

CERTIFICATE

We hereby certify that the Disclosures made in the enclosed Disclosure Document dated November 24, 2017, prepared and forwarded by "Choice Portfolio Management Services Private Limited" in terms of Schedule Fifth of Regulation 14 of the Securities and Exchange Board of India (Portfolio Managers) Regulation 1993 and the guidelines and directives issued by the Board from time to time, are true, fair and adequate to enable the investors to make a well informed decision.

This Certificate is issued on the basis of the information and documents produced before us and on the basis of representation made by "Choice Portfolio Management Services Private Limited".

For ASBS & Co.
Chartered Accountant
Firm Registration No: 135952W


Sushil Goyal

Partner

Membership No: 154193

Place: Mumbai

Date: November 24, 2017



DISCLOSURE DOCUMENT

(As required under Regulation 14 Of (SEBI (Portfolio Managers} Regulations, 1993}

(i) The Document has been filled with the Securities and Exchange Board of India along with the certificate in the prescribed format in terms of regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993.

(ii) The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.

(iii) The document contains necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.

(iv) The following are the Details of the Portfolio Manager:

Name of the Portfolio Manager	Choice Portfolio Management Services Private Limited
SEBI Registration Number	INP000005856
Registered Office Address	Choice House , Shree Shakambhari Corporate Park, Plot No . 156 – 158, J.B. Nagar, Andheri (East), Mumbai - 400099
Phone	022-67079999
Fax	022-67079898
Website	www.choiceindia.com

(iv) Details of Principal Officer

Name of the Principal Officer	Mr. Sunder Sanmukhani
Registered Office Address	Choice House , Shree Shakambhari Corporate Park, Plot No . 156 – 158, J.B. Nagar, Andheri (East), Mumbai - 400099
Phone	022-67079999
Email Id	sanmukhanis@choiceindia.com



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1) Disclaimer clause

The particulars given in this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations' 1993. 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:

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively:-

- a) "Act" means the Securities and Exchange Board of India, Act 1992 (15 of 1992) as amended from time to time.
- b) "Activation Date" is the date when the sum equivalent to either the funds or the securities respectively are received in the client Bank or Demat Account or the utilization of those funds/securities for the Portfolio Management by the Portfolio Manager whichever is later.
- c) "Agreement" means agreement between Portfolio Manager and its Clients in terms of Regulation 14 of SEBI (Portfolio Managers) Regulations, 1993 and SEBI (Portfolio Managers) Amendment Regulation, 2002 issued by Securities and Exchange Board of India and shall include all recitals, schedules, exhibits and Annexure attached thereto and any amendments made to this Agreement by the Parties in writing.
- d) "Application" means the application made by the Client to the Portfolio Manager to place the monies and/or securities mentioned therein with the Portfolio Manager for Portfolio Management Services. Upon execution of the Agreement by the Portfolio Manager, the application shall be deemed to form an integral part of the Agreement.
- e) "Applicable law" shall mean the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and all (other) applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions.
- f) "Assets" means (I) the Portfolio and/or (ii) the Funds and includes all accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and I or replacements or any other beneficial interest, including dividend, Interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value), in relation to or arising out of Assets.
- g) "Bank Account" means the bank account(s) opened I maintained I operated by the Portfolio Manager in the name of Client or in the name of the Portfolio Manager as may be required from time to time.
- h) "Board" or "SEBI" means Securities and Exchange Board of India established under sub-section (1) of Section 3 of Securities and Exchange Board of India Act, 1992.
- i) "Business Day" means days other than:
 - a. Saturday and Sunday,
 - b. a day on which the Banks in Mumbai and/or RBI are closed for business/clearing,
 - c. a day on which the Bombay Stock Exchange and the National Stock Exchange are closed,
 - d. a day on which normal business could not be transacted due to storms, floods, bands, strikes etc.
- j) "A Chartered Accountant" means the person as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.
- k) "Cash" includes cheques, demand drafts, pay-slips, etc. and/or any other form of cash.
- l) "Client / Investor" means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio / funds.
- m) "Client Securities" mean the Securities, which forms part of the Portfolio.
- n) "Depository Account" means the separate depository account maintained I operated by the Portfolio Manager in the name of the Client with any SEBI registered depository participant of the Portfolio Manager's.



