

Form C

Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993

**EQUITY INTELLIGENCE INDIA (P) LIMITED**

5th Floor, Areekal Mansion, Manorama Jn.

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[www.equityintelligence.com](http://www.equityintelligence.com)

We confirm that:

- i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time;
- ii) the disclosure made in the document are true, fair and adequate to enable investors to make a well informed decision regarding entrusting management of the portfolio to us/ investment in the portfolio management;
- iii) the Disclosure Document has been duly certified by an independent chartered accountant, Mr. Viju Mathew, Membership No. 204205, Partner, Roy Varghese & Associates, 41/2138E, Third Floor, St. Benedict Road, Cochin-682 018, on 14/11/2017

Date: 14/11/2017

Porinju Veliyath  
Principal Officer  
Equity Intelligence India Pvt Ltd  
5<sup>th</sup> Floor, Areekal Mansion,  
Panampilly Nagar, Cochin, Kerala-36

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Main Avenue, Cochin, Kerala, India-682036  
Ph. +91 484 2323232, 2323231

SEBI Registration Number: INP 000000787

Unique Id under MAPIN: 100006577

### DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT

- (i) The Disclosure document has been filed with the Board along with the certificates 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 of Equity Intelligence India Private Ltd, in a manner to assist and enable the investors in making informed decision for engaging Equity Intelligence India Private Ltd for managing their portfolio.
- (iii) The necessary information about the portfolio manager required by an investor before investing are given herein, and the investor is advised to retain this document for future reference.
- (iv) Details of the Principal Officer:

Name: Mr Porinju Veliyath  
Phone: 0484 – 2323232  
E-mail: [porinju@equityintelligence.com](mailto:porinju@equityintelligence.com)

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## 1) Disclaimer Clause

The particulars of the services have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 1993, as amended till date and filed with Securities and Exchange Board of India (SEBI). The disclosure 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

- (i) Portfolio Manager: Equity Intelligence India Private Ltd is hereafter referred to as the Portfolio Manager.
- (ii) Investors: Individuals, Companies, LLP, HUF, firms, FPIs and NRIs who desire to join the PMS of Equity Intelligence India Pvt Ltd will be referred to as Investors.
- (iii) Discretionary Portfolio management: The portfolio manager has the absolute discretion to make all the investment, reinvestment and other decisions relating to the management of the portfolio.
- (iv) Abbreviations Used

SEBI	The Board established under the Securities and Exchange Board of India Act, 1992.
RBI	Reserve Bank of India.
PMS	Portfolio Management Service.
NAV	Net Asset Value: means the sum total of the current value of the securities plus bank balances, TDS and receivables less payables and PMS fees. TDS (tax deducted at source) on income arising in the PMS account would be included for the calculation of performance figures and PMS fees.
NRI	Non-Resident Indian.
LLP	Limited Liability Partnership.
HUF	Hindu Undivided Family.
Firm	A partnership concern or Body of Individuals
FPI	Foreign Portfolio Investor

### 3) Description

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

Equity Intelligence India Pvt Limited is incorporated as a Private Limited Company promoted with the objective of rendering Portfolio Management Services. Presently the company has no intention of doing any other activities.

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

##### 1. Mr. Porinju Veliyath, Managing Director:

Mr. Porinju Veliyath brings with him an enviable, more than two decades long, track record in stock picking and funds management. He started his career in stock markets in the late 1980s as a floor trader in Bombay Stock Exchange. Later he moved on to become one of the leading institutional dealers in India. He has been a successful Portfolio Manager and Research Analyst with two leading Broking Houses in Mumbai in the 1990s. Mr. Porinju Veliyath has been instrumental in creating substantial wealth for large number of investors using his unique stock selection prowess and the wealth of knowledge on corporate performance.

##### 2. Mr. Abhilash Varghese, Director:

Mr. Abhilash, a Chartered Accountant, brings his thorough knowledge of financial and accounting fundamentals to the organization and ensures the smooth running of the operations of the company. Understanding the true picture of a company's financial health is an essential aspect of Equity Research. His competence in Corporate Law, Financial and Management Accounting helps the team to conduct proper due diligence of the Companies before picking stocks.

##### 3. Mr. Dixon Jose, Director:

After graduating in commerce, Mr. Dixon Jose has been involved in Equity Dealing and Back Office Operations.

