



# Arth Portfolio Management Private Limited

## Disclosure Document

*For Portfolio Management Services*

**SEBI Registration No:** INP000008552

**Principal Officer:** Mr. Niraj Bardia

**Our Address:** 408, Happy Hallmark Shoppers,  
Vesu Main Rd, Vesu, Surat, Gujarat.

**Website:** [www.arth-india.com](http://www.arth-india.com)



**PORTFOLIO MANAGEMENT SERVICES  
DISCLOSURE DOCUMENT  
OF  
ARTH PORTFOLIO MANAGEMENT PRIVATE LIMITED  
(SEBI REGISTRATION No.: INP000008552)**

(As per the requirement of the Fifth Schedule under Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020)

***Key Information***

- The Disclosure Document (hereinafter referred to as the 'Document') has been filed with the Securities & Exchange Board of India ('SEBI') along with the certificate in the prescribed format in terms of the SEBI (Portfolio Managers) Regulations, 2020.
- The purpose of the Document is to provide essential information about the Portfolio Management Services ('Services') in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.
- The Document gives the necessary information about the Portfolio Manager required by an investor before investing, and hence, the investor may be advised to retain the document for future reference. The Disclosure Document is available on the website.
- The investor should read the Disclosure Document carefully prior to making a decision to avail of the services.
- This Disclosure Document is dated updated on 28.10.2024 (Financial data of the Portfolio Manager considered up to March 31, 2024)

**Principal Officer:**

**Mr. Niraj Bardia**

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**Portfolio Manager:**

**Arth Portfolio Management Private Ltd**

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## 1) DISCLAIMER CLAUSE

The Disclosure 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 the Document.

## 2) DEFINITIONS

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

1	<b>“Act”</b>	The Securities Exchange Board of India Act, 1992.
2	<b>“Agreement” or “Portfolio Management Services Agreement”</b>	The agreement executed between the Portfolio Manager and its Clients in terms of Regulation 14 and Schedule IV of the Regulations.
3	<b>“Body Corporate”</b>	Body Corporate shall have the meaning assigned to it under sub-section (11) of section 2 of the Companies Act 2013.
4	<b>“Client” or “Investor”</b>	Client/Investor means any person who enters into an agreement with the Portfolio Manager for availing the Portfolio Management Services.
5	<b>“Custodian”</b>	Custodian means Custodian / Depository Participants may be appointed by the Portfolio Manager, from time to time, for Custody of Securities of the Client and to perform such other functions like keeping track of corporate benefits associated with the Securities, etc.
6	<b>“Depository”</b>	Depository as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
7	<b>“Disclosure Document”</b>	Disclosure Document means this document issued by the Portfolio Manager for offering the Services and prepared in terms of Schedule V of the Regulations, as amended from time to time.
8	<b>“Equity and Equity Related Securities”</b>	Equity shares, Convertible bonds and debentures, convertible preference shares, equity warrants, equity derivatives, FCCBs, equity mutual funds and any other like instrument.



9	<b>“Funds”</b>	The monies managed by the Portfolio Manager on behalf of a 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.
10	<b>“Portfolio”</b>	Securities and/or Funds managed by the Portfolio Manager on behalf of the Client pursuant to the Portfolio Management Services Agreement and includes any Securities and/or funds mentioned in the account opening form, any further Securities and/or funds placed by the Client with the Portfolio Manager for being managed pursuant to the Portfolio Management Services Agreement, Securities or other realization of the portfolio acquired by the Portfolio Manager through investment of Funds and bonus, dividends or other receipts and rights in respect of Securities forming part of the portfolio, so long as the same is managed by the Portfolio Manager under the Portfolio Management Services Agreement.
11	<b>“Portfolio Manager”</b>	“Portfolio Manager ( <b>PM</b> ) means Arth Portfolio Management Private Limited
12	<b>“Principal Officer”</b>	Officer of the Portfolio Manager who is responsible for the activities of Portfolio Manager and has been designated as principal officer by the Portfolio Manager as required by the Regulations.
13	<b>“Regulations”</b>	The Regulations mean Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended from time to time.
14	<b>“Related Party”</b>	Related Party means (i) a director, partner or his relative; (ii) 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;