- o) "Custodian" means any person who carries on or proposes to carry on the business of providing custodial services in accordance with the regulations issued by SEBI from time to time.
- p) "Disclosure Document" shall mean the relevant Disclosure Document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from time to time pursuant to PM Regulations.
- q) "Discretionary portfolio management services" means the portfolio management services rendered to the Client by the Portfolio Manager on the terms and conditions contained in the agreement, where under the Portfolio Manager exercises any degree of discretion in the investments or management of assets of the Client.
- r) "Discretionary Portfolio Manager" means a Portfolio Manager who exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the Client, as the case may be.
- s) "Financial year" means the year starting from 1st April and ending on 31 March of the following year
- t) Funds mean the monies managed by Portfolio Manager on behalf of the client pursuant to this agreement and includes the monies mentioned in the application, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to this agreement, the proceeds of the sale or other realization of the securities and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager
- u) "Intermediaries" means , banker to an issue, trustee, registrar to an issue, merchant banker, depositories, depository participants, transfer and pricing agents, accountants, investee companies, investment advisers, consultants, attorneys, printers, underwriters, brokers and dealers, insurers and any other persons in any capacity who may be associated with the securities market.
- v) "Investment Advice" means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products ,and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.
- w) " Investment Management Fees" shall have the meaning attributed thereto in Clause of this Document under the head Fees & Services
- x) "Net Asset Value" (NAV): Net Asset Value is the market value of assets in portfolio consisting of equity, derivative, debt, mutual funds units, cash, cash equivalents, accrued interest or benefits, receivables, if any etc. less payable, if any.
- y) "NRI" mean a non-resident Indian.
- z) "Parties" means the Portfolio Manager and the Client; and "Party" shall be construed accordingly.
- aa) "Person" includes any individual, partners in partnership, limited liability partnership, central or state government, company, body corporate, cooperative society, corporation, trust,society,Hindu Undivided Family or any other body of persons, whether incorporated or not.
- bb) "Portfolio Manager" means Choice Portfolio Management Services Private Limited who has obtained certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations,1993.
- cc) "Portfolio" means the total holding of all investments, Client Securities and Cash belonging to the Client and maintained/managed by the Portfolio Manager.
- dd) "Principal Officer means an individual who is responsible for the activities of portfolio management and has been designated as principal officer by the portfolio manager.
- ee) "Regulations" means the Securities and Exchange Board of India (Portfolio Manager) Regulations, 1993 as amended by Securities and Exchange Board of India {Portfolio Managers) Amendment Regulations, 2002 and as may be amended by SEBI from time to time.
- ff) "Return" means the difference between the Closing NAV and the Starting NAV and includes realized and unrealized gains/losses.
- gg) "Rules" means the Securities and Exchange Board of India (Portfolio Managers) Rules, 1993.



- hh) "Scheduled Commercial Bank" means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).
- ii) "Securities" shall mean and include "Securities" as defined under the Securities Contracts (Regulation) Act, 1956; Shares, scripts, stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and/or by any mutual funds, exchange traded funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and any other instruments or investments (including borrowing or lending of securities) as may be permitted by applicable law from time to time.
- jj) Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.
- kk) "Term Sheet/Product Note" means any term sheet or product note executed by the Client for availing any services of the Portfolio Manager pursuant to this Agreement

3. Description

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

The Company "Choice Portfolio Management Services Private Limited" bearing CIN No : U74140MH2007PTC177075 was incorporate under Companies Act 1956, on December 26, 2007 in the Name of "Ryder Consultancy Services Private Limited" post which the Company's name was changed to "Choice Insurance Brokers Private Limited" which was further changed to "Choice Stock Trade Private Limited and to carry on the Business of "Portfolio Management " the name of the Company with effect from July 24, 2017 was changed to "Choice Portfolio Management Services Private Limited" having its registered office at Choice House , Shree Shakambhari Corporate Park, Plot No . 156 – 158, J.B. Nagar, Andheri (East), Mumbai - 400099.