**(iii) Group companies or firms of the Portfolio Manager:**

1. Greenpepper Consulting India Pvt Ltd- The company provides Human Resources related services.
2. Honeybricks Property Management Services Pvt Ltd- The company has been incorporated for providing property management services.

**(iv) Details of Services Offered:**

The Portfolio Manager offers only Discretionary Portfolio Management currently. The Portfolio manager will exercise any degree of discretion as to the investment or management of portfolio of securities or funds of the client.

**4) Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority.**

(i) Cases of penalties imposed by SEBI or the directions issued by SEBI under the SEBI Act or Rules or Regulations made there under.	None
(ii) The nature of the penalty/direction.	Not applicable
(iii) Penalties imposed for any economic offence and/ or for violation of any securities laws	None
(iv) Any pending material litigation/legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any.	None
(v) Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	None
(vi) Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made there under.	None that is pending disposal.

## 5) Services Offered

### Discretionary Portfolio Management

This service provides discretionary portfolio management for capital growth by blending market intelligence with fundamentals. Any individual, firm, NRI, LLP, FPI and corporate can join PMS with a minimum initial investment of Rupees Twenty Five lakhs.

### PMS Objective / Policy

- Portfolio may comprise of shares, bonds, securities, cash and any other financial instrument in accordance with an agreed strategy between the portfolio manager and client
- A dedicated, qualified portfolio manager is assigned who takes full charge of investment decisions
- The portfolio manager has absolute discretion to make investment decisions on the client's behalf.
- Potential of long-term capital growth
- Ensures efficient management and swift reaction as circumstances dictate
- Regular reports are provided

The investments will be made in the name of the investors subject to such conditions as stipulated by the portfolio manager. For this purpose, separate bank accounts and Demat accounts will be opened in the name of the investors, which will be operated by the portfolio manager duly authorised by the investor through a Power of Attorney.

## 6) Portfolio Risks

1. The portfolio management service will be rendered strictly in accordance with Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and amendments there to. Investors should familiarize themselves with these regulations.
2. Securities investments are subject to market risks and the NAV of the portfolio may go up and go down depending upon the factors affecting the securities market. There can be no assurance or guarantee that the objectives of the investments will be achieved.
3. The past performance of the Portfolio Manager is not indicative of and does not guarantee future performance of the Portfolio Manager. The Portfolio Manager does not give any assurance or guarantee that the objectives of the service will be achieved as investment in equity market is subject to market risk.
4. The achievement of the objective of the service is subject to the macro and micro economic factors affecting the capital markets and the rules and regulations that may be enacted to govern the various sectors and industries.
5. The normal risk of volatility and loss of capital applicable to concentration of investment in one category of security in one sector or industry is applicable to the investments made under PMS.
6. The portfolio manager has started the PMS activities from 19/03/2003.
7. The portfolio manager does not in any way assure the protection of capital of the client and loss of capital is always a possibility.

## 7) Client Representation

Category of Clients	No. of Clients	Funds Managed (Rs. Cr.)	Discretionary/Non Discretionary
Associates/Group Companies (last three years)	Nil	Nil	NA
Others: As on 31.03.2015	460	220.01	Discretionary
As on 31.03.2016	782	391.90	Discretionary
As on 31.03.2017	1,198	816.64	Discretionary
As on 30.09.2017	1,568	1,291.27	Discretionary



#### 8) Related Party Transaction

1. Rent paid to Key managerial personnel: Rs 1,14,000/-.
2. Remuneration paid to Key managerial personnel and relative of Key Managerial personnel: Rs. 53,70,000.
3. Amount payable to Key managerial personnel: Rs. 3,30,374/-
4. The trades of the PMS clients are executed through the Sub Broking firm (affiliated to Geojit Financial Services Ltd) of Mr. Porinju Veliyath

#### 9) Financial Performance of the Portfolio Manager

Equity Intelligence India Pvt. Ltd was incorporated on 11 December 2002 with the objective of rendering portfolio management services.

##### A) Abstract of the Statement of Profit and Loss Account for the year ended 31/03/2017

[Amount in Rs.]

