Sultania
Principal Officer

Place: New Delhi

Date: 28th July 2026



INDEPENDENT CHARTERED ACCOUNTANT'S CERTIFICATE

(Pursuant to Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)

To,
The Board of Directors
Nikunj Stock Brokers Limited
A-92, Ground Floor,
Kamla Nagar, Delhi – 110007

Independent Chartered Accountant's Certificate

We have been requested by management of **Nikunj Stock Brokers Limited** ('the Company'/'the Portfolio Manager') to certify the contents of Disclosure Document dated July 28, 2026 for portfolio management services of the Company which is prepared by the Company in accordance with the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the SEBI Regulations') and Para 4.1 of the Master Circular for Portfolio Managers dated July 16, 2025 and Format of 'Disclosure Document' for Portfolio Managers dated September 9, 2025 (herein after referred to as 'SEBI Regulations') issued by SEBI. We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI") and to the clients of the Company.

Management's Responsibility

The preparation of the Disclosure Document in accordance with the requirements of the SEBI PMS Regulations, the Master Circular for Portfolio Managers dated July 16, 2025, and other applicable circulars, guidelines and directions issued by SEBI from time to time is the responsibility of the management of the Portfolio Manager.

The management is also responsible for maintaining proper books of account, statutory records and internal controls necessary for the preparation of the Disclosure Document and for ensuring that the information contained therein is complete, accurate, consistent with the underlying records and in compliance with the applicable regulatory requirements.

Auditor's Responsibility

Our responsibility is to examine the Disclosure Document and issue this certificate in accordance with Regulation 22 of the SEBI PMS Regulations.

Our examination included verification of the financial information and other factual information contained in the Disclosure Document with the audited financial statements, books of account and other records produced before us. We have also reviewed such documents, records and explanations as we considered necessary for the purpose of issuing this certificate.

This engagement is neither an audit nor a review conducted in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Accordingly, we do not express an audit opinion or any other form of assurance on the Disclosure Document as a whole.

Certificate

Based on our examination and according to the information, explanations and representations provided to us, we certify that:

1. The Disclosure Document has been prepared in accordance with the requirements prescribed under Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, Paragraph 4.1 of the SEBI Master Circular for Portfolio Managers dated July 16, 2025 and other applicable SEBI circulars, guidelines and directions issued from time to time.
2. The financial information contained in the Disclosure Document has been derived from the audited financial statements of the Portfolio Manager and agrees with the books of account and records maintained by the Portfolio Manager, wherever applicable.
3. The factual disclosures contained in the Disclosure Document, to the extent verified by us from the records, documents and information produced before us, are consistent with such records.



4. Based on our examination and the information and explanations furnished to us, the Disclosure Document contains the disclosures required under the SEBI PMS Regulations and the applicable provisions of the SEBI Master Circular for Portfolio Managers.
5. We have relied upon the representations, explanations and information furnished by the management wherever independent verification was not considered necessary for the purpose of this certificate.

Limitations

Our work did not include verification of:

- future business plans, projections or forecasts;
- expected investment performance or returns;
- commercial merits of the Portfolio Management Services;
- appropriateness of investment strategies or investment approaches;
- adequacy or effectiveness of internal financial controls or operational controls; or
- matters requiring technical, legal or actuarial expertise.

Accordingly, we express no opinion on the above matters.

This certificate should not be construed as certifying the profitability, financial viability or future performance of the Portfolio Manager or any investment approach offered by it.

Restriction on Use

This certificate has been issued solely for the purpose of complying with Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 read with Paragraph 4.1 of the SEBI Master Circular for Portfolio Managers dated July 16, 2025 in connection with the filing and use of the Disclosure Document.

This certificate may be included as part of the Disclosure Document furnished to SEBI and prospective clients of the Portfolio Manager in accordance with the applicable SEBI Regulations. It should not be used, referred to or relied upon for any other purpose or by any other person without our prior written consent.