The Company is registered with (Securities and Exchange Board of India) SEBI as Portfolio Managers on September 28, 2017 Vide Registration No: INP000005856 to carry on the Business of Portfolio Managers. The Company has not carried on any Business as a Portfolio Managers prior to the Registration granted by SEBI.

ii. Promoters of the Portfolio Manager, Directors and their background:

M/s. Choice Portfolio Management Services Private is the Wholly owned Subsidiary of M/s. Choice International Limited. M/s. "Choice International Limited" or "CIL" bearing CIN No: L67190MH1993PLC07117 incorporated on March 12, 1993 is a BSE (BSE Limited) Listed Company bearing Script Code : 0531358 having its base in Mumbai and registered with RBI as a Non -Banking Financial Company.

Established in the year 1993, Choice International Limited is the Financial Hub catering in a widespread financial segments Viz Investment Banking, Broking & Distribution, Management Consultancy, E- Commerce, IT Solution , Cross Border Consultancy to its clients through its various Subsidiaries



The Choice group derives its strength from the diversity of skills and strengths of the members of the leadership team. Our leadership has extensive experience in Indian Financial Market.

As on March 31, 2017, CIL has 11 wholly owned subsidiaries catering range of financial services.

Directors and their background

Name	Qualification	Brief Experience
1) Mr. Kamal Poddar	B.com and FCA	CA Kamal Poddar, a Fellow Member of the ICAI , is the Managing Director of Choice International Limited . He is a visionary and is currently working on the vision of creating India's first financial serviceshub. Under his leadership, Choice has grown significantly and today, Choice is one of the fastest growing financial services firm in the country.
2) Mr. Ajay Kejriwal	B.com and FCA	CA Ajay Kejriwal heads Broking and Distribution vertical Choice group and is currently the Executive Director of M/s. Choice International Limited. He is a fellow member of ICAI and also holds a degree of DISA . With over 15 years of rich experience in Financial Markets, He has an extensive experience in analyzing financials of companies and fund management.

iii. Group Company information (I.e information Related to top 10 Group Companies / Firms of the Portfolio Manager on turnover basis)(as per the Audited Financial Statements for the Year ended March 31 , 2017

- 1) Choice International Limited or "CIL" (the Holding Company of Choice Portfolio Management Services Private Limited)
- 2) Choice Equity Broking Private Limited (Wholly owned Subsidiary of CIL)
- 3) Choice Merchandise Broking Private Limited (Wholly owned Subsidiary of CIL)



- 4) Choice Consultancy Services Private Limited (Wholly owned Subsidiary of CIL)
- 5) Choice Capital Advisors of Private Limited (Wholly owned Subsidiary of CIL)
- 6) Choice Wealth Management Private Limited (Wholly owned Subsidiary of CIL)
- 7) Choice Corporate Services Private Limited (Wholly owned Subsidiary of CIL)
- 8) Choice Peers International Private Limited (Wholly owned Subsidiary of CIL)
- 9) Choice E- Commerce Private Limited (Wholly owned Subsidiary of CIL)
- 10) Choice Tech Lab Solutions Private Limited (Wholly owned Subsidiary of CIL)
- 11) Choice Finserv Private Limited (Wholly owned Subsidiary of CIL)

iv Details of the Services being Offered

Services Offered:

The Portfolio Manager offers Portfolio Management services under Discretionary, Non- Discretionary, and Advisory categories to its prospective clients.

A) Discretionary Portfolio Management Services,

The Portfolio Manager will have the sole and absolute discretion with regard to selection of the type of securities traded on behalf of the Client and held in the portfolio, based on the executed agreement. The Portfolio Manager has the discretion as regards the choice and timing of the investment decisions, to make changes in the investment and to invest some or all of the funds of the Client in such manner and in such industries/sectors/securities as the Portfolio manager discretion. The Securities invested *I* disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Clients funds is absolute and final and cannot be called in question or be open for review at any time during the course of the Agreement or any time thereafter except on the ground of mala fide intent, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager will be exercised strictly in accordance with the relevant acts, rules, regulations, guidelines and notifications in force from time to time.

