



# **PORTFOLIO MANAGEMENT SERVICES**

## **DISCLOSURE DOCUMENT**

**Hem Securities Limited**  
**Portfolio Manager**  
**(SEBI Registration No. INP000006794)**  
**CIN: U67120RJ1995PLC013090**

**Registered Office:** 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan- 302001

**Corporate Office:** 904, A Wing, 9<sup>th</sup> Floor, Naman Midtown, Senapati Bapat Marg,  
Prabhadevi Station, Lower Parel, Mumbai- 400 013.

# S R GOYAL & CO

## CHARTERED ACCOUNTANTS

### CERTIFICATE

We have verified the Disclosure Document ("the Document") for Portfolio Management Services prepared by Hem Securities Limited (the Company) dated 02.12.2023, having its Registered Office at 203, Jaipur Tower, M.I. Road, Jaipur- 302001.

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

Our certification is based on the audited Balance sheet of the Company for the year ended 31<sup>st</sup> March 2021, 2022 and 2023 and examination of other records, data made available and information & explanations provided to us.

Based on such examination we certify that:

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

The enclosed document is stamped and initialed/ signed by us for the purpose of identification.

**For, S.R. Goyal & Co.**

Chartered Accountants

Firm Registration No. 001537C

Ajay Atolia  
Partner

M. No. 077201

Place: Jaipur

Date: 02.12.2023

UDIN: - 23077201BGMVR4193



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**"SRG HOUSE" Plot No. 2, M.I. Road, Opp. Ganpati Plaza, JAIPUR – 302 001**  
**Phone :0141-4041300, 4041301, 2362363, 2362365**  
**e-mail: srgoyal@srgoyal.com \* ajay@srgoyal.com \* website : [www.srgoyal.com](http://www.srgoyal.com)**

**PORTFOLIO MANAGEMENT SERVICES - DISCLOSURE DOCUMENT**

1. This document has been filed with the Securities & Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.
2. The purpose of this 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 Hem Securities Limited as a Portfolio Manager.
3. This document contains the necessary information about the Portfolio Manager, required by an investor before investing, and hence, the investor is advised to retain the document for future reference.
4. Details of the Portfolio Manager are as below:

Name of the Portfolio Manager	Hem Securities Limited
SEBI Registration Number	INP000006794
Registered Office Address	203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan- 302001
Phone	0141-4051000/01
Fax	-
Website	<a href="http://www.hemsecurities.com">www.hemsecurities.com</a>

5. Name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is as follows:

Name of the Principal Officer	Mr. Mohit Nigam
Phone	0141-4051064
Email	<a href="mailto:mohit.n@hemsecurities.com">mohit.n@hemsecurities.com</a>
Registered Office Address	203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan- 302001

**Date: 02<sup>nd</sup> December 2023**

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

**HEM SECURITIES LIMITED**  
**SEBI Registration Number: INP000006794**  
**Regd. Office: 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan- 302001**  
**Phone No.: 0141-4051000/ 01**  
**Email: [pms@hemsecurities.com](mailto:pms@hemsecurities.com)**  
**Website: [www.hemsecurities.com](http://www.hemsecurities.com)**  
**CIN: U67120RJ1995PLC010390**

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 the Board from time to time;
- II. The disclosure made in the Disclosure Document are true, fair and adequate to enable the investors to make a well informed decisions regarding entrusting the management of the portfolio to us/ investment through the Portfolio Manager.
- III. The Disclosure Document has been duly verified by an independent Chartered Accountant— Mr. Ajay Atolia, a Partner of M/s. S.R. Goyal & Co., Chartered Accountants, having Membership No. 077201 and office at SRG House, Plot No. 2, M. I. Road, Opp. Ganpati Plaza, Jaipur-Rajasthan 302001 on 02<sup>nd</sup> December 2023 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 Hem Securities Limited



(Mohit Nigam)  
Principal Officer  
Address: 203, Jaipur Tower,  
MI Road, Jaipur-302001

Date: 02<sup>nd</sup> December 2023  
Place: Jaipur



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**1. Disclaimer Clause:**

The particulars given in this document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 as amended till date 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. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person. While Portfolio Manager shall endeavor to update on a reasonable basis the information disclosed in this document, the Portfolio Manager does not undertake to update such information to reflect the impact of circumstances or events, including regulatory or compliance changes that arise after the date mentioned on the first/cover page of this document. Except as otherwise mentioned in this document all information herein is as on the date mentioned on the first/cover page of this 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 as amended from time to time.
- b. **"Agreement"** means agreement between Portfolio Manager and its Client for the management of funds and / or securities of the Client and shall include all Schedules and Annexures attached thereto.
- c. **"Application"** means the application made by the Client to the Portfolio Manager to place its funds and/or securities 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. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.
- d. **"Assets"** means (i) the Portfolio and/or (ii) the Funds.
- e. **"Body Corporate"** shall have the meaning assigned to it in or under sub section (11) of Section 2 of the Companies Act, 2013(18 of 2013) as amended from time to time.
- f. **"Bank Account"** means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in accordance with the agreement entered into with the Client.
- g. **"Board/SEBI"** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.
- h. **"Client"** means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio and/ or funds.
- i. **"Custodian"** means a Custodian registered under SEBI (Custodian of Securities) Regulations, 1996 appointed by the Portfolio Manager for maintaining custody of funds and securities of the Client.