		<p>(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;</p> <p>(viii) any body corporate which is—</p> <p>(A) a holding, subsidiary or an associate company of the portfolio manager; or</p> <p>(B) a subsidiary of a holding company to which the portfolio manager is also a subsidiary;</p> <p>(C) an investing company or the venturer of the portfolio manager;</p>
15	<b>“Securities”</b>	<p>“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.</p>
15	<b>“Services”</b>	<p>Services means the Discretionary Portfolio Management Service provided by the Portfolio Manager exercising its sole and absolute discretion to invest in respect of the Client’s account in any type of Security as per an Agreement relating to Portfolio Management and to ensure that all benefits accrue to the Client’s Portfolio, for an agreed fee structure and for a definite period as agreed, entirely at the Client’s risk.</p>

The terms and expressions not herein defined shall, where the interpretation and meaning have been assigned to them in terms of the SEBI Act, 1992 or the relevant regulations framed there under, Depositories Act, 1996, the Companies Act, 2013 and the General Clauses Act, 1897, have that interpretation and meaning.

### 3) DESCRIPTION

#### (i) History, Present Business and Background of the Portfolio Manager

- Arth Portfolio Management Private Limited has been promoted by Niraj Bardia, Investment Advisor and Nikita Bardia, who have over 10 years of experience, in the financial services industry.
- Niraj Bardia was engaged in SEBI registered Investment Advisory service and had previously worked as equity research analyst at ICICI Prudential Mutual Fund and Multi-Act Equity Consultancy Pvt Ltd.
- In August 2023, the promoters resolved to setup a portfolio management services (PMS) company and an application seeking the PMS license was filed with the regulator which was subsequently approved on January 23, 2024 vide registration number INP000008552.



- The company was incorporated on 14<sup>th</sup> September 2023 having Corporate Identity Number (CIN) U66190GJ2023PTC144661 and has its registered office at 408, Happy Hallmark Shoppers, Vesu Main Road, Vesu, Surat, Gujarat 395007.

## (ii) Promoters of the Portfolio Manager, Directors and their Background

The promoters of Arth Portfolio Management Pvt Ltd are Mr. Niraj Bardia and Mrs. Nikita Bardia.

- Brief details about the promoters of the company:
  - Arth's founder and managing director, Mr. Niraj Bardia is a qualified Chartered Accountant and a Chartered Financial Analyst (USA) with over ten years of post-qualification experience.
  - He started his career as an equity research analyst at ICICI Prudential Mutual Fund and later joined Multi-Act Equity Consultancy Pvt Ltd, a boutique portfolio management firm managing assets in excess of Rs 1,000 crores, as a research analyst.
  - In August 2018 he founded his own investment advisory firm with the objective of creating long-term oriented equity-only investment portfolios for his advisory clients.
  - The other promoter, Mrs. Nikita Bardia, is a commerce graduate and has over seven years of experience in the compliance & secretarial services domain.

## (iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis

Arth Portfolio Management Private Limited does not have any group company / firm.

## (iv) Details of Services being offered by the Portfolio Manager

### - Discretionary Portfolio Management Services

Under this service, the Portfolio Manager will exercise sole and absolute discretion as to investment and/ or management of the Portfolio of Securities and the Funds placed by the Clients in terms of the Agreement executed with each Client.

The decision of Portfolio Manager (with due care and in good faith) in deployment of the Clients' Portfolio is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except on the ground of proven fraud, conflict of interest or gross negligence.



### - Advisory Services

The Portfolio Manager will also provide Advisory Portfolio Management 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 strategy and investment and divestment of individual securities on the client's portfolio, for an agreed fee structure and for a definite period, entirely at the Client's risk.