For **B S Saini & Associates**
Chartered Accountants
Firm Registration No.:023359N

SAWAN
KUMAR

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KUMAR
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CA Sawan Kumar Verma
Partner
Membership No.: 510368
UDIN: **26510368ZSGFAH8441**
Place: Delhi
Date: 28-July-2026

Disclosure Document



NIKUNJ STOCK BROKERS LIMITED

CIN: U74899DL1994PLC060413

SEBI REGISTERED PORTFOLIO MANAGER

SEBI Registration No. INP000010070 dated 04th June 2026

Registered Office: A-92, Ground Floor, Kamla Nagar, Delhi – 110007

Correspondence Office: 105, New Delhi House, Barakhamba Road, New Delhi-110001

Disclosure Document for Portfolio Management Services offered by Nikunj Stock Brokers Limited

1. This Document has been filed with the Securities & Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.
2. The purpose of this Document is to provide essential information about the Portfolio Management Services in a manner to assist and enable the investors in making informed decisions for engaging a Portfolio Manager.
3. The necessary information about the Portfolio Manager required by an investor before investing is provided in this Document. Investors are advised to retain the Document for future reference.
4. The name, phone number, and e-mail address of the Principal Officer designated by the Portfolio Manager:

Name	Mr. Pramod Kumar Sultania
Phone No.	+91-9811322534
E-mail Address	pramodsultania@nikunjonline.com
Contact email ID for PMS	pmsinfo@nikunjonline.com

Investors should carefully read the entire document before making an investment decision and should retain the document for future reference.

Date: 28th July 2026

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PART I - Static Section:

1. Disclaimer Clause

This Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 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 this Document.

The distribution of this Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about and to observe any such restrictions.

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2. Definitions

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

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

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

4. “**Advisory Services**” means advising on the portfolio approach, investment and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.
5. “**Agreement**” or “**Portfolio Management Services Agreement**” or “**PMS Agreement**” means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.
6. “**Applicable Law/s**” means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.
7. “**Assets Under Management**” or “**AUM**” means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
8. “**Associate**” means (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either

individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.

9. **“Benchmark”** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.
10. **“Board”** or **“SEBI”** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
11. **“Business Day”** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.
12. **“Client(s)”** / **“Investor(s)”** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
13. **“Custodian(s)”** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
14. **“Depository”** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
15. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
16. **“Direct on-boarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.
17. **“Disclosure Document”** or **“Document”** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
18. **“Distributor”** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).
19. **“Eligible Investors”** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.
20. **“Fair Market Value”** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
21. **“Foreign Portfolio Investors”** or **“FPI”** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
22. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the following year.
23. **“Funds”** or **“Capital Contribution”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and

- interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
24. **“Group Company”** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.
 25. **“HUF”** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
 26. **“Investment Approach”** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.
 27. **“IT Act”** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
 28. **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
 29. **“Non-resident Investors”** or **“NRI(s)”** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.
 30. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
 31. **“NISM”** means the National Institute of Securities Markets, established by the Board.
 32. **“Person”** includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
 33. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.
 34. **“Portfolio Manager”** means Nikunj Stock Brokers Ltd., a company incorporated under [the Companies Act, [2013/1956] / the Limited Liability Partnership Act, 2008], registered with SEBI as a portfolio manager bearing registration number INP000010070 and having its registered office at A-92, GF, Kamla Nagar, Delhi-110007.
 35. **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
 - (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and (ii) all other operations of the Portfolio Manager
 36. **“Regulations”** or **“SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
 37. **“Related Party”** means –
 - (i) a director, partner or his relative;

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

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

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

Provided that,

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

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

3. Description

i. History, Present Business and Background of the Portfolio Manager

Nikunj Stock Brokers Limited ("NSBL") is a public limited company incorporated on 21st July 1994, having its registered office at A-92, Ground Floor, Left Portion, Kamla Nagar, North Delhi – 110007. The Company is registered with the Securities and Exchange Board of India (SEBI) as a Portfolio Manager vide Registration No. INP000010070, with effect from 4th June 2026.