- j. **"Depository Account"** means one or more account or accounts opened, maintained and operated by the Portfolio Manager or the Custodian in the name of the Client or the Portfolio Manager/ Custodian with any depository or depository participant registered under SEBI (Depositories and Participants) Regulation 1996:
- k. **"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.
- l. **"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.
- m. **"Document"** means this Disclosure Document.
- n. **"Financial Year"** means the year starting from April 1 and ending on March 31 of the following year.
- o. **"Funds"** "Funds" means the monies managed by the Portfolio Manager on behalf of the Client pursuant to Portfolio Management Service Agreement and includes the monies mentioned in the Agreement, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the sale proceeds or other realization of the Securities and interest, dividend or other monies arising from the Assets, so long as the same is managed by Portfolio Manager.
- p. **"Goods"** means the goods notified by the Central Government under clause (bc) of Section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative;
- q. **"Non-discretionary Portfolio Management Services"** means a portfolio management services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing, for an agreed fee structure and for a definite described period, invests in respect of the Client's account in any type of security entirely at the Client's risk and ensure that all benefits accrue to the Client's Portfolio.
- r. **"Parties"** means the Portfolio Manager and the Client; and "Party" shall be construed accordingly.
- s. **"Person"** includes an Individual, a Hindu Undivided Family, a Corporate, 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.
- t. **"Portfolio"** means the total holdings of securities and goods managed by the Portfolio Manager on behalf of the Client pursuant to the Portfolio Management Services Agreement and includes any securities and goods mentioned in the Application, any further securities and goods placed by the Client with the Portfolio Manager for being managed pursuant to the Portfolio Management Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares or otherwise in



respect of securities and goods forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

- u. **"Portfolio Manager"** means Hem Securities Limited a company incorporated and registered under the Companies Act, 1956 and having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan- 302001.
- v. **"Principal Officer"** means an employee of the Portfolio Manager who is responsible for all 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 all other operations of the Portfolio Manager and who has been designated as such by the Portfolio Manager.
- w. **"Regulations"** "Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as may be amended from time to time including any Circulars, Directions or clarifications issued by SEBI.
- x. **"Scheduled Commercial Bank"** means any bank included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).
- y. **"Securities"** means Securities as defined under Section 2(h) of Securities Contracts and Regulation Act, 1956, except any securities which the Portfolio Manager is prohibited from investing in under Regulations or any other law for the time being in force.

Words and expressions used in this 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.

### **3. Description:**

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

Hem Securities Limited (HSL) is a company incorporated under the provisions of the Companies Act, 1956 on 14<sup>th</sup> July, 1995 having its Registered Office at 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan- 302001.

The Company is SEBI registered portfolio manager vide Registration No. INP000006794 .The Company is licensed to provide discretionary, non-discretionary and advisory services under the said license.

**Hem Securities Limited is also a SEBI registered Stock Broker (Registration No. INZ000168034), a registered Merchant Banker (Registration No. INM000010981) & Research Analyst (Registration No. INH100002250) with SEBI, a registered Trading Member & Market Maker (SME Segment) with BSE and a registered Depository Participant of CDSL (Registration No. IN-DP-568-2021).**

We have created a holistic business environment- Laden with insights and expertise to yield optimum results for the clients in the last 25 years and have achieved an admirable Growth in the Industry. We have also been awarded with various national accolades including:







1.	Regularly awarded by BSE and NSE for being the Top Performing Merchant Banker in SME segment.
2.	Recently awarded by BSE for one of the top performer Merchant Banker in SME Segment in 2020-21
3.	Awarded by SKOCH for Contribution to the economy in 2016
4.	Awarded by SKOCH for leading Merchant Banker in SME in 2015
5.	Awarded by BUSINESS RANKERS as the Best Emerging Company of the Year in 2016
6.	Featured as India's Leading Equity Broking Houses 2007 by- Agency- Dun & Bradstreet
7.	Awarded Small Business Awards 2019 (National Award for Small and Emerging Businesses), hosted by ZEE Business, The Economic Times & Entrepreneur)

HSL offers a wide spectrum of financial products and services including Equity Broking, Depository Participant Services, Merchant Banking, Portfolio Management, Research and Distribution of Financial Products to a cross-section of Clients comprising Individual, Corporates and NRIs.

Hem Securities Limited (HSL) may undertake any other business activities including financial consultancy and exchange of research on commercial basis etc. as permissible under the regulations.

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

**Promoter:**

Hem Securities Limited (HSL) is a subsidiary of Hem Financial Services Private Limited (HFSL).

**Directors and their background:**

Name	Qualification	Brief Experience
Mr. Hem Chand Jain	B.Com	Mr. Hem Chand Jain is the Leader, Mentor and Chairman of the Group. He has an astounding experience of around 42 years in capital market and is considered a visionary in the industry. As a first generation entrepreneur, he has created an India wide network of Group's presence. He has been one of the Promoter Director of Jaipur Stock Exchange and is a renowned personality for his vision, outlook and commitment.  He has built a professional team which includes CA's, CS's, MBA's & CFA, to serve the Clients with the organizational mission as its core. Under his leadership, our Group has gone through metamorphic success- from a proprietary concern in 1981 to a Financial Conglomerate- and is proud to be one of the leading broking networks with a very strong distribution arm and Merchant Banker in India.
Mrs. Indu Jain	B.Com	Mrs. Indu Jain is having an immense experience of more than 2 decades in Administration & Management of the Company.