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

### - Direct onboarding of clients

Pursuant to SEBI Master Circular No. SEBI/HO/IMD/IMD-POD-1/P/CIR/2023/38 dated March 20, 2023, Clients have an option to enter into an Agreement with the Portfolio Manager directly, without intermediation of persons engaged in distribution services. At the time of on-boarding of Clients directly, no charges except statutory charges will be levied.

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

(i)	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Regulations made thereunder.	NO
(ii)	The nature of the penalty/direction.	N.A
(iii)	Penalties imposed for any economic offence and/or for violation of any Securities laws.	NO
(iv)	Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.	NO
(v)	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency.	NO
(vi)	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 Regulations made thereunder.	NO





## 5) SERVICES OFFERED

(i) The details of the services offered are as below.

The Portfolio Manager provides services based on the mandate of the Client and subject to the scope of investments as agreed upon between the portfolio manager and the Client in the Agreement.

Investment Objective: Investing with a business owner like mindset and adopting a long-term focussed investment philosophy towards wealth creation.

### **Asset Classes generally considered for deployment of investment amount:**

The Portfolio Manager shall invest the client's funds in capital and money market instruments or in fixed income securities in accordance with the Agreement and as permitted under the Regulations including:

- (a) Listed and unlisted equity and equity related securities, convertible stock and preference shares of Indian companies;
- (b) Government Securities;
- (c) Money Market Instruments;
- (d) Units of Mutual Funds and Exchange Traded Funds (ETFs)
- (e) Any other securities as mentioned in the definition of securities and as permitted under SEBI Regulations from time to time.

(ii) Investment Approaches of the Portfolio Manager

Name of the strategy: Long Term Owner's Approach

1. Investment objective – Investing with a business owner like mindset and adopting a long-term focussed, investment philosophy towards wealth creation.
2. Types of securities – Predominantly investments will be into equities. The idle funds will be temporarily parked into liquid and other debt mutual fund schemes, REITs / InvITs and fixed income instruments provided by the scheduled commercial banks.
3. Stock selection – It invests across all sectors. Investments are selected based on four criteria: Will the company be around and flourishing in ten or more years' time? Is the company building a long-term competitive advantage? Does the management set the right example? And is the price attractive? If all four criteria's, in sum, are satisfactorily met, the fund manager will buy with the intention to own for a long period i.e. till the time these conditions remains fulfilled.
4. Portfolio allocation – Portfolio will remain highly concentrated with equity allocation generally distributed amongst seven to fifteen stocks. At times it may hold fewer than seven stocks if investment opportunities become hard to come-by and it makes sense to patiently wait or capitalise on existing portfolio holdings. Idle funds will be parked in liquid funds / REITs/ InvITs and the likes.



5. Benchmark – S&P BSE 500 TRI
6. Investment horizon – Over and above five years
7. Risks associated with investment approach Given the concentrated nature of the portfolio it may: 1) witness higher volatility versus the broader market 2) deliver results which are uncorrelated with the market in general which also includes the chances of underperforming the market especially over shorter time frames.
8. Other features- A) Scheme will charge a nominal fixed fee and have a high hurdle for charging performance fees such that to earn industry standard fund management fees, it will have to first deliver above average results for the clients. B) The company will invest substantial portion of its liquid financial networth in the PMS scheme alongside his clients following the principle of 'skin in the game'. Portfolio manager having significant portion of its own funds invested in the scheme demonstrates the willingness to link its financial well-being with that of the clients.

(iii) The policies for investments in associates / group companies of the Portfolio Manager and the maximum percentage of such investments therein subject to the applicable laws/ regulations/guidelines.

The Portfolio Manager does not have any associates and group companies.