NSBL is an SEBI registered Stock & Share Broker in the Capital Market, Equity Derivatives, Commodities Derivatives and Currency Derivatives segments. The Company is also a Depository Participant of NSDL & CDSL. NSBL has also giving market-making services for SME IPO and broking services in Takeover Offers & Offer for Sale. NSBL is now offering Discretionary Portfolio Management Services (PMS) to High Net worth Individuals (HNIs) and corporate clients, who are resident Indians and NRI/PIOs, for investment into the listed equity market in India, in accordance with the rules and regulations laid down by SEBI and the Reserve Bank of India (RBI).

ii. Promoters, Directors, and Their Background

Name	Designation	Qualification / Experience
Mr. Pramod Kumar Sultania	Managing Director & CEO	Mr. Pramod Kumar Sultania has more than 48 years of experience and has done M.Com
Ms. Sangeeta Sultania	Whole-Time Director	Ms. Sangeeta Sultania has done B.Com and have over a 40 decade experience.
Mr. Yash Sultania	Director	Mr. Yash Sultania is an entrepreneur and has done B.Tech and Master of Finance & Control (MFC)

iii. Top Group Companies / Firms (Turnover Basis)

Sr.No.	Group companies name	Turnover F.Y 24-25 (INR)
1	Sultania Securities Private Limited	37,04,414
2	Budget Builders & Engineers Pvt. Ltd.	35,34,195
3	Nikunj Financial Services Limited	26,01,233

iv. Details of Services Being Offered

NSBL offers Discretionary Portfolio Management Services to HNIs and corporate clients who are resident Indians and NRI/PIOs, for investment in the listed equity markets in India. For more details, refer Section 5 — Services Offered.

4. Penalties, Pending Litigation or Proceedings, Findings of Inspection or Investigations

There are no penalties, pending litigation or proceedings, findings of inspection or investigations against NSBL or its directors, principal officer, or employees by any regulatory authority.

5. Services Offered

i. Investment Objectives and Policies

Discretionary Portfolio Management Services

Under Discretionary Portfolio Management Services, the Portfolio Manager exercises sole and absolute discretion as to the investment of funds and the management of the portfolio of securities of the client. The client may provide informal guidance on investment preferences; however, all investment decisions, including the choice of securities and the timing of transactions, rest entirely with the Portfolio Manager. The Portfolio Manager's decisions, taken in good faith, are absolute and final and shall not be open to review except on grounds of mala fide intent, fraud, conflict of interest, or gross negligence. These rights shall be exercised strictly in accordance with the Regulations.

NSBL offers the following product under Discretionary Services:

All Weather Growth Fund (Strategy – Equity)

- The primary investment objective is to generate capital appreciation over the medium to long term by investing predominantly in equity and equity-related instruments of companies listed on Indian stock exchanges.
- The portfolio will follow a bottom-up emerging approach to stock selection, focused on identifying high-quality companies with strong fundamentals and good corporate governance.
- The portfolio manager will invest across market capitalisation segments — large-cap, mid-cap, small-cap and micro-cap — and will consider all relevant risks while constructing the portfolio.
- Portfolios are expected to be reasonably concentrated, with an average of 20–35 stocks, providing meaningful diversification while ensuring significant exposure to high-conviction ideas.
- Permitted ancillary/tactical investments: For liquidity management, tactical allocation, or defensive positioning, or pending deployment into equities, the Portfolio Manager may invest a portion of the portfolio in money market instruments, debt securities, debt-oriented mutual fund schemes, liquid/overnight funds, and other variable securities as permitted under the SEBI (Portfolio Managers) Regulations, 2020 and any amendments thereto.

ii. Investment Approach

The investment approach is centered on the following principles:

a) Research-focused: Investment decisions and recommendations are driven by in-depth fundamental research on companies across sectors.