Mr. Prateek Jain	C.A., C.S., Certified Financial Planner (FPSB, USA), Advanced Diploma in Management Accounting (CIMA), B.Com	Mr. Prateek Jain is a Chartered Accountant, Company Secretary & Certified Financial Planner by qualification and has an extensive experience of more than 11 years in the Capital Market. His expertise in Management and Markets plays a vital role in expanding the Group's ambition of being amongst the Best Merchant Banker and a leading brokerage house in India. Insights, strategies and a strong financial acumen come naturally to him, which he has presented in a book he authored for aspiring Chartered Accountants on "Strategic Financial Management".
Mr. Gaurav Jain	Chartered Accountant, B. Com	Mr. Gaurav Jain is a Chartered Accountant by qualification and has more than 18 years of experience in Capital market. His expertise in organizational growth has enabled the group to expand Investment Banking and Institutional Broking by getting empanelled with various institutions and by being Book Running Lead Managers and Underwriters in various Initial Public Offerings. Consequently, Hem Securities Limited is a widely recognized and trusted Merchant Banker in India to continue the legacy.
Mrs. Megha Jain	B.B.A., Graduate Gemologist	Mrs. Megha Jain is a graduate by qualification and has an admirable experience of more than 7 years in stock broking and depository business.

### iii. Group Companies of Portfolio Manager

The following are group companies/firm of the Portfolio Manager on the basis of their total turnover as per the latest audited financial statements as on March 31, 2023 are given below:

- A. Pinkcity Tourist Village Complex Private Limited
- B. Hem Finlease Private Limited
- C. Hem Multi Commodities Private Limited
- D. Hem Share Brokers Private Limited
- E. Hem Financial Services Private Limited

The Portfolio Manager will utilize the services of Hem Securities Limited (itself), for:

(a) Research, (b) Trading, (c) Information Technology, (d) Risk, (e) Marketing & Product, (f) Administration & Finance related, (g) Distribution (h) Sales and other services.

Hem Securities Limited (itself), its Directors and its group companies may utilize the services of its Portfolio Management Division for managing their Portfolio.

Appropriate operational and administrative controls have been put in place. The Portfolio Manager may also utilize the services of its Group Companies and its associates relating to and incidental to Portfolio Management Services. Such utilization will be purely on commercial, arms-length basis and at a mutually agreed terms and conditions to the extent and limits



permitted under the Regulations. The group companies/associates of Portfolio Manager may earn income directly or indirectly on account of various transaction related to portfolio management services. In such scenarios, the Portfolio Manager shall act in a fiduciary capacity in relation to the Client's Funds and shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates, in a manner which is not detrimental to the Client. Appropriate disclosures, wherever required, shall be made by the Portfolio Manager.

iv. **Details of the services being offered:** The Client has an option to place Assets directly (i.e., other than through a distributor/placement agent) with Portfolio Manager for availing any of the Portfolio Management Services.

➤ **Discretionary Portfolio Management Services:**

Under Discretionary Portfolio Management Services, the portfolio manager will independently manage the assets of each client in accordance with their needs. The choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client.

The Portfolio Manager shall be acting in a fiduciary capacity, both, as an agent as well as a trustee, with regard to the Client's assets and account consisting of investments, accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and/ 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).

The investments will be generally made in equities and its derivatives, fixed income products, money market instruments, debt, government securities, corporate bonds and in mutual funds and other Securities as specified by SEBI from time to time, on behalf of their clients. It will not invest in unlisted securities.

The Portfolio Manager shall have the sole and absolute discretion to invest in the Client's Funds in any type of security as per the Agreement and make such changes in the investments and invest some or all of the Client's account in such manner and in such markets as it deems fit would benefit the Client. This right of the Portfolio Manager shall be exercised in accordance with the relevant rules and regulations, guidelines and notifications in force from time to time. The Portfolio Manager's decision (taken in good faith) in management 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 malafide, conflict of interest or gross negligence.

➤ **Non- discretionary Portfolio Management Services:**

The Assets of Client is managed in accordance with the directions of the Client by the Portfolio Manager. The Portfolio Manager will keep the safe custody of the Securities and monitor book closures, dividend, bonus, rights etc. and any other benefits that accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described in the Agreement, entirely at the Client's risk.

The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the relevant acts, rules and regulations, guidelines and notifications in force from time to time.





Portfolio Manager may invest up to 25% of the Assets under management of the Client in unlisted Securities, in addition to the Securities permitted for Discretionary PMS.

The Client accepts that the restrictions it may impose on investments may restrict or prevent the Portfolio Manager from making recommendations which may reduce the likelihood of achieving the investment objectives.

➤ **Portfolio Advisory Services:**

Under these services, the Portfolio Manager will render the best possible investment advice to the client having regard to their needs and the environment and its own professional skills on a non-binding basis. The client may or may not adhere to the advice provided by the Portfolio Manager and all other incidental activities pertaining to execution and settlement are solely the responsibility of the Client. The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013.

For such services, the Portfolio Manager charges the Client a fee for services rendered mentioned in the Client agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio. Entry/ exit timing, execution and settlement are solely the Client's responsibility.

Portfolio Manager may provide advice for investment up to 25% of the assets under management of the Client in unlisted Securities, in addition to the Securities permitted for Discretionary PMS.