## 6) RISK FACTORS

- (i) Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the Services will be achieved.
- (ii) Past performance of the portfolio manager does not indicate its future performance.
- (iii) Investment decisions made by the Portfolio Manager may not always be profitable. The Portfolio Manager does not offer any guarantee / assured returns.
- (iv) 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 scrip's accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- (v) Prospective Clients should review / study this Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions



relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of the Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their Portfolio before authorizing the Portfolio Manager to make an investment on their behalf.

- (vi) The investments made are subject to external risks such as war, natural calamities, and policy changes of local / international markets which affect stock markets.
- (vii) The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the Portfolios.
- (viii) Risk arising from the investment objective, investment strategy and asset allocation - The investment according to the 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 an 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.
- (ix) 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.
- (x) Equity and Equity Related Risks: Equity risk is the risk that one's investments will depreciate because of stock market dynamics causing one to lose money. Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Cash in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
- (xi) 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.
- (xii) 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.



- (xiii) Interest Rate Risk: This is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate / depreciate if the interest rates fall / rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.
- (xiv) 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 situations the Clients may suffer opportunity loss.
- (xv) Equity and Equity Related Securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the Portfolio may be restricted by trading volumes and settlement periods.

## 7) CLIENT REPRESENTATION

The company got registered as a Portfolio Manager on January 23, 2024 and started the PMS operations in April 2024.

(Rs. in crores)

Categories of client	No. of Clients	Asset under management	Discretionary / Non-Discretionary (if available)
Associates / group companies (as on 30.09.2024)	-	-	-
Others (as on 30.09.2024)	23	31.14	31.14
Total	23	31.14	31.14

### **(ii) Complete Disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.**

Details of related party transactions as on March 31, 2024:

Particulars	Amount (in Rs)
Loan taken from Directors (net)	39,35,781
Remuneration paid to Directors	10,80,000



**Disclosure of the details of investment of clients' funds in the securities of associates / related parties:**

The Company does not have any associates / related parties where the client's funds will be invested.

**8) FINANCIAL PERFORMANCE OF PORTFOLIO MANAGER**

The Company was incorporated on 14<sup>th</sup> September 2023 and got registered as a Portfolio Manager on January 23, 2024.

Particulars	*FY 2024 (Rs. In Lakhs)
Gross Income	27.57
Expenses	27.58
Profit / (Loss) before Tax	(.01)
Tax Expenses	3.05
Profit / (Loss) after Tax	(3.06)
Equity Capital	10.00
Free Reserves	619.19
Net Worth	629.06

\* based on the audited financials

**9) PERFORMANCE OF THE PORTFOLIO MANAGER**

The Company got registered as a Portfolio Manager on January 23, 2024. However, the PMS operations started in April 2024.

Data as on September 30, 2024

Performance (in CAGR)	1 Month	3 Month	6 Month
Strategy (Long Term Owner's Approach)	-8.61%	0.85%	19.33%
Benchmark (S&P BSE 500 TRI)	2.09%	7.65%	20.20%

**10) AUDIT OBSERVATIONS (FOR THE PRECEDING 3 YEARS)**

The Company got registered as a Portfolio Manager on January 23, 2024.

There are no adverse observations by the auditor for FY 23-24.

**11) NATURE OF EXPENSES (indicative)**

The following are indicative types of costs and expenses for clients availing the Portfolio Management services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements.



### 11.1 - Portfolio Management Fees

Professional charges relate to the Portfolio management services offered to clients. The fee may be a fixed charge or a fixed percentage of the quantum of funds managed and may be return/ performance based or a combination of any of these, as agreed by the clients in the Client Agreement.

### 11.2 - Custodian/Depository Fees

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

### 11.3 - 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.

### 11.4 - Brokerage and transaction costs

The brokerage charges and other charges like statutory charges, turnover tax, exit and entry loads on the redemption of portfolio, bonds, debt, deposits, units and other financial instruments. All the investments / disinvestments by the portfolio manager will be made by using its own broking services and other external brokers.

### 11.5 - Certification and professional charges

Charges payable for outsourced professional services like accounting, taxation and legal services, notarizations, etc. for certifications, attestations required by bankers or regulatory authorities, audit fees paid to independent Chartered Accountants to get the individual client accounts audited under regulation.