b) Bottom-up selection: Focus on individual company quality — valuation, strategy, financials, management track record, and promoter holding — while also considering micro and macro-economic context.

c) Long-term horizon: The portfolio is designed to generate returns over a medium to long-term investment horizon, generally 3 to 5 years.

d) Portfolio Diversification: The portfolio aims to maintain optimal diversification — avoiding excessive concentration while ensuring meaningful exposure to high-conviction positions.

iii. Investment Pattern

Parameter	Limit
Equity Shares and IPO participation	0% – 100%
Minimum number of stocks	10
Maximum number of stocks	35
Maximum allocation per stock (at time of investment)	15% of portfolio
Maximum allocation per sector (at time of investment)	40% of portfolio

iv. Policy for Investments in Associates / Group Companies

NSBL does not invest any portion of its clients' funds in associate or group companies of the Portfolio Manager.

v. Benchmark

The performance of client portfolios under the Discretionary Services will be benchmarked against the SENSEX 500 Total Return Index (TRI). The SENSEX 500 TRI is chosen as it represents a broad, diversified basket of diversified across sector and Market cap of 500 companies listed on BSE, covering major sectors of the Indian economy, and is widely understood and tracked by investors.

6. Risk Factors

A. General Risks Factors

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

B. Risk associated with equity and equity related instruments

- (10) Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.
- (11) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading

volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.

- (12) Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

C. Risk associated with debt and money market securities

(13)Interest Rate Risk

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

(14)Liquidity or Marketability Risk

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

(15)Credit Risk

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

(16)Reinvestment Risk

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

D. Risk associated with derivatives instruments

- (17) The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.
- (18) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate

controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

E. Risk associated with investments in mutual fund schemes

- (19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.
- (20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.
- (21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.
- (22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.
- (23) The Portfolio Manager shall not responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- (24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- (25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- (26) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

F. Risk arising out of non-diversification

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

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

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

7. Nature of Expenses

The following are indicative types of costs and expenses for clients availing Portfolio Management Services. The exact basis of charge for each service shall be set out in the Client Agreement executed at the time of onboarding.

a) Management Fees and Performance Fees

Management Fees and Performance Fees for Discretionary Services may be structured as a fixed charge, a percentage of the quantum of funds managed, a fee linked to portfolio returns achieved, or a combination of any of these, as agreed by the client in the Client Agreement.

- The Management Fee charged shall not exceed 2% per annum of the Asset Under Management (AUM).
- The Performance Fee / Profit Sharing Fee shall be computed on the basis of the High-Water Mark (HWM) principle over the life of the investment and shall not exceed 20% of the profit over the High-Water Mark.

High Water Mark Principle: The High-Water Mark shall be the highest NAV/portfolio value achieved. Performance fees shall be charged only on the increase in portfolio value in excess of the previously achieved High Water Mark. Performance fees shall be charged annually or upon the early termination of the client's account.

b) Custodian and Fund Accounting Fees

Head	Axis Bank Ltd.
Fund Accounting Service	0.015% p.a. on the value of securities held under custody
Custody Service	0.015% p.a. on the value of securities held under custody

c) Brokerage and Transaction Costs

Brokerage and other charges such as stamp duty, transaction costs, STT, exchange turnover charges, and other statutory levies applicable on purchase and sale of securities will be charged on actuals. NSBL may use its own broking desk (self) for execution and that the rate charged to self cannot exceed what's charged by non-associate brokers for the same service. Nikunj Stock Brokers (NSBL) will not be charging any brokerage but it will be charging DPAMC @ Rs 260 p.a. and DP transaction charges @ Rs 15 per debit transaction.

d) Certification and Professional Charges

Charges payable for professional services including accounting, taxation, legal, notarisation, attestation, etc. will be charged on actuals.

f) Registrar and Transfer Agent Fees

As on the date of this Disclosure Document, no Registrar and Transfer Agent has been appointed. Applicable charges will be disclosed upon appointment.