**4. Penalties, pending litigations or proceedings, findings of inspections or investigations for which actions may have been taken or initiated by any regulatory authority.**

- a. 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.

➤ **NIL**

- b. The nature of the penalty/direction.

➤ **NIL**

- c. Penalties imposed for any economic offence and/or for violation of any securities laws relating to Portfolio Management Services.

➤ **NIL**

- d. Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.

➤ **NIL**

- e. 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.

➤ **NIL**

- f. 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 relating to Portfolio Management Services.

➤ NIL

#### 5. Services Offered:

Portfolio Manager will provide Discretionary Portfolio Management Services, Non-discretionary Portfolio Management Services and Portfolio Advisory services. Minimum investment amount/securities is Rs. 50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time.

The Portfolio Manager intends to manage the Assets of the client under the following investment approaches:

##### i. HEM-Dynamic Research & Emerging Asset Management approach (DREAM)

- Investment Objective: The main objective of HEM DREAM PMS approach is to generate wealth over long term by investing in fundamentally sound companies having good management.
- Types of securities: Listed equities across all market cap categories and money market instruments
- Basis for selection of securities as a part of investment approach:

The selection is based on multiple screening on various parameters\* like:

1. Strong Financial performance, Revenue Growth & healthy ROE / ROCE Ratios.
2. Sustainable business model, our conviction in business/sector.
3. Future growth opportunities & business visibility.
4. Strong promotership/Good Corporate Governance.

\* The above mentioned selection criteria may or may not satisfy all market conditions.

- Benchmark: S&P BSE 500
- Investment approach: Long term investment opportunities in listed equity with an objective to generate healthy returns for investors
- Risks associated with the investment approach

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

Portfolio Manager also ensure sector and stock diversification to optimize risk.







- Fees or commission to be earned by the distributors: It shall be in the range of 25% to 80% of the management fees charged to the client introduced by distributor.

**ii. HEM-India Rising SME Stars**

- Investment Objective: To generate outstanding returns by capturing opportunities in SME's and small cap scripts.
- Types of securities: Listed equities majorly into SME & Small Cap Space and money market instruments.
- Basis for selection of securities as a part of investment approach:

The selection is based on multiple screening on various parameters\* like:

1. Strong Financial performance, Revenue Growth & healthy ROE / ROCE Ratios
2. Sustainable business model, our conviction in business/sector
3. Future growth opportunities & business visibility.

\* The above mentioned selection criteria may or may not satisfy all market conditions.

- Benchmark: S&P BSE 500
- Investment approach: Long term investment opportunities in listed equity space (Preferably in SMEs & Small Caps) with an objective to generate healthy returns for investors
- Risks associated with the investment approach

The investments under this investment approach are subject to market risks and there is no assurance or guarantee that the value of or return on investments made will always appreciate, it could depreciate as well and may also result in loss of capital. For details please refer to the Risk Factors mentioned in this Disclosure Document that applies to this investment approach as well.

Additionally, there can be liquidity risks at times depending on market conditions, since the exposure is primarily into SMEs & Small Caps which can be illiquid at times.

- Fees or commission to be earned by the distributors: It shall be in the range of 25% to 80% of the management fees charged to the client introduced by distributor.

We may launch another Portfolio Management investment approaches, keeping in mind market conditions and specific need/ profile of the Clients.

**NOTE:**

- o Minimum Capital Investment (funds and/or securities) across all portfolio investment approach shall be Rs. 50/- Lacs or as maybe modified from time to time by us within the regulatory framework.
- o Investment under Portfolio Management Services will be only as per the SEBI PMS Regulations, updated from time to time.
- o The un-invested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager be held in cash or deployed in money market instruments, units of







Mutual Funds and other securities as specified by Board from time to time, on behalf of Clients.

- o The Portfolio Manager, with the consent of the Client, may lend the securities through an Approved Intermediary, for interest.
- o The Portfolio Manager will not invest any of the funds of the Client in the shares, mutual funds, debt, deposits and other financial instruments of group companies of the Portfolio Manager.
- o The portfolio of a client may differ from that of other clients in the same portfolio as per the discretion of the Portfolio Manager.
- o In case of interim contributions/ withdrawals by clients, performance fees may be charged after appropriately adjusting the high water mark on proportionate basis.
- o Kindly refer to our account opening kit for our policy for allocation of securities in specific/exceptional circumstances

## 6. Risk Factors:

The investments made in securities are subject to market risk and there is no assurance or guarantee that the objectives of investment will be achieved. Produced below are the standard risk factors applicable in respect of Discretionary / Non – Discretionary and Advisory services as context and nature of such service(s) permit or require:

- o Investment in Securities, Derivatives and/ or Mutual Funds and Exchange Traded Index Funds are subject to market and other risks and consequently, the Portfolio Manager makes no guarantee or assurance that the objective of investments will be accomplished.
- o The performance of the portfolio may be affected by a number of factors including but not limited to levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in by changes in Government policies, general equity and debt markets.
- o The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
- o The names of the investment approach do not in any manner indicate their prospects or returns.
- o The performance of the Assets of the Client may be adversely affected by a number of factors including but not limited to performance of individual securities, changes in the market place and industry specific and macro- economic factors.
- o As with any investment in securities, the net asset value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
- o Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macro-economic factors and creates price changes in the value of the debt instruments. Consequently, the net asset value of the portfolio may be subject to fluctuation.
- o Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities (up to 25% of the assets under management) (applicable to Non-Discretionary Portfolio and/ or advisory services). This may expose the Client's portfolio to liquidity risks.