### 11.6 - Incidental Expenses

Charges in connection with the courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank accounts etc.

### 11.7 - Exit Load – There will be no exit load.

11.8 - Account opening charges – The charges will be in connection with franking, notary and other expenses.



## 12) TAXATION

The Client shall be liable for all tax liabilities arising out of his investments in Securities and availing services hereunder. Income arising from the purchase and sale of securities under Portfolio Management Services can give rise to either capital gains or business income in the hands of the client. The issue of characterisation of income is relevant as the income tax computation and rates differ in the two situations.

**Income Tax:** Under the portfolio management service, responsibility of the income tax payment on the income earned from PMS activities is on the investors. The Portfolio Manager will provide adequate statements required for the accounting purpose.

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

**Short Term Capital Gain Tax:** Short-Term Capital Gain Tax is the tax that is levied on the proceeds earned through the sale of shares within one year of purchase date for assets being shares in a company or any other security listed on a recognised stock exchange in India i.e. equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero-coupon bonds.

**Long Term Capital Gain Tax:** Long-Term Capital Gain Tax is the tax that is levied on the proceeds earned through the sale of shares after one year of purchase date for assets being shares in a company or any other security listed on a recognised stock exchange in India i.e. equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero-coupon bonds.

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

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

In view of the nature of tax consequences the Client is best advised to consult his / her / their tax advisor /consultant for appropriate advice on tax treatment. The Portfolio Manager shall not be responsible for assisting in or completing the fulfilment of the client tax obligations.





### 13) ACCOUNTING POLICIES

- (i) Accounting is done on accrual basis under the historical cost convention method.
- (ii) Investments in equity/preference shares, units of mutual funds and corporate bond/debentures are stated at cost of acquisition. Provision is created for investments which are considered as doubtful of recovery.
- (iii) Dividend income earned by the Portfolio shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on the stock exchange, dividend income would be recognized on the date of declaration of dividend. In case of listed securities, the dividend receivable from such securities in which the portfolio has invested if directly credited to the client's mandated bank account and is not reinvested in the portfolio, the same is disclosed as an outflow entry in the portfolio on a periodic basis.
- (iv) In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned.
- (v) Investments in listed and traded securities will be valued at last quoted closing price on The National Stock Exchange ("NSE") or The Bombay Stock Exchange ("BSE"). If no trade is reported on the stock exchange on a particular valuation date, securities shall be valued at the last available closing price on NSE or BSE, when it was traded.
- (vi) Bonus shares to which the portfolio becomes entitled shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Accordingly, date of recognition of bonus shares is construed as date of acquisition for the purpose of computing short term/ long-term capital gain. Rights entitlements shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-right basis. Upon application made for rights shares, entitled quantity is recognised as purchase on the date of application. Additional shares applied, if any, is recognised upon allotment.
- (vii) Management Fees, custody fees, accounting charges, audit fees, Registrar and Transfer Agent charges and other charges are recognized /accrued in accordance with the Agreement. Securities Transaction Tax (STT) is recognized on the trade day when the securities are accounted for on which such Securities Transaction Tax is levied.
- (viii) Investments in units of mutual funds will be valued at the NAV declared and available on the Association of Mutual Funds in India (AMFI) or by respective Fund house for the relevant Scheme.

### 14) INVESTOR SERVICES

- (i) Details of the investor relation officer who shall attend to the investor queries and complaints.**





**Name:** Niraj Bardia

**Designation:** Principal Officer

**Address:** 408, Happy Hallmark Shoppers, Vesu Main Rd, Vesu, Surat, Gujarat - 395007

**Telephone:** +91-8976681086

**Email id:** [niraj@arth-india.com](mailto:niraj@arth-india.com)

**(ii) Grievance redressal and dispute settlement mechanism.**

1. Any grievance and dispute arising in connection with the services of the Portfolio Manager shall to the extent possible be settled amicably between the parties at the earliest.
2. The clients are requested to send their grievances to the Compliance Officer, the details are as follows.