All fees and charges shall be levied on the actual amount of clients' AUM. In case of interim contributions or withdrawals, performance fees shall be charged after appropriately adjusting the High-Water Mark on a proportionate basis. All fees mentioned above are pre-tax; applicable taxes shall be levied additionally.

8. Taxation

A. General

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

B. Tax deducted at source

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

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

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

C. Long term capital gains

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

Period of Holding

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

Securities	Position upto 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than twelve (12) months	More than twelve (12) months	Long-term capital asset
	Twelve (12) months or less	Twelve (12) months or less	Short-term capital asset
Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term capital asset
	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or	More than Thirty-six (36) months	More than twenty-four (24) months	Long-term capital asset

after 1 April 2023; or unlisted bond or unlisted debenture)	Thirty-six (36) months or less	Twenty-four (24) or less	Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months		Long-term capital asset
	36 months or less	Any period	Short-term capital asset

- **Definition of Specified Mutual Fund:**

“Specified Mutual Fund” means, —

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

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

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

- **Definition of Market Linked Debenture:**

“Market Linked Debenture” means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.

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

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

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

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

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

Specifically in case of long-term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the “indexed COA” (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher

than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

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

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

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

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

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

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

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

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

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

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

Short term capital gain

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

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

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

Profits and gains of business or profession

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

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

Losses under the head capital gains/business income

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

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

General Anti Avoidance Rules (GAAR)

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) below mentioned tainted elements:

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

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

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

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

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

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

FATCA Guidelines

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

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

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

Goods and Services Tax on services provided by the portfolio manager

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

9. Accounting Policies

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

A. Client Accounting

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

B. Recognition of portfolio investments and accrual of income

- (7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.
- (8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- (9) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
- (10) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- (11) Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.
- (12) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.
- (13) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

C. Valuation of portfolio investments

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

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

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

10. Investor Services

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

Name	Mr. Khush Banthia
Address	A-92, Ground Floor, Left Portion, Kamla Nagar, North Delhi – 110007
Phone	+91-8209479124
Email	khushbanthia@nikunjonline.com

2) Grievance redressal and dispute settlement mechanism. Any disputes, service requests and grievances, if any, that may arise in relation to the portfolio management services of the Portfolio Manager shall be redressed through the administrative mechanism by the designated Compliance Officer, namely Mr. Sandeep Saraf and subject to the Regulations. The Compliance Officer will endeavor to address such grievance in within the time period as prescribed under the Regulations. The co-ordinates of the Compliance Officer are provided as under:

Compliance Officer

Name	Ms. Monika
Address	A-92, Ground Floor, Left Portion, Kamla Nagar, North Delhi – 110007
Phone	+91-8700240043
Email	complianceofficer@nikunjonline.com

If the Client still remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, the Client and the Principal Officer shall abide by the following mechanisms:

The client shall first take up their grievance with the Portfolio Manager by lodging a complaint directly with the concerned Principal Officer.

If the grievance is not redressed satisfactorily, the client may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. SCORES is available at <https://scores.sebi.gov.in>. After exhausting these options for resolution of the grievance, if the investor/client is still not satisfied with the outcome, they can initiate dispute resolution through the ODR Portal. The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in SCORES guidelines or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law. The process on Online Dispute Resolution Mechanism is available at <https://smartodr.in/login>

11. Details of Diversification Policy of the Portfolio Manager

This policy has been laid down to ensure the risk is spread across different asset classes, issuers and time horizon within the framework laid down in the specific investment approach. The Portfolio Manager follows a rule-based approach to investments. In this approach, Securities are eliminated by analyzing past data and selected based on rules / bottom-up research approach. This results in a well diversified portfolio with broad based caps for weightages on individual stocks as well as sector. The Portfolio Manager shall periodically review the portfolios to maintain appropriate portfolio mix depending upon investment goals, market conditions, risk tolerance and liquidity requirement to ensure diversification and meet long term goals. However, the Clients need to understand that too much diversification require large capital investment and may also lead to losses. Further, portfolio churning for achieving diversification may not be effective on a long term basis in achievement of investment goals. Accordingly, diversification shall be undertaken while balancing risk and return to achieve desired results in achieving investment goals.