The Portfolio of the Clients shall be managed under one or more of the following Investment Strategies:

- i) New India Strategy
- ii) Ideal Valuation Strategy
- iii) Plus Delta Multi Cap Strategy
- iv) Plus Delta Vision Strategy



B) Non-discretionary Portfolio Management-

In the case of non-discretionary services, the investment objectives and the securities to be invested would be entirely decided by the Client. The same could vary widely from client to client. However, the execution would be carried out only after getting the approval from the Client.

Under Non-Discretionary category, the investment decisions of the Portfolio Manager are guided by the instructions received from the client. The deployment of funds is the sole discretion of the client and is to be exercised by the portfolio manager in a manner strictly complies with the client's instruction. The decision of the client in deployment of funds and the handling of his / her /its portfolio is absolute and final. The role of the Portfolio Manager apart from adhering to Investments or divestments upon instructions of the client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the client to take appropriate investment decisions. For the purpose of acting on client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed such as email, fax, telephone or suitable and secured message and may include managing, renewing and reshuffling the portfolio, buying and selling of securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights, etc. so that all benefits accrue to the client's portfolio, for an agreed fee structure and for a definite described period,entirely at the client's risk.

C) Advisory Services:

The portfolio Client is given purely advisory services as stipulated under SEBI PMS Regulations and in accordance with the requirements of Clients. Portfolio manager gives advice to the client regarding investment/disinvestment in Securities. However, discretion lies with the client whether to act upon it or to ignore the advice. The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations,1993 and SEBI (Investment Advisers) Regulations,2013,which shall be in the nature of Investment advice and may include advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client. Investment advice shall be for an agreed fee structure and for a period agreed and entirely at the client's risk. The Portfolio Manager shall act in a fiduciary capacity towards its client.

v) Appointment of Custodian

The Company has appointed M/s. Edelweiss Financial Services Private Limited as the Custodian of the Company.

4) Penalties, Pending Litigation or Proceedings, findings of inspection or investigations or investigations for which action may have been taken or initiated by any regulatory authority

1. All Cases of penalties imposed by the Board or the directions issued by the Board Under the Act or Regulations made there under relating to Portfolio Management Services – **None**

2 The Nature of the Penalty/ Direction- **Not applicable**

3 Penalties imposed for any economic offence and/ or for violation of any securities laws relating to Portfolio Management Services – **None**



4 Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any – **None**

5 Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency in relation to Portfolio Management Services for which action may have been taken or initiated – **None**

6. 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 there under relating to Portfolio Management services – **None**

5) Details of Services Offered

The portfolio manager manages the assets of the client using the following strategies:-

a) **New India Strategy:**

Fund Manager – Mr. Sunder Sanmukhani

The strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from the India growth story, by focusing on large to mid size stocks

We follow the philosophy of investing into good quality growth businesses available at reasonable valuations.

Features:

The process is to invest into reform based sectors, which will be of a significant size, having good quality management and high growth companies.

Investment Approach: Buy and Hold

Investment Horizon: Medium to long term

Criteria :

- Not more than 30% exposure in a single sector at a given point of time
- 10 to 15 stocks at a time
- Exposure in INVITs shall be taken only if the investment is more than 25lacs.
- Min.30% to max. 60% investments in Large-size (20000cr & above mcap.)
- Min. 40% to max. 70% investments in Mid & small size companies (Below 20000cr. mcap.)

b) **Ideal valuation strategy:**

Fund Manager – Mr. Sunder Sanmukhani

This strategy focus on following factors :-

- Great Business: Ensure huge potential for wealth creation as they are playing on with the upcoming market trends and government policies.
- Great Management: We filter and churn out only those managements, that fits in our criteria which is namely, capital allocation, execution, integrity, credibility of all key personnel, their past records and corporate governance standards.
- Great Valuations: Companies with good intrinsic value, i.e. companies with strong withhold.

Investment Approach: Buy and Hold

Investment Horizon: Medium to long term



Criteria :

- ▶ Investments across various sectors
- ▶ Not more than 20% exposure in a single sector at a given point of time
- ▶ Max. 15 stocks
- ▶ Min.40% to max.60% in Large size (20,000cr. & above mcap.)
- ▶ Min. 60% to max. 40% in Mid size (Below 20,000cr. mcap.)

c) Plus Delta Multi Cap Strategy

Fund Manager – Mr. C K Narayan

The market is a dynamic environment that enables multiple approaches to participate and seek to profit. We have evolved a model of active fund management that follows the philosophy of identifying Momentum in Growth and Value. There are many stocks in the market that have either growth or value propositions within them. However, unless these stocks develop momentum, they tend to languish or meander for long periods of time until the passage of value and price discover one another.