Details of the Compliance Officer:

Name	Richa Jalan
Email Id	<a href="mailto:compliance@arth-india.com">compliance@arth-india.com</a>
Telephone Number	+91-9819537511

The complaint will be resolved on a best effort basis within a period of 21 days from the date of receipt of complaint, as required under SEBI regulations.

3. If the investor remains dissatisfied with the outcome he can abide by the following mechanisms:
  - A) **SEBI Complaints Redress System (SCORES)** : SEBI has set up an online complaints redressal system (SCORES-<https://scores.gov.in/scores/Welcome.html>) for easy retrieval and tracking of complaints.
    - a) The entity will receive the complaints through SCORES and such complaints shall be resolved on a best effort basis within a period of 21 days from the receipt of such complaint. Such a complaint will also be forwarded simultaneously to Association of Portfolio Managers of India (APMI) and APMI shall ensure that an Action Taken Report (ATR) is submitted within 21 days.
    - b) If the client is not satisfied with the action taken by the entity, the client shall request the review of the complaint within 15 days of ATR. APMI shall then take cognizance of such a complaint and it may seek clarification on the ATR submitted by the entity. The entity shall then provide required clarification on the ATR and APMI shall then forward a revised ATR within 10 calendar days to the complainant through SCORES.
    - c) The complainant may seek second review of the ATR provided by APMI within 15 calendar days from the date of submission of ATR



- by APMI. If the complainant is satisfied with the action taken by APMI, the complaint shall be disposed off on SCORES.
- d) In case the complainant is not satisfied with the ATR provided by APMI, Securities and Exchange Board of India (SEBI) shall take cognizance of second review of the complaint through SCORES.
  - e) SEBI may take up review with the stakeholders, with APMI and / or with the entity. APMI or the entity should then take immediate action on receipt of a second review of the complaint and a revised ATR shall be submitted to SEBI within the timeline specified by SEBI.
  - f) SEBI or APMI can then seek clarification on the ATR submitted by the entity for SEBI review complaint. The entity should provide required clarification wherever sought and within such a timeline as specified.
  - g) The second review complaint shall be treated as 'resolved' 'disposed' or 'closed' only when SEBI 'disposes' or 'closes' the complaint in SCORES. Hence, mere filing of ATR with respect to SEBI review complaint will not mean that SEBI review complaint is disposed of.

**B) Arbitration and Conciliation:** In the event of failure to settle the dispute by mutual negotiations, it may be resolved by arbitration in accordance with provisions of The Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force. Such Arbitration proceedings shall be held at Surat, Gujarat and the language of Arbitration will be English. The cost of arbitration will be borne as decided by the arbitrator(s). The award of the arbitrator will be final and binding on the parties. Furthermore, Clients can also submit their complaints on The Securities Market Approach for Resolution through Online Dispute Resolution (ODR) Portal for online arbitration and online conciliation for resolution of complaints. The portal can be accessed at <https://smartodr.in/login>.

4. This Disclosure Document and the Agreement shall be governed and construed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the courts at Surat, Gujarat.

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

The Company got registered as a Portfolio Manager on January 23, 2024. The Company does not have any such related parties.

### **16) Details of the diversification policy of the portfolio manager**

The Company got registered as a Portfolio Manager on January 23, 2024. The Company does not have any such related parties.



## 17) Fees and Charges [Indicative]

The following shall be the Fee Structure in compliance with of the Portfolio Management Services (PMS) Regulations 2020.