The Portfolio Manager follows a diversified investment approach as described in Section 5 above.

Part-II Dynamic Section

12. Client Representation

i. Details of Client Accounts Activated

Since NSBL received its SEBI PMS registration on 4th June 2026. Accordingly, historical client account data for the preceding three financial years is not available. The same will be disclosed in subsequent updates to this Disclosure Document.

Category of Clients	Total No. of Clients	Funds Managed (INR Cr.)	Type of Service
Associates/Group Companies	NIL	NIL	NA
Others (last 3 years)	NIL	NIL	NA
Total	NIL	NIL	NA

ii. Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.

	Particulars		Amount in INR	
			FY 2024-25	FY 2023-24
1)	Transactions during the year			
i	<i>Brokerage Income</i>			
	<i>Holding company</i>			
	Nikunj Financial Services Limited		266,063	409,308
	Associates:			
	Budget Builders & Engineers Pvt. Ltd.		266,792	404,126
	Sultania Securities Private Limited		263,042	355,814
ii	<i>Managerial Remuneration</i>			
	Key Managerial Personnel			
	Parmod Kumar Sultania		2,400,000	1,585,100
	Sangeeta Sultania		2,400,000	1,585,100
iii	Rent			
	Sangeeta Sultania		1,680,000	1,664,000
	<i>Advances (unsecured) from Directors</i>			
	<i>Sh. Pramod Kumar Sultania</i>			
	<i>Opening Balance</i>		-	-
	<i>Advances received during the year</i>		400,000	4,800,000
	<i>Advance repaid during the year</i>		400,000	4,800,000
	Closing Balance payable/(receivable)		-	-
	<i>Smt. Sangeeta Sultania</i>			
	<i>Opening Balance</i>		-	-

	<i>Advances received during the year</i>		1,550,000	4,800,000
	<i>Advance repaid during the year</i>		1,550,000	4,800,000
	Closing Balance payable/(receivable)		-	-
	<i>Advances unsecured from Holding Company</i>			
iv	<i>Interest paid</i>			
	<i>Holding company</i>			
	Nikunj Financial Services Limited		-	224,766
	Associates:			
	Budget Builders & Engineers Pvt. Ltd.		-	232,057
	Sultania Securities Private Limited		-	287,881

A. Managerial Remuneration:

Amount in INR				
Particulars		AS AT 31.03.2025		AS AT 31.03.2024
Salaries Bonus and Allowances		4,800,000		3,170,200
Total		4,800,000		3,170,200

13. Financial Performance

Audited financials for the last 3 years of NSBL (in INR)

Financial Year	2022-23	2023-24	2024-25
Income	306,385,932	647,007,029	677,360,176
Expenditure	265,189,574	604,043,970	608,568,861
Profit before tax	41,196,359	42,963,060	68,791,316
Profit/(loss) after tax	30,274,559	30,679,116	51,181,164

14. Performance of Portfolio Manager

Since NSBL received its SEBI PMS registration on 4th June 2026 and has not commenced PMS operations yet, there is no PMS performance history available to disclose at this time, as required under Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020, will be disclosed in the next annual update of this Disclosure Document.

15. Audit Observations

Portfolio Manager commenced operations pursuant to SEBI Registration dated 04 June 2026. Accordingly, there are no audit observations relating to Portfolio Management Services for the preceding three financial years.

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

No investments in the securities of related parties of the portfolio manager.

For Nikunj Stock Brokers Limited

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KUMAR
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Date: 2026.07.28 11:38:07
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Managing Director

For Nikunj Stock Brokers Limited

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Date: 2026.07.28
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WT Director

Date: 28/07/2026

Place: Delhi