- o Engaging in securities lending is subject to risks related to fluctuations in collateral value/settlement/counter party/ liquidity risks.
- o Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
- o Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. 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 or interest rate movements correctly. 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. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
- o There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.
- o The net asset value may be affected by changes in settlement periods and transfer procedures.
- o The Portfolio Manager and its employees directly involved in investment operations may trade in securities in their personal account which may result in a conflict with transactions in any of the Client's portfolio. However, to mitigate the said conflict in relation to employees, the Portfolio Manager has implemented the employee's trading policy. The employees of the Portfolio Manager are required to abide by the said policy as may be applicable to them. The group companies of Portfolio Manager, as a part of treasury management function, may be dealing and investing in various securities including but not limited to equity securities, bonds, units of various categories of Mutual Funds, Money Market Instruments and alternative investment funds etc. The Portfolio Manager has guidelines for managing conflicts of interest in place to achieve and maintain discipline and transparency in all investment activities and to avoid any potential or actual conflict of interests.
- o Portfolio Manager has got new registration for Portfolio Management. Thus, it has no previous experience/ track record of providing Portfolio Management Services.

Please note the above mentioned risks are indicative and not exhaustive and there may be risks which are force majeure over which the Portfolio Manager does not have any control on.



There may be risks which the Portfolio Manager may not be aware of and the Portfolio Manager may not be responsible for such omission.

## 7. Client Representation:

### i. Details of Client's accounts activated:

	Category of Clients	No. of Clients	Funds managed (Rs. Crores)	Discretionary/ Non-Discretionary (if available)
a.	Associates/Group companies/Related parties (Last 3 years)			
	2020-21	5	3.70	Discretionary
	2021-22	8	9.75	Discretionary
	2022-23	8	12.18	Discretionary
b.	Others (Last 3 years)			
	2020-21	15	11.09	Discretionary
		Nil	Nil	Non-Discretionary
		Nil	Nil	Advisory
	2021-22	45	33.5	Discretionary
		Nil	Nil	Non-Discretionary
		Nil	Nil	Advisory
	2022-23	82	63.21	Discretionary
		0	0	Non-Discretionary
		0	0	Advisory

\*Portfolio Management accounts have been activated from March 2020 onwards only.

### ii. Transactions with related parties are as under:

Following is the complete disclosure in respect to transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India:

#### A) List of related parties with whom the Portfolio Manager may have transactions and Disclosure in respect to transactions with related parties—upto 31<sup>st</sup> March, 2023 (Audited):

##### I. Key Management Personnel

- Mr. Hem Chand Jain
- Mrs. Indu Jain
- Mr. Prateek Jain
- Mr. Gaurav Jain



- e. Mrs. Megha Jain
- f. Mr. Ravi Kumar Gupta

## II. Relatives of Key Management Personnel

- a. Jitendra Kumar Jain
- b. Saurav Jain
- c. Sonali Jain
- d. Anshu Jain
- e. Hem Chand Jain HUF
- f. Gyan Chordia
- g. Abhay Chordia
- h. Garima Chordia
- i. Usha Jain
- j. Madhu Tater
- k. Taramani Gyanchand Bardiya
- l. Shanti Chand Surana
- m. Anju Sethia
- n. Madhu Mehta
- o. Manju Jain
- p. Gulab Surana
- q. Amit Munot
- r. Neelam Munot
- s. Ayush Munot
- t. Harshvardhan Jain
- u. SGJ Multitrade Private Limited
- v. SJR Multitrade Private Limited

## III. Group Companies with whom transactions have been entered into in the ordinary course of business:

- a. Hem Finlease Private Limited
- b. Hem Financial Services Private Limited
- c. Hem Share Brokers Private Limited
- d. Hem Multi Commodities Private Limited
- e. Pinkcity Tourist Village Complex Private Limited

### B) Transaction with related parties:

**Revenue Transactions:** The Company has entered into following related party transactions during the period April 01, 2022 to March 31, 2023 (as extracted from the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2023)

### 1. Key Management Personnel, their relatives and Transactions with Group Companies entered into in the ordinary course of business:

(In INR)

Transaction	Related Party	As at 31 March, 2023	As at 31 March, 2022
Revenue Transactions			





Director Remuneration	Gaurav Jain	9,000,000	6,000,000
Director Remuneration	Prateek Jain	9,000,000	-
Rent paid	Hem Chand Jain	300,000	300,000
Remuneration	Ravi Kumar Gupta	854,476	507,500
Introducer Commission MBD	SJR Multitrade Private Limited	989,000	-
Remuneration	Sonali Jain	1,200,000	-
Rent	Hem Financial Services Private Limited	600,000	600,000
Rent	Hem Share Brokers Private Limited	1,200,000	1,200,000
Interest on Director Loan	Hem Chand Jain	790,311	1,162,439
Interest on Director Loan	Indu Jain	148,631	-
Interest on Director Loan	Megha Jain	151,812	47,945
Interest on Director Loan	Prateek Jain	694,145	24,247
AMC	Hem Share Brokers Private Limited	1,182,576	1,281,612
Capital Market Transactions	Hem Finlease Private Limited	313,033,150	185,523,478
Derivative Transactions	Hem Finlease Private Limited	53,916,701	10,541,153
Capital Market Transactions	Hem Multi Commodities Private Limited	-	3,879,300
Introducer Commission MBD	Sonali Jain	-	1,500,000
<b>Balance at year end</b>			
Unsecured Loans	Hem Chand Jain		
	a) Opening Balance	-	-
	b) Loan Taken	238,200,000	1,338,900,000
	c) Loan Repaid	238,200,000	1,338,900,000
	d) Closing Balance	-	-
	Indu Jain		
	a) Opening Balance	-	-
	b) Loan Taken	62,030,699	-
	c) Loan Repaid	62,030,699	-
	d) Closing Balance	-	-