FEE STRUCTURE		
S. No	Nature of Fees	Fees %
1.	Upfront Fee & Account Opening Charges	Nil
2.	Fixed Fee	0.25% per annum
3.	Performance Based Fee	25% of the profits over and above the hurdle rate of 10% per annum (compounded).
4.	Custodian Fees (including Fund Accounting charges)	At actual
5.	Depository Charges	At actual
6.	Exit Load	Nil
7.	Registrar & Transfer Fees	At actual
8.	Service Tax, Security Transaction Tax & other Statutory levies	As applicable
9.	Brokerage	At actual
10.	Out of pocket & other incidental expenses	At actual

The above charges are excluding applicable taxes, if any.

### Frequency of Charges:

Fixed Fees:	Annually (at the end of fiscal year)
Performance Based Fee:	Annually (at the end of fiscal year)
Custody / Transaction / STT / Brokerage:	Charged as and when transaction takes place

## 18) General

### Acts done in good faith

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

Investors are advised to read the Disclosure Document carefully before entering into an agreement with the Portfolio Manager.



**For Arth Portfolio Management Private Limited**

.....

**Niraj Bardia,  
Director**

(DIN: 10319291)

.....

**Nikita Bardia,  
Director**

(DIN: 10319290)

**Place:** Surat, Gujarat

**Date:** 28.10.2024



**FORM C**

*Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020*  
(Regulation 22)

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**Arth Portfolio Management Private Limited**

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408, Happy Hallmark Shoppers, Vesu Main Rd, Vesu, Surat, Gujarat - 395007  
Phone no. +91 (261) 3181423      Email id : contact@arth-india.com

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We confirm that:

- (i) The Disclosure Document forwarded to SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI 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 the portfolio to us / investment through the Portfolio Manager;
- (iii) The Disclosure Document has been duly certified by an independent Chartered Accountant, as on October 28th, 2024. The details of the Chartered Accountants are as follows:

Name of the Firm	:	N R JALAN & CO
Registration Number	:	0149375W
Membership Number	:	182557
Address:	:	416, AJANTA SHOPPING CENTRE, RING ROAD, SURAT
Telephone Number	:	+91 9558092800

(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 Arth Portfolio Management Private Limited.**

**Mr. Niraj Bardia**

Principal Officer

Date: 28.10.2024

Place: Surat



**NR JALAN AND CO.**

Chartered Accountants

416, Ajanta Shopping Centre, Ring Road, Surat-395002 Gujarat

Phone: +91 9558092800 E-Mail : ca.nrjalan@gmail.com

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To,  
Board of Directors,  
Arth Portfolio Management Private Ltd  
408, Happy Hallmark Shoppers, Vesu Main Rd,  
Vesu, Surat, Gujarat - 395007

**Independent Practitioner's Report on the Statement of Disclosure Document  
("The Statement") as at 28th October, 2024.**

**Management's Responsibility for the Statement**

1. The preparation of the Statement is the responsibility of the management of Arth Portfolio Management Private Ltd including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Practitioner's Responsibility**

2. Pursuant to the requirements, it is our responsibility to provide a reasonable assurance whether the information in the Statement of Disclosure Document have been accurately extracted from the information, books of accounts and other financial records provided and maintained by the management.

3. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

4. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

5. Based on our examination, as above, we are of the opinion that the information contained in the Statement of Disclosure Document is fair and adequate.

**Restriction on Use**

6. The certificate is addressed to and provided to the management of the Arth Portfolio Management Private Ltd solely for the purpose to enable comply with requirement in respect to Securities and Exchange Board of India (SEBI) under regulation 14 of SEBI



**NR JALAN AND CO.**

Chartered Accountants

416, Ajanta Shopping Centre, Ring Road, Surat-395002 Gujarat

Phone: +91 9558092800 E-Mail : ca.nrjalan@gmail.com

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(Portfolio Managers) Rules and Regulations, 1993 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any other person to whom this certificate is shown or into whose hands it may come without prior consent in writing.

For **N R JALAN & CO**  
*Chartered Accountants*

**Nishant Jalan**

Proprietor

Membership No. 182557

FRN: 0149375W

Date: 28th October, 2024

Place: Surat