Using a mix of fundamentals and technical analysis, Plus Delta Multicap portfolio are created, with the momentum streak helping us achieve a greater alpha in a lesser period of time! This makes for a more active participation and generally, shorter holding periods. Quality Midcaps and Small cap stocks are the ones that lend themselves best for such an approach and hence the PlusDelta Multicap portfolio has a greater focus on these stocks to generate the higher rates of returns.

Investment Horizon: Short to Medium term

Criteria:

Investment can be done in any Cap and portfolio comprise of Multi Cap in any proportion which may varies from 0 to 100%.

d) Plus Delta Vision Strategy

Fund Manager – Mr. C K Narayan

Using a proprietary model, which is a mix of fundamentals and technical analysis, Choice Plus Delta portfolios are created.

Choice Plusdelta vision Strategy aims to focus on a slightly longer term period. Our endeavor is to create wealth over the medium for longer term through investments in equities, and across market capitalization by focusing on fundamentals of the companies with a blend of value and growth investing.

Investment Approach: Buy and Hold

Investment Horizon: Medium to long term

Criteria: Multi cap approach but there is a greater inclusion of large caps and mid-caps here with a sprinkling of quality small caps.



6) Risk and Concern

Investments in Securities are subject to market risks and there is no assurance or guarantee that, the objectives of the Portfolio Management Service ('PMS') will be achieved and/or regarding profit and/or against loss resulting from the investments/divestments and/or investing/divesting in the strategy of the Portfolio Manager. These risks could be security specific or market specific and arising from company, industry, economic factors (both domestic or global), political factors, regulatory factors, external risks etc. This could result in volatility in short term performance or even permanent loss of capital in some instances. The investment objective, investment strategy and the asset allocation may differ from client to client. Though the investments of the Choice PMS will be diversified across companies and industry sectors, the risks arising out of non-diversification are above average volatility of the portfolio and even permanent loss of capital in some instances. Trading volumes and settlement periods, transfer procedures etc. may restrict liquidity in equity and debt investments. Low liquidity could result in inability to liquidate the portfolio in a reasonable period of time. In some instance, the period of liquidation could be significant. As with any investment in securities, the portfolio values under the PMS can go up or down depending on the factors and forces affecting the capital markets. Investment decisions made by the Portfolio Manager may not always be profitable.

Past performance of the Promoters/Principal Officer/Portfolio Manager/Choice is not indicative of the future performance of the PMS. The Portfolio Manager would be engaging the services of third parties with respect to the PMS to be rendered to its client(s). The Portfolio Manager is not responsible or liable for any loss resulting from omission, fraud, negligence, willful misconduct or breach etc of such third parties and/or the operation of the PMS. Risks attached with the use of derivatives: The Portfolio Manager may use various derivative products, from time to time, for purposes of hedging and portfolio rebalancing in an attempt to protect the value of the portfolio and/or enhance investor's interest of the PMS. As and when the PMS trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investments techniques and risk analyses different from those associated with stocks and bonds. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India. In view of the individual nature of tax consequences, each investor is advised to consult her/his/its own professional tax advisor. Investors are advised to consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of investing /divesting under the PMS.

7) Client Representation

- i) As the Company is newly starting its Business there are no details for the Client Representations to be made.
- ii) Related Party Transaction entered by the Company

Details of Related Party Transaction as on March 31, 2017

Details of Related Parties -

Description of Relationship	Names of Related Parties
a. Holding Company	Choice International Limited



b. Fellow Subsidiaries	Choice Capital Advisors Private Limited Choice Consultancy Services Private Limited Choice Merchandise Broking Private Limited Choice Corporate Services Private Limited Choice Equity Broking Private Limited Choice Wealth Management Private Limited Choice E-Commerce Private Limited Choice Peers International Private Limited Choice Finserv Private Limited* Choice Tech Lab Solutions Private Limited*
c. Key Management Personnel (KMP)	Kamal Poddar (Director) Sumit Bajaj (Director)
d. Enterprises over which KMP exercise significant influence	Thought Consultants Jaipur P L in JV with Choice Consultacny Service P L** Samank Consumer Products Private Limited Samank Apperals Private Limited Choice Insurance Brokers Private Limited (Formerly known as Choice Stock Trade Private Limited) Farmer's Evolvment Foundation

* Wholly owned subsidiaries of Choice International Ltd incorporated wef 1st June 2016 & 27.09.2016 respectively.