	Megha Jain		
	a) Opening Balance	-	-
	b) Loan Taken	26,000,000	22,000,000
	c) Loan Repaid	26,000,000	22,000,000
	d) Closing Balance	-	-
	Prateek Jain		
	a) Opening Balance	-	-
	b) Loan Taken	217,000,000	12,500,000
	c) Loan Repaid	217,000,000	12,500,000
	d) Closing Balance	-	-
	Hem Finlease Private Limited		
	a) Opening Balance	-	-
	b) Loan Taken	173,000,000	-
	c) Loan Repaid	173,000,000	-
	d) Closing Balance	-	-
	Pinkcity Tourist Village Complex Private Limited		
	a) Opening Balance	-	-
	b) Loan Given	154,300,000	-
	c) Loan Repayment received	99,300,000	-
	d) Closing Balance	55,000,000	-
<b>Other Payable/Receivable</b>			
Receivable	Hem Multi Commodities Private Limited	58,107	45,633
	Hem Chand Jain - PMS	82,262	71,015
	Prateek Jain - PMS	76,915	48,736
	Megha Jain - PMS	27,671	19,900
	Indu Jain - PMS	131,719	71,011
	Gaurav Jain - PMS	17,260	-







	Hem Finlease Private Limited - Net of Margin account balance	2,229,707	-
	Hem Financial Services Private Limited - PMS	14,628	9,849
	Ayush Munot - PMS	726	704
	Hem Share Brokers Private Limited - PMS	14,628	9,849
	Indu Jain - DP	172	-
	Prateek Jain - DP	14	-
	Megha Jain - DP	547	-
Receivable	Hem Finlease Private Limited - DP	117,813	-
	Hem Share Brokers Private Limited - DP	1,314	-
	Pinkcity Tourist Village Complex Private Limited - DP	164	-
	Hem Chand Jain HUF	7	-
	Saurav Jain - DP	18	-
	Gyan Chordia - DP	354	-
	Sonali Jain - DP	1,417	-
	Madhu Tater - DP	353	-
	Taramani Gyanchand Bardiya - DP	2,310	-
Payable	Hem Finlease Private Limited - PMS	-	38,853
	Gaurav Jain - DP	936	-
	Hem Financial Services Private Limited - DP	534	-
	Shanti Chand Surana - DP	87	-

## II. Transactions with Related Parties entered w.r.t. Portfolio Management Services

### A: Transactions with Related Parties during the year:

NAME	2022-2023	2021-2022
Hem Chand Jain - PMS	292,351.44	229,786.00
Prateek Jain - PMS	265,290.42	167,659.10
Megha Jain - PMS	101,161.36	73,826.44
Indu Jain - PMS	457,210.70	229,778.40
Gaurav Jain - PMS	42,471.31	00



Hem Financial Services Private Limited - PMS	58,962.25	9,848.65
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**B. Balance at the year end with the related parties:**

Related Party	Nature of Transaction		Portfolio management fees Payable	Total
	Brokerage Paid	Portfolio management fees receivable		
Hem Chand Jain	--	82,262.36	--	82,262.36
Indu Jain	--	1,31,719.28	--	1,31,719.28
Prateek Jain	--	76,914.72	--	76,914.72
Megha Jain	--	27,670.59	--	27,670.59
Gaurav Jain	--	17,259.69	--	17,259.69
Hem Multi Commodities Private Limited	--	58,106.87	--	58,106.87
Hem Financial Services Private Limited	--	14,628.32	--	14,628.32
Ayush Munot	--	726.04	--	726.04
Hem Share Brokers Private Limited	--	14628.32	--	14628.32
Hem Finlease Private Limited	2,06,271.94	--	--	2,06,271.94

**8. Financial Performance of Portfolio Manager:**

Financial highlights of Hem Securities Limited for the last 3 years are given as under:

(In INR)

Particulars	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2022	March 31, 2021
Profit/ (Loss) before depreciation & tax & after exceptional & extraordinary Items (Net of Tax)	15,74,46,590	7,76,60,800	8,65,23,662
Less: Depreciation	1,69,29,590	1,27,58,287	1,51,76,666
Less: Provision for tax	3,68,26,100	1,61,53,355	99,64,703
Add/ (Less): MAT Credit entitlement	NIL	NIL	(7,15,394)
Add/ (Less): Deferred Tax	5,05,680	14,629	1,54,126
Less: Fringe Benefit Tax	NIL	NIL	NIL
Less: Wealth Tax	NIL	NIL	NIL





Add/ (Less): Provision for Tax (for previous years)	NIL	NIL	NIL
Profit/ (Loss) for the year after tax	10,41,96,580	4,87,63,787	6,08,21,025

**9. Portfolio Management Performance of the Portfolio Manager for the last 3 years and in case of discretionary Portfolio Manager disclosure of performance indicators calculated using Time Weighted Rate of Return method in terms of regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020**

INVESTMENT APPROACH WISE RETURNS (in %)								
Sr. No.	Investment approach Name	Benchmark Index	FY 2022-2023		FY 2021-2022		FY 2020-2021	
			Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
1.	DREAM	NIFTY500	-3.61	-2.26	29.37	20.96	76.72	75.99
2.	IRSS	S&P BSE 500 Small Cap Index	34.32	-4.12	3.85	6.09	--	--

**10. Audit observations of the preceding 3 years**

No Negative observations have been placed by the Auditor in the last preceding 3 years.