Total Income	21,27,86,604
Less: Expenses	
1) Employee Benefits	1,34,45,959
2) Depreciation and Amortisation	22,49,853
3) Other Expenses	2,75,91,858
Profit Before Taxes	16,94,98,934
Less: (Tax Expenses) / Credits	4,66,28,287
Net Profit for the year after provision for taxes	12,28,70,647

B) BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2017

[Amount in Rs.]	
	As on 31.03.2017
<b>I EQUITY AND LIABILITIES</b>	
1. Shareholders' Funds	
a. Share Capital	66,27,000
b. Reserves & Surplus	33,32,54,080
2. Current Liabilities	
a. Trade Payables	45,19,965
b. Other Current Liabilities	26,44,679
c. Short-Term Provisions	35,60,381
<b>TOTAL</b>	<b>35,06,06,105</b>
<b>II ASSETS</b>	
Non - Current Assets	
(a) Fixed Assets-Tangible	1,36,20,287
(b) Non-Current Investments	23,91,85,811
(c) Deferred Tax Asset (Net)	1,55,841
	25,29,61,939
Current Assets	
a) Stock of Securities	45,10,000
b) Trade Receivables	3,96,69,230
c) Cash and Cash Equivalents	4,61,48,684
d) Short-Term Loans and Advances	73,16,252
	9,76,44,166
<b>TOTAL</b>	<b>35,06,06,105</b>

###### **10) Portfolio Management Performance – Net of all fees & charges**

Particulars	6 M ended 30/09/17	2016-17	2015-16	2014-15	Since Inception (*)
PMS Return	22.34%	46.98%	11.42%	71.69%	33.14%
NIFTY	6.70%	18.56%	-8.85%	26.66%	17.20%
BSE 500	7.75%	24.03%	-7.80%	33.19%	19.15%

\*Weighted average return of existing clients who joined in 2003. We are rendering Portfolio Management Service since 19/03/2003.

###### **11) Nature of expenses**

###### **PMS FEE**

A fixed management fee of 2% per annum charged quarterly on average NAV plus a 10% share of the returns above 10% per annum.

TDS (tax deducted at source) on income arising in the PMS account would be included for the calculation of performance figures and PMS fees.

###### **Other Expenses**

Brokerage on buying/selling, depository charges, bank charges, audit fees, legal and statutory charges, custodial and other transaction related expenses would be charged at actuals and would be debited from the portfolio management account.

###### **12) Taxation**

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

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

### **13) Accounting Policies**

- a) Value of shares brought in, if any, for PMS activity or taken out of the activity, if any, are taken at the rate quoted at Bombay Stock Exchange/National Stock Exchange on the day of the relative transaction.
- b) Profit or loss on sale of securities is calculated on the 'first in first out' method.

### **14) Investor Services**

**(i) Name, address and telephone number of the investor relations officer**

Mr. Abhilash Varghese  
Compliance Officer  
Equity Intelligence India Private Ltd,  
5th Floor, Areekal Mansion, Manorama Jn.  
Main Avenue, Panampilly Nagar, Kochi - 682 036  
Kerala, India  
Ph: 0484 — 2323232/2323231  
[abhilash@equityintelligence.com](mailto:abhilash@equityintelligence.com)

**(ii) Grievances redressal and dispute settlement mechanism**

- A) All grievances and disputes will be received at the corporate office of the portfolio manager (as mentioned in clause 13 (i) above) and the portfolio manager will ensure timely and prompt redressal of the grievances and disputes. The clients can email their complaints to [crm@equityintelligence.com](mailto:crm@equityintelligence.com). If the client is not satisfied with the response provided through this channel the client can escalate the issue to the Managing Director of Equity Intelligence India Private Limited at the following address:

Mr. Porinju Veliyath  
Managing Director  
Equity Intelligence India Private Ltd,  
5th Floor, Areekal Mansion, Manorama Jn.  
Main Avenue, Panampilly Nagar, Kochi - 682 036  
Kerala, India  
Ph: 0484 — 2323232/2323231  
[porinju@equityintelligence.com](mailto:porinju@equityintelligence.com)

- B) All disputes, differences, claims and questions whatsoever arising between the client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with the provisions of the Arbitration and Reconciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force.

Such arbitration proceedings shall be held at Kochi or such other place as the portfolio manager thinks fit.

- C) **Escalation to the regulator:** In case the client is not satisfied with the response from the Portfolio Manager, the client can approach The Securities and Exchange Board of India at the following address:

Plot No.C4-A,'G' Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai 400051

Complaints against the portfolio manager can be also be filed through  
[www.scores.gov.in](http://www.scores.gov.in)

Sd/-  
Porinju Veliyath  
Managing Director

Sd/-  
Abhilash Varghese  
Director

Sd/-  
Dixon Jose  
Director

14/11/2017