**Wholly owned subsidiary of Choice International Ltd ie. Choice Consultancy Services Private Limited has entered into joint venture wef. 13.10.2016.

Details of Related Party transactions during the year ended March 31, 2017

(Amount in)

Particulars	Holding Company	Fellow Subsidiaries	KMP and their relatives	Total
Other Expenses	-	6,482	-	6,482



8) Financial Performance of Portfolio Manager

As the Company has received the Registration No as on September 28, 2017, the Company has not undertaken any Portfolio Management Related activities before Registration. Thus in the present scenario the Company does not have any Financial Indicators with respect to the Performance related to Portfolio Management activities .

9) Nature of Expenses:

- i. Investment Management & Advisory Fees: Management and Advisory fees charged may be a fixed fee or a return based fee or a combination of both as detailed in the Schedule to the Portfolio Management Services agreement. The Fees may be charged upfront and/or at the end of a specified tenure as agreed between the Client and the Portfolio Manager.
- ii. Custodian Fees: As may be decided between the Client and the Portfolio Manager.
- iii. Registrar & Transfer Agent Fees: NIL
- iv. Brokerage & Transaction Cost: The investments under Portfolio Management would be done through registered members of the Stock Exchange(s) who charge brokerage up to a maximum of 2.5% of contract value. In addition to the brokerage, transaction cost like network charges, turnover charges, stamp duty, transaction costs, turnover tax, Securities transaction tax or any other tax levied by statutory authority (ies), foreign transaction charges (if any) and other charges on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments would also be levied by the broker Entry or exit loads (if any) on units of Mutual Funds will also be charged from Clients.
- v. Service Tax: As applicable from time to time.
- vi. Depository Charges: As may be applicable from time to time.
- vii. Entry Load /Exit Load as may be mutually agreed to between the Client and the Portfolio Manager
- viii. Certification and professional charges: Charges payable for out sourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarisations, certifications, attestations required by bankers or regulatory authorities including legal fees etc.
- ix. Incidental expenses: Charges in connection with day-to-day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account, distribution charges or any other out of pocket expenses as may be incurred by the Portfolio Manager.

10) Taxation

The information set out below outlines the tax implications vis-à-vis investment in listed equity shares of Indian companies based on relevant provisions of the Income-tax Act, 1961, as currently applicable.

General

In view of the individual nature of tax consequences on the income, capital gains or otherwise, arising from investment as also the fact that the provisions of income-tax Act, 1961 undergo changes frequently, the client is advised to consult his/her tax consultant for appropriate advice on tax treatment.

Income on investment in equity shares is subject to tax in the following manner:

- i. Dividends declared on equity shares are tax free in the hands of investors u/s 10(34) of the income-tax Act, 1961 if dividend Distribution Tax (DDT) has been paid on the same. However, w.r.f. 01 April 2017 in terms of section 115BBDA inserted vide the Finance Act, 2016 any income by way of dividend from domestic companies in excess of Rs.10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided



- family ("HUF") or a firm who is a resident in India, at the rate of 10% plus applicable surcharge and education cess, higher and secondary cess, as applicable.
- ii. The taxation of dividend income in excess of Rs.10 lakh shall be on gross basis. Also no deduction in respect of any expenditure or allowance or set-off of loss shall be allowed to the client under any provisions of the Income-tax Act, 1961 in computing the income by way of dividends.
 - iii. In case the equity shares are held as an investment by a resident and are sold within 12 months from the date of purchase, the resultant gains or losses are termed as short-term capital gains or losses. Short-term gains arising out of transfer of equity shares on a recognized stock exchange in India and the transaction has been subject to securities Transaction Tax ("STT") and/or undertaken on a recognized stock exchange located in any International Financial Services Centers and where the consideration for such transaction is paid/payable in foreign currency are taxed at a concessional rate of 15% plus surcharge, education cess, secondary and higher education cess, as applicable.
 - iv. However, if the transaction has not been done on a recognized stock exchanges in India and consequently the transaction has not been subjected to STT then the gains will be taxed (income-tax including surcharge and education cess, secondary and higher education cess) at the rate applicable depending upon the status (i.e. Individual/HUF/firms/corporate, etc) and the income level of Clients.
 - v. In case the equity shares are held as an investment by resident and are sold after 12 months from the date of purchase the resultant gains or losses are termed as long-term capital gain or losses. Long term gain arising out of transfer of equity shares, on a recognized stock exchange in India and the sale transaction has been subjected to STT and/or undertaken on a recognized stock exchange located in any International Financial Services Centers and where the consideration for such transaction is paid/payable in foreign currency is exempt from income tax in terms of section 10(38) of the Income-tax Act, 1961.
 - vi. However if the sale transaction does not take place on a recognized stock exchange in India, the gain would be either taxed at 10% plus surcharge, education cess, secondary and higher education cess and any other cess; as applicable in case purchase cost is indexed, whichever is beneficial to the Clients.
 - vii. In case of an individual or HUF, being a resident of India, where the total income as reduced by such long term capital gains or short term gains is below the maximum amount which is not chargeable to income-tax then such long term capital gains or short term capital gains shall be reduced by such shortfall amount and only remaining balance of such long term capital gains or short term capital gains shall be subject to tax at the application rate.
 - viii. Ant STT paid is neither allowed as a deduction in computing the income chargeable under the head "capital gains" nor allowed as a deduction from the amount of income tax payable on capital gains.
 - ix. In case the equity shares are held as an investment by non-resident investors and are sold after 12 months from the date of purchase the resultant gains will be termed as long-term capital gains. Long term gain arising out of transfer of equity shares, on a recognized stock exchange in India and the sale transaction has been subjected to STT is exempt from Income tax, however, if the sale transaction does not take place on a recognized stock exchange in India, would be taxed at 10% plus surcharge, education cess, secondary and higher education cess.
 - x. The benefit of indexation will not be available to the non-resident and the capital gains arising to a non-resident will have to be determined by converting the actual amount that the shares are sold for into the currency in which the shares were initially bought, After which, the total amount of capital gains earned through the sale will then be converted into Indian rupees at the rate application on the date of the sale.
 - xi. In case the equity shares are held as an investment by non-resident investors and are sold within 12 months from the date of purchase the resultant gains will be termed as short-term capital gains. Short-term gains arising out of transfer of equity shares on a recognized stock exchange in India and the transaction has been



subject to Securities Transaction Tax (STT) are taxed at a concessional rate of 15% plus surcharge, education cess, secondary and higher education cess; as applicable. However, if the transactions has not been done on a recognized stock exchange in India and consequently the transaction has not been subjected to STT then the gains will be taxed (income-tax including surcharge and education cess, secondary and higher education cess) at the rate applicable depending upon the status (i.e. Individual/HUF, Firms, Corporate, etc.) and income level of Portfolio Management Services ("PMS") Clients.

- xii. The loss arising on sale of equity shares purchased within 3 months prior to the record date for the entitlement of exempt dividend and sold within 3 months after such record date, is to be ignored to the extent of the dividend received or receivable on such equity shares for the purpose of computing the taxable income.
- xiii. In case of a Non-Resident Indian's PMS account, tax is required to be deducted at source, and the same will be deducted from the sales proceeds by the Custodian. The certificate for the same will be provided by them as per the rules laid down by the prescribed Act.
- xiv. Advance Tax Installment Obligations: It shall be the Client's responsibility to meet obligations on account of advance tax installments payable on the due dates as per the Income-tax Act, 1961 and as amended from time to time.
- xv. Securities Transaction Tax (STT) is applicable on transaction of such purchase or sale equity shares in a company. The STT rates are applicable as per the Finance Act, 2009 and amended thereafter.