**11. Nature of expenses:**

**i. Portfolio Management & Advisory Fees:**

Portfolio Management Fee and Advisory fee charged may be a fixed fee or a performance based fee or a combination of both at the rates as detailed in the schedule to the Portfolio Management Services Agreement and as revised and mutually agreed to by both the Parties from time to time. The Fees will be charged at the end of a specified tenure as agreed between the Client and the Portfolio Manager.

Profit/performance shall be computed on the basis of highwater mark principle over the life of the investment for charging of performance/profit sharing fees. High water mark shall be the highest value that the Portfolio/account has reached. Value of the Portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly.

The Portfolio Manager shall charge performance based fee only on increase in Portfolio value in excess of the previously achieved high water mark.

**ii. Custodian Fees:** The charges pertaining to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization, rematerialisation and other charges in connection with the operation and management of the depository accounts.

**iii. Registrar & Transfer Agent Fees:** It includes the Fee payable to R&T agents for effecting transfers of all or any of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps and Courier charges etc.



iv. **Brokerage & Transaction Cost:**

Investments under Portfolio Management would be done through registered members of the Stock Exchange(s) who charge a brokerage up to a maximum of 2.5% of contract value. In addition to the brokerage, transaction cost like turnover charges, stamp duty, transaction costs, turnover tax, Securities Transaction Tax or any other tax as levied by statutory authority (ies) and any other charges on the purchase and sale of securities, stocks, debt, deposits, bonds and other financial instruments would also be levied by the broker (including Hem Securities Limited and Hem Finlease Private Limited.) Entry or Exit loads (if any) on units of Mutual Funds will also be charged from Clients.

v. **Depository Charges:** As applicable from time to time.

vi. **Goods and Service Tax:** As applicable from time to time.

vii. **Certification and other professional charges:**

Charges payable for any professional services outsourced like accounting, auditing, taxation and legal services etc. for documentation, certifications, notarizations and attestations required by the bankers or regulatory authorities including legal fees etc.

viii. **Exit Load:** As may be mutually agreed to between the Client and the Portfolio Manager.

ix. **Incidental expenses:**

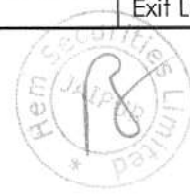
Charges including Courier expenses, Stamp Duty, Postal, Telegraphic, opening & operation of bank account, distribution charges or any other out of pocket expenses as may be incurred by the Portfolio Manager in day-to-day operations.

The Portfolio Manager shall deduct directly from the cash account of the client all the fees/costs specified above. Other expenses, which could be attributable to the Portfolio Management, would also be directly deducted. The client would be sent a statement about the same.

Portfolio Manager does not charge any upfront fees, directly or indirectly, to its clients.

Investors may note that, the fees/ expenses that may be charged to Clients mentioned below are indicative only. The same will vary depending upon the exact nature of the services to be provided to investors.

	Nature of Expenses (Indicative)	Maximum Indicative Rate of Fee (%)		
(A)	Investment Management and Advisory fee**			
	1) Fixed Fee	Up to 5%		
	2) Performance Linked Fee as permitted under the Regulations.	Up to 50% of the Returns		
(B)	Operating expenses#	0.50% per annum of the client's average daily AUM.		
(C)	Brokerage and transaction costs	At actuals		
(D)	Exit Loads	Portfolio Manager shall charge exit load to the Client in the following manner		
		<table><tr><th>Year</th><th>Exit Load (%)</th></tr></table>	Year	Exit Load (%)
Year	Exit Load (%)			





			<b>DREAM</b>	<b>IRSS</b>
		In the 1st year of investment	1	2
		In the 2nd year of investment	NIL	1
		After period of 2 year from the date of investment	NIL	NIL
**Basis of Charge – Indicative (any one or a combination of the below)				
1.	On Average Daily Assets Under Management			
2.	On Capital Invested			
3.	On Capital Committed			
4.	On Average Daily Equity portion of the Portfolio			
5.	Includes Audit fees, Franking, Notary Charges, Miscellaneous expenses			

## 12. Taxation:

The Client shall be liable for all tax liabilities arising out of their investments in Securities and availing services hereunder. In view of the individual nature of tax consequences the Client is best advised to seek advice from their Professional or tax advisor/consultant for appropriate advice on tax treatment if they are in any doubt regarding the taxation consequences of investing in the Products offered under Portfolio Management Services. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the Client's tax obligations.

## 13. Accounting Policies:

Books and Records are 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 Managers) Regulations, 2020 as amended from time to time. Accounting under the respective portfolios will be done in accordance with generally accepted accounting principles.

Investments in equities, mutual funds, exchange traded funds and debt instruments will be valued at closing market prices of the exchanges (BSE or NSE as the case may be) or the Repurchase Net Asset Value declared for the relevant scheme on the date of the report or any cut-off date or the market value of the debt instrument at the cut-off date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned. In case of structured products, the portfolio will be valued at the face value of the product until the expiry of the tenure.

The following Accounting Policy will be applied for the portfolio investments of clients and Accounting under the respective portfolios is being done in accordance with general accounting principles:

- Realized gains/ losses will be calculated by applying the FIFO (first in/ first out) principle. Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting and the same may be mutually agreed between them on a case specific basis.
- For derivatives and futures and options, unrealized gains and losses will be calculated by marking all the open positions as mark to market.
- Unrealized gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.







- d) 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. For investments, which are not quoted on the stock exchange, dividend income would be recognized on the date of declaration of dividend (applicable to Non-Discretionary Portfolio and/ or advisory services).
- e) Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year.
- f) Right entitlement shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- g) Bonus shares 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.
- h) The cost of investments acquired or purchased shall include brokerage, GST and any other statutory/ customarily charges but excludes Security Transaction Tax (STT) as it is treated as an expense. Similarly sale consideration of investments sold shall be reduced by amount of brokerage, GST and other statutory/ customarily charges but does not reduce Security Transaction Tax (STT).
- i) In cases of corporate action of demerger, the ex-date is reckoned as date of acquisition for demerged stock.
- j) Portfolio Management Fees and Custody fees are recognized/accrued in accordance with the terms of the Portfolio Management Services Agreement.
- k) Securities Transaction Tax (STT) is recognized on the trade day when the securities are accounted for on which such Securities Transaction Tax is levied.

The aforesaid Accounting Policies and Standards are subject to changes made from time to time by the Portfolio Manager. However, the changes would be in conformity with the Regulations.

### **13.1 PORTFOLIO VALUATION**

Investments in Equities, Mutual funds, Exchange Traded Funds and Debt Instruments listed on a recognized stock exchange are valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE). If on a particular valuation date, any of the above are not traded on NSE, the value at which it is traded on the Bombay Stock Exchange (BSE) is used or any recognized stock exchange. If a particular security/ fund/ instrument is not listed on the NSE, then it is valued at the last quoted closing price on the BSE on the valuation date or on a recognized stock exchange as the case may be.

Non traded and thinly traded equity securities, including those not traded within 30 days prior to the valuation date are valued at fair value as determined by Hem Securities Ltd. Non-traded and thinly traded Fixed Income Instruments, including those not traded within seven days prior to the valuation date will be valued at cost plus interest accrual till the beginning of the day plus difference between the redemption value and cost spread uniformly over the remaining maturity period of the instrument.





Equity securities awaiting listing are valued at fair value as determined in good faith by Hem Securities Ltd. Fixed Income instruments that are awaiting listing will be valued at cost plus interest accrual till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instrument.

Equity share warrants listed on a recognized stock exchange are valued at the last quoted closing price on NSE. If on a particular date the warrant is not traded on NSE the value at which it is traded on BSE is used. If no sale is reported at that time the last quoted closing price of the equity shares receivable by the scheme when the option is exercised less price per share payable upon exercise of warrant and the last dividend if any paid by the issuer of the warrants on the shares of the issuer is used.

Investments bought on "repo" basis are valued at the resale price after deduction of applicable interest up to the date of resale.

Investments in Mutual funds will be valued at the repurchase NAV declared for the relevant schemes on the date of the report or the most recent NAV will be reckoned.

#### **14. Investor Services:**

- i. Details of Investor Relation Officer who shall attend to the investor queries and complaints is mentioned herein below:**

Name of the person	Mr. Rohit Sharma
Address	<b>203, Jaipur Tower, ,M.I. Road, Jaipur, Rajasthan- 302001</b>
Email	<b>investorgrievance@hemsecurities.com</b>
Telephone	0141-4051000

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official is vested with the necessary authority, independence and the wherewithal to handle investor, complaints.

**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). SCORES enables investors to lodge and follow up their complaints and track the status on redressal of such complaints online. All the activities, starting from lodging a complaint till its closure by SEBI is carried out online in an automated environment. Since this is a web-based service, it is available around the clock. A client can register complaints and reminders at the SCORES website (<http://scores.gov.in>).
- b. Grievances, if any, that may arise pursuant to the Portfolio Management Services 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, 2020 and any amendments made thereto from time to time. However, all

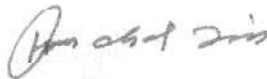


the legal actions and proceedings are subject to the jurisdiction of court in Jaipur only and are governed by Indian laws.

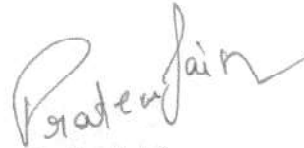
Portfolio Manager will endeavor to address all complaints/grievances regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and within 21 days of receipt of same. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms:

All disputes, differences, claims whatsoever arising between the Client and the Portfolio Manager shall be referred to a sole arbitrator and such arbitration shall be in accordance with and subject to the provisions of The Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force. Such Arbitration proceedings shall be held at Jaipur.

**For Hem Securities Ltd.,**



**Hem Chand Jain**  
**Director**  
**DIN: 00347951**



**Prateek Jain**  
**Director**  
**DIN: 03518736**

**Place: Jaipur**

**Date: 02<sup>nd</sup> December 2023**