11) Accounting Policies

- i. Books and Records would be separately maintained in the name of the Client to account for the Assets and any additions, income, receipts and disbursements in connection therewith, as provided by the SEBI (Portfolio Management) Regulations, 1993, as amended from time to time, Accounting under the respective Portfolios will be done in accordance with generally Accepted Accounting principles in India.
- ii. The portfolio Manager and the Client can adopt any specific norm or methodology for valuation of investments or accounting the same may be mutually agreed between them on a case specific basis.
- iii. The Portfolio Manager shall keep and maintain proper books of accounts, record and documents for each Client so as to explain transaction for each Client and to disclose at any point of the Portfolio Holding of each Client.

Basis of Accounting

The financial statements are prepared on an accrual basis of accounting under the historical cost convention.

i Use of estimates

The preparation of financial statement requires the management to make estimates and assumptions that affect the reported amounts of Assets and liabilities as of the date of the financial statement and reported revenues and expenses for the year, Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in which the results are known or materialise.

ii Capital

Capital represents infusions (net of withdrawal s, If any) of cash/Securities contributed by the Client under the Discretionary Portfolio Management Services Agreement.



iii Investments

Accounting for investment transaction, Purchase and sale of investments are recorded on trade date basis, after considering brokerage, If any securities transactions tax levied on purchase/sale of Securities during the financial year is recognised as an expense in the books of accounts. Investments as at the Balance Sheet date are reflected at cost. Investments are allocated to Clients based on pre-determined criteria at weighted average price of the day's transaction. Bonus and rights issues are recorded on the respective ex-date.

iv. Revenue Recognition

- a) Performance fees is recognized as an when charged to the customer as per fees structure agreed with client.
- b) Annual management fees is recognized on chargeable basis.
- c) Profit or loss on sale of investments is recognized on the date of transactions and is determined by applying the First in – First principle.
- d) Dividend income is accounted for when unconditional right to receive is established.
- e) Interest on fixed deposit is accrued on a time proportionate basis at the underlying interest rates.

v. Expenses

All expenses are accrued and accounted on following basis:

Safekeeping Charges, Transactions Charges, Fund Accounting Charges, Depository Charges and Out of Pocket Expenses.	At actuals based on actual invoice received from the Custodians.
Performance based fees	Accrued in accordance with the Agreement entered with the client.
Securities Transaction Tax	At actuals on basis or allocation of investment.

vi. Provision for tax

No provision for tax has been made on the income earned during the period since as per the Discretionary Portfolio Management Services Agreement, all tax liabilities are the Client's sole responsibility. Tax deducted at source on interest income is recorded on confirmation obtained from bank.

The above accounting policies are proposed to applied, it may change be changed at the discretion of portfolio manager.



12) Investor Services

- i) A detail of investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:


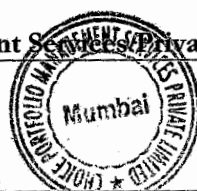

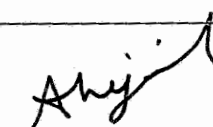

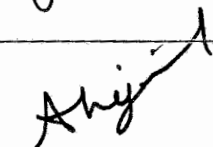
Name of the Compliance Officer	Mr. Bhavik Gandhi
Registered Office Address	Choice House , Shree Shakambhari Corporate Park, Plot No . 156 – 158, J.B. Nagar, Andheri (East), Mumbai - 400099
Phone	022-67079999
Email Id	Bhavik.gandhi@choiceindia.com

(ii) Grievance redressal and dispute settlement mechanism:

- a) The Investment Relation Officer(s) will be the interface between the Portfolio Manager and the Client. In case the Client is not satisfied with the redressal by the Portfolio Manager or otherwise, the Client may lodge the complaint on SEBI's web based complaints redress system (SCORES).
- b) Grievances, if any, that may arise pursuant to the Portfolio Investment Management Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 1993 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of court in Mumbai only and are governed by Indian laws.

The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms:- All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled through Arbitration process as described in the Portfolio Investment Management Agreement or any Supplemental Agreement thereto.

For Choice Portfolio Management Services Private Limited:

Kamal Poddar Director	 	Sd/-	
Ajay Kejriwal Director	 	Sd/-	

Place: Mumbai

Date: