

PORTFOLIO MANAGEMENT SERVICES**DISCLOSURE DOCUMENT****OF****PIPER SERICA ADVISORS PRIVATE LIMITED****(SEBI Registration No. INP000006749)*****(As per the requirement of Regulation of SEBI (Portfolio Managers) Regulations, 2020)***

- (i) The Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with SEBI.
- (ii) The Document has been filed with the Board (SEBI) along with the certificate in the prescribed format in terms of regulation of SEBI (Portfolio Managers) Regulation 2020.
- (iii) 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 an informed decision for engaging a Portfolio Manager.
- (iv) 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.
- (v) This Disclosure Document is dated **26th October, 2020** (financial data considered up to **31st March, 2020**)

Details of the Portfolio Manager

Name of Portfolio Manager	:	Piper Serica Advisors Private Limited
SEBI Registration Number	:	INP000006749
Registered Office Address	:	181 Beach Tower, TATA Press Road, Prabhadevi, Mumbai – 400 025.
Phone No(s)	:	022-66545370 / 66545371
E-mail address	:	contact@piperserica.com
Website	:	www.piperserica.com

Details of Principal Officer

Name of Principal Officer	:	Mr. Abhay Agarwal
Corporate Office Address	:	222, 2 nd Floor, TV Industrial Estate, S. K. Ahire Marg, Worli, Mumbai – 400 030.
Phone No(s)	:	022-66545370 / 66545371
E-mail address	:	abhay@piperserica.com

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

Name of the Portfolio Manager: Piper Serica Advisors Pvt. Ltd.

Regd. Office Address: 181 Beach Tower, TATA Press Road, Prabhadevi, Mumbai – 400 025.

Telephone: +91-22-66545370

Email: contact@piperserica.com

We confirm that:

1. The Disclosure Document forwarded to the Securities & Exchange Board of India (SEBI) is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time in this regard;
2. The disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of their portfolio to us/ investment in the Portfolio Management Services;
3. The Disclosure Document has been duly certified by an Independent Chartered Accountant M/s Sabharanjak & Associates, Chartered Accountants, 203, Krishna Vihar CHS Ltd, behind Tata Compound, Irla Bridge, Andheri (West), Mumbai-400058, firm registration number: 129678W on 26th October, 2020.

For and on behalf of Piper Serica Advisors Private Ltd.

For Piper Serica Advisors Pvt. Ltd.



Abhay Agarwal,
Principal Officer

Date: 26th October, 2020

Place: Mumbai



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Contents of Disclosure Document

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. You are requested to retain the document for future reference. 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.

Notwithstanding anything contained in the Disclosure Document, the provisions of SEBI (Portfolio Managers) Regulations, 2020 and as amended from time to time and the circulars/guidelines issues from time to time there under shall be applicable.

This Disclosure Document along with certificate in Form C is required to be provided to the Client, at least two days prior to entering into an agreement with the Client.

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) **“Agreement”** means agreement between Portfolio Manager and its Clients in terms of Regulation 14 of SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Portfolio Managers) Amendment Regulation, 2016 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.
- (c) **“Applicable Laws”** means any applicable local or national statute, regulation, notification, circular, ordinance, requirement, directive, guidance or announcement issued by any Authority.
- (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. 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.
- (e) **“Assets”** means (i) the Portfolio and/or (ii) the Funds and includes all 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), in relation to or arising out of Assets.

- (f) **“Bank Account”** means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client or a pool account in the name of Portfolio Manager to keep the Funds of all clients.
- (g) **“Board” or “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 as amended from time to time.
- (h) **“Business Day”** means days other than:
- Saturday and Sunday,
 - a day on which the Banks in Mumbai and/or RBI are closed for business/clearing,
 - a day on which the Bombay Stock Exchange and the National Stock Exchange are closed,
 - a day on which normal business could not be transacted due to storms, floods, bands, strikes etc.
- (i) **“Client”** means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio/funds.
- (j) **“Custodian”** means an entity that has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996.
- (k) **“Depository Account”** means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client, with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.
- (l) **“Discretionary Portfolio Management Services”** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in this Agreement, where under the Portfolio Manager exercises any degree of discretion in investments or management of assets of the Client;
- (m) **“Document”** means Disclosure Document
- (n) **“Financial year”** means the year starting from 1st April and ending on 31st March of the following year
- (o) **“Funds”** means the monies placed by the Client with the Portfolio Manager and any accretions thereto.
- (p) **“High Water Mark”** means a value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year) and net of Portfolio Management Fees, for that year.
- (q) **“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.

- (r) **“Investment Management Fees”** shall have the meaning attributed thereto in Clause [10] of this Document under the head Fees & Services Charged (To be charged on Actuals)
- (s) **“Non-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 with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager shall provide advice in relation to assets but does not exercise any discretion with respect to investments or management of the Assets of the Client, and invests and manage the Assets only after seeking and taking approval from the Client, entirely at the Client’s risk.
- (t) **“Net Asset Value” (NAV):** Net Asset Value is the market value of assets in a portfolio consisting of equity, derivative, debt, mutual funds units, cash, cash equivalents, accrued interest or benefits receivables, if any, etc. less payable, if any.
- (u) **“Parties”** means the Portfolio Manager and the Client, and **“Party”** shall be construed accordingly.
- (v) **“Person”** includes any individual, partners in a 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.
- (w) **“Portfolio Manager”** means “Piper Serica Advisors Private Limited” who has obtained the certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 vide **Registration No. INP000006749**.
- (x) **“Plan/Product”** shall mean plans offered by the Portfolio Manager and accepted by the client for the purpose of investments.
- (y) **“Portfolio”** means the Securities and/or fund managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes any Securities mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.
- (z) **“Power of Attorney”** means the power of attorney to be executed by the Client in favor of the Portfolio Manager in the format specified by the Portfolio Manager, including any additional powers of attorney from time to time, in favor of the Portfolio Manager.
- (aa) **“Principal Officer”** means an individual who is responsible for the activities of portfolio management and has been designated as a principal officer by the portfolio manager.
- (bb) **“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time;
- (cc) **“Scheduled Commercial Bank”** means any bank included in the Second Schedule to the Reserve Bank of India Act, 1934(2 of 1934).

- (dd) **“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.

INTERPRETATION:

- 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.
- All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- All references “Rs.” refer to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand”.

3) Description about Portfolio Manager:

i) History, Present business and Background of the Portfolio Manager:

a) History of the Portfolio Manager:

The company was originally incorporated as “Web Associates India Private Limited” on 29th December, 1999 under Companies Act, 1956 and having its registered office at 181 Beach Tower, TATA Press Road, Prabhadevi, Mumbai – 400 025 [CIN - U99999MH1999PTC123348]. The name of the company was changed to “Piper Serica Advisors Private Limited” as on 31st December, 2003. Mr. Abhay Agarwal and Mrs. Rajni Agarwal are the Directors of the Company.

Mr. Abhay Agarwal has completed his MBA from Jamnalal Bajaj in 1993. Prior to that, he has obtained a Bachelor’s degree in Finance and Accounting from Sydenham College, Mumbai in 1991. He has spent his entire career in investment management, in India and in the rest of Asia. He started by managing a USD 50 million proprietary investment program for Citibank India in 1994. He is also a SEBI registered Investment Advisor from 2015 (already surrendered).

b) Present Business and Background:

The Company has obtained a Portfolio Manager Certificate of Registration No. **INP000006749** from SEBI effective from 08th May 2019.

The company's main objective is to provide value-added services to its clients which align with the client's long-term goals of wealth creation. The company also wishes to leverage its research capabilities to provide Portfolio Management Services to generate long term returns.

ii) Directors and Promoters of the Portfolio Manager:

Mr. Abhay Agarwal and Mrs. Rajni Agarwal are the Promoters of Piper Serica Advisors Private Limited.

1. Directors:

The Directors of the Company are as below:

- Mr. Abhay Agarwal
- Mrs. Rajni Agarwal

Director's Background

➤ **Mr. Abhay Agarwal**

Mr. Abhay Agarwal has completed his MBA from Jamnalal Bajaj in 1993. Prior to that, he has obtained a Bachelor's degree in Finance and Accounting from Sydenham College, Mumbai in 1991. He has spent his entire career in investment management, in India and in the rest of Asia. He started by managing a USD 50 million proprietary investment program for Citibank India in 1994. As manager to this program he made an investment in the upcoming companies like HDFC Bank, ICICI Bank, Marico, Nicholas Piramal, Bharat Forge etc. wherein the returns generated were significantly higher than the market returns.

In 1998 he joined the private equity fund set up by Chase Capital Partners. He was a part of the core investment management team. Their largest investment included a 15% stake in HDFC Bank, seed capital to Jubilant Foodworks and HDFC Securities and investments in strong companies like MTR Foods, Gujarat Glass etc. He was also a SEBI registered Investment Advisor from February 2015 (currently surrendered). He has been advising clients since then on their investment in the equity market.

➤ **Mrs. Rajni Agarwal**

Rajni Agarwal has completed her MBA from Jamnalal Bajaj in 1993. She immediately joined SBI Funds Management as a Research Analyst. As a researcher, she supported the fund managers and reported directly to the investment committee. She was, subsequently promoted to the role of fund managers of one of the largest debt instruments and ensures an appropriate risk-adjusted return to investors. She was involved in regular credit monitoring and credit appraisal of the Portfolio companies.

iii) **Top 10 Group Companies under the same Management as per section 370(1B) of the Companies Act, 1956, of the Portfolio Manager in India):**

1. RA Fortune Venture LLP

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

Sr. No.	Particulars	Remarks
1	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder	None
2	The nature of the penalty/direction	None
3	Any pending material litigation / legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any:	None
4	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency:	None
5	Any inquiry/ 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 thereunder:	None
6	Penalties imposed for any economic offense and/or violation of any securities laws	None

5) **Details of Services Offered**

1. **Services offered**

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

a. **Discretionary Portfolio Management–**

Under the Discretionary Portfolio Management Services, the Portfolio Manager will have the sole and absolute discretion with regard to the 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 at the Portfolio manager discretion. The Securities invested/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 malafide 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.

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 approval from the Client.

Under the 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 the 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 the 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 to be given purely advisory services as stipulated under SEBI PMS Regulations and in accordance with the requirement of the client. 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, 2020 and SEBI (Investment Advisers) Regulations, 2020, 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.

2. Investment objective

The funds of the Clients shall be invested in such capital and money market instruments, including securities as defined under the Securities Contract (Regulation) Act, 1956, and shall include any securities, derivatives and other instruments which are tradable on any of Exchanges as wells such units of Unit Trust of India and / or other mutual funds (whether listed or unlisted), government securities, debt instruments, negotiable instruments, unlisted securities, certificates of deposit, participation certificates, commercial paper, securitized debt instruments, investments in company deposits, bank deposits, treasury bills and such other eligible modes of investment and/or forms of deployment within the meaning of the Regulation issued by SEBI as amended from time to time.

The Portfolio Manager may, however, enter into futures contracts, options in securities, options on indices and other similar types of investment, which may result in the Client

having to provide initial margin payments and which would be deemed. The Portfolio Manager shall observe a high standard of integrity and fair dealing in all transactions involving the Client's Account. The investment in the securities mentioned in the above point will be in accordance with the objectives as given in the agreement and also any of the product/plan categories accepted by the client.

The investment objectives would be one or more of the following or combination thereof:

- a. To provide investment flexibility to the client across various market segments
- b. To generate good returns on investments
- c. To generate short term and/ or long-term capital appreciation

The Portfolio Manager offers various investment strategies-based portfolios to allow for standardized customization in sync with investor profile and also customized portfolio as per suitability and specific requirements of the client. The general objective is to formulate and device the investment philosophy to achieve long term growth of capital.

The objective of the Derivative Exposure: The objective to use derivatives is purely to protect the portfolio in case of a severe market correction. We seek to use derivatives purely to protect the client's portfolio in case of sharp drawdowns of the aggregate market. The Derivatives will only be used for hedging and/or portfolio rebalancing

3. Types of Securities

The portfolio manager/fund manager shall invest in all such types of securities as defined in above (Please refer to definitions) and in all such securities as permissible from time to time.

Consistent with the investment objective and subject to Regulations, the corpus will be invested in any of (but not exclusively) the following securities:

- i. Equity and equity-related securities including convertible bonds (including equity-linked debentures) and debentures and warrants carrying the right to obtain equity shares;
- ii. Securities issued/guaranteed by the Central, State Governments and local governments (including but not limited to coupon bearing bonds, zero coupon bonds, and treasury bills);
- iii. Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds;
- iv. Money Market instruments permitted by SEBI/RBI;
- v. Certificate of Deposits (CDs);
- vi. Commercial Paper (CPs);
- vii. Mutual Fund units, Fixed Deposits, Bonds, debentures etc.;
- viii. Units of venture funds;
- ix. Securitization instruments;
- x. Foreign securities as permissible by Regulations from time to time;
- xi. Any other securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals.

4. Minimum Investment Amount

The Portfolio Manager will not accept an initial corpus of less than Rs. 50.00 lacs or such minimum amount as specified by SEBI from time to time. The client may on one or more instances or on a continual basis, make further placements of funds/securities under the services.

5. Details of PMS Plans offered/proposed to be offer for Discretionary/Non-discretionary/Advisory Services-

The Portfolio Management Services to be offered shall be as per the following investment Approaches:

- a. **Investment Approach: Leader Portfolio Strategy:**
 - I. **Investment Objective:** Grow wealth by investing in natural compounders of earnings that produce above-average returns with below average business volatility.
 - II. **Investment Strategy:** Identify high-growth industries that will grow for next 15-20 years because of rapidly changing demographics and invest in leaders of these industries after validating their competitive edge. These leaders will compound earnings for a long period of time resulting in market beating returns for investors. Actively manage an optimally diversified portfolio of 15-20 leader stocks.
 - III. **Investment Universe:** Leaders of fast growth industries that score more than 7 out of 10 on Piper Serica's 5 Forces Competitive Edge Model. Multi cap universe with a large cap bias. Active universe is about 50 companies out of which 15-25 are part of the portfolio.
 - IV. **Description of Securities:** Under this strategy, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.
 - V. **Appropriate Benchmark to compare performance:** Nifty 50 Total Return Index
 - VI. **Basis for choice of benchmark:** Most of the portfolio companies fall in large-cap category based on market capitalization. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay-out of dividend. Hence, Nifty 50 Total Return Index has been selected as the benchmark for comparing performance.
 - VII. **Minimum Investment:** INR 50,00,000 (DPMS/NDPMS)
 - VIII. **Indicative investment horizon:** 3-10 years
 - IX. **Lock-In:** Investments managed under this Investment Approach shall not be subject to any lock-in period.
 - X. **Exit loads:** 1% of the AUM in the first year and no exit load thereafter. This will be subject to mutual agreement between the client and the portfolio manager
 - XI. **Redemptions / Partial withdrawals:** Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in Clause 4 of this schedule.
 - XII. **Use of derivatives:** The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in the account opening docket and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

- XIII. **Risks associated with the investment approach:** Please refer the clause 6 on Risk Factors
- XIV. **Nomenclature:** The same strategy is also called “Wealth Compounder” by Piper Serica under the Advisory services

b. Investment Approach: Emerging Dominators Plus (ED+)

- I. **Investment Objective:** To multiply wealth for a long period of time by investing in a portfolio of multi-baggers from high growth small and mid-cap stocks.
- II. **Investment Strategy:** With an increase in per capita GDP there is a significant change in the consumption pattern of Indian consumers. This will create new industries and will give an opportunity to young companies to grow fast and benefit from these new trends. We have chosen 12 such companies that have already created a substantial market presence and are now geared to grow rapidly.
- III. **Investment Universe:** Our chosen universe is companies that have a market capitalization of less than INR 25,000 crores. They are all rapidly growing in their fast growth industry. They have demonstrated high level of corporate governance and are managed by transparent and highly successful professional managers. The average market cap of the portfolio will be capped at INR 15,000 crore to ensure adequate representation of both small and mid-cap stocks.
- IV. **Description of Securities:** Under this strategy, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.
- V. **Appropriate Benchmark to compare performance:** Nifty Mid & Small-cap 400 Index
- VI. **Basis for choice of benchmark:** All of the portfolio companies fall in Mid-cap & Small-cap category based on market capitalization. Hence, Nifty Mid & Small-cap 400 Index has been selected as the benchmark for comparing performance.
- VII. **Minimum Investment:** INR 50,00,000 (DPMS/NDPMS)
- VIII. **Indicative investment horizon:** 5-10 years
- IX. **Lock-In:** Investments managed under this Investment Approach shall not be subject to any lock-in period.
- X. **Exit loads:** 1% of the AUM in the first year and no exit load thereafter. This will be subject to mutual agreement between the client and the portfolio manager
- XI. **Redemptions / Partial withdrawals:** Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in Clause 4 of this schedule.
- XII. **Use of derivatives:** The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client’s portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in the account opening docket and the Portfolio Manager would be barred from using derivatives in the client’s portfolio.
- XIII. **Risks associated with the investment approach:** Please refer the clause 6 on Risk Factors

- c. **Investment Approach: Formidable Dozen Plus (FD+)**
- I. **Investment Objective:** Generate higher than Fixed Income returns by investing in a portfolio of select 12 mega-cap stocks.
 - II. **Investment Strategy:** As the share of India in global GDP grows over the next 5 years so will the market capitalization of its stock market. The mega cap stocks that are part of the Nifty Fifty Index will create tremendous wealth over the next 5-10 years as they grow their leadership and competitive moat. These companies have very stable and defensive business models. By investing in them the investor has a very high probability of making a much higher return than the current returns available from fixed income options. These stocks have been chosen carefully after detailed research and the portfolio construction is done in a way to reduce risk and optimize returns.
 - III. **Investment Universe:** Our chosen universe is companies that have a market cap of more than INR 1 lakh crore and are a part of the Nifty 50 Index. They are all profitable, growing, dividend paying and have a dominating presence in their industry. They have a stellar track record of generating shareholding value for more than twenty years and are managed by a team of highly successful professional managers
 - IV. **Description of Securities:** Under this strategy, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.
 - V. **Appropriate Benchmark to compare performance:** Nifty 50 Index
 - VI. **Basis for choice of benchmark:** Most of the portfolio companies fall in large-cap category based on market capitalization. Hence, Nifty 50 Index has been selected as the benchmark for comparing performance.
 - VII. **Minimum Investment:** INR 50,00,000 (DPMS/NDPMS)
 - VIII. **Indicative investment horizon:** 3-10 years
 - IX. **Lock-In:** Investments managed under this Investment Approach shall not be subject to any lock-in period.
 - X. **Exit loads:** There shall be no levy of exit load on withdrawal of monies being managed under this approach.
 - XI. **Redemptions / Partial withdrawals:** Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in Clause 4 of this schedule.
 - XII. **Use of derivatives:** The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security the account opening docket and the Portfolio Manager would be barred from using derivatives in the client's portfolio.
 - XIII. **Risks associated with the investment approach:** Please refer the clause 6 on Risk Factors

6) Risk Factors:

- 1) Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments in securities will be achieved. These investments may not be suited to all categories of investors.
- 2) The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, the relatively small number of scripts accounting for the large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- 3) The past performance of the Portfolio Manager is not indicative of future performance. Investors are not being offered any guaranteed or indicative returns.
- 4) The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting, and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and Demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
- 5) Investment decisions made by the Portfolio Manager may not always be profitable.
- 6) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy, and asset allocation.
- 7) Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.
- 8) Equity and Equity Related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
- 9) Macro-Economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have a direct or indirect impact on the investments, and consequently the growth of the Portfolio.
- 10) Liquidity Risk: Liquidity of investments in equity and equity-related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid securities and finding a buyer for such Securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of

transactions could result in temporary periods when the assets of the plan are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.

- 11) Credit Risk: Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the creditworthiness of the issuer and general market risk.
- 12) Interest Rate Risk: Is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when the interest rate rises, the value of a portfolio of fixed income securities can be expected to decline.
- 13) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
- 14) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non-performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.
- 15) Reinvestment Risk: This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
- 16) Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.
- 17) Mutual Fund Risk: This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including the performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like a change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect the performance of the investment in mutual fund units.
- 18) Prospective clients should review / study the Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of Portfolio within their

jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.

- 19) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
- 20) Clients are not being offered any guaranteed/assured returns.
- 21) The investments under the Portfolio may be concentrated towards equity/equity related instruments of companies primarily belonging to a single or few sector and hence shall be affected by risks associated with those sectors.
- 22) The Clients may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients. The Client may incur a higher rate of TDS/ Dividend Distribution Tax in case the investments are aggregated in the name of the Portfolio Management Portfolio/Product.
- 23) The arrangement of pooling of funds from various Clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961 and taxed accordingly.
- 24) In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.
- 25) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Clients may suffer opportunity loss.
- 26) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
- 27) In case of early termination of the Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that was negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.
- 28) Changes in Applicable Law may impact the performance of the Portfolio.
- 29) Risks pertaining to stock lending: In the case of stock lending, risks related to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, the inadequacy of the collateral and settlement risks.
- 30) Risk arising out of non-diversification, if any.
- 31) Specific Risk Disclosures associated with investments in Securitised Debt Instruments

- a) Presently, the secondary market for such securitized papers is not very liquid. This could limit the ability of the portfolio manager to resell them. Even if sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
- b) Securitized transactions are normally backed by a pool of receivables and credit enhancement as stipulated by the rating agency, which differs from issue to issue. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.

32) Specific risk and disclosures associated with investment in Structured Products like Index Linked Debentures

- The Structured Products like Index linked - Non-Convertible Debentures may lead to a portion of the funds being deployed in the derivatives markets including in the purchase of options. These investments are high risk, high return as they may be highly leveraged. A small movement in the underlying index could have a large impact on their value and may result in a loss.
- The Issuer of Equity index-linked debentures or any of its Agents, from time to time may have long or short positions or make markets including in indices, futures, and options. The value of these Debentures invested into on behalf of clients could be adversely impacted by a price movement in the above securities.
- The Structured Products, even after being listed, may not have a market at all;
- The returns on the Structured Products, including those linked may be lower than prevailing market interest rates or even zero or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the Debentures. Consequently, the Debenture holder may receive no income/return at all or negative income/return on the Debentures or less income/return than the Debenture holder may have expected, or obtained by investing elsewhere or in similar investments.
- In the case of Equity Index-Linked Debentures, in the event of any discretions need to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach may be at the discretion of the by the issuer and may include the use of estimates and approximations.
- At any time during the life of such Structured Products, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Issuer goes down;
- The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products.

7) Client Representation:**a) Details of client's accounts active:****As on 31st March 2020**

Sr. No.	Category of clients	No. of clients	Funds managed (amt in Rs. cr)	Discretionary/ Non-Discretionary (if available)
1	Associates/group companies	-	-	-
2	Related Parties: Corporate	1	0.22	Discretionary
3	Related Parties: Individual	2	8.35	Discretionary
4	Others	65	28.23	Discretionary
5	TOTAL	68	36.60	Discretionary

b) Complete Disclosure in respect of transactions with related parties as per the Accounting standards specified by the Institute of Chartered Accountants of India:

Please refer below for related parties with whom transactions have taken place during the year 2019-20 (audited).

Sr. No.	Name of the related parties	Nature of Payment	Amount (in Rs.)
1.	Abhay S Agarwal (Director)	Remuneration	Rs. 3,00,000/-
2.	Abhay S Agarwal (Director)	Car Hire charges	Rs. 3,00,000/-
3.	Rajni A Agarwal (Director)	Remuneration	Rs. 3,00,000/-
4.	RA Fortune Venture LLP	Office Rent	Rs. 1,80,000/-

8) The Financial Performance of Portfolio Manager:**8.1 Capital Structure (Rs. in lakhs)**

Particulars	As on 31-Mar-2017	As on 31-Mar-2018	As on 31-Mar-2019	As on 31- March-2020
a) Paid-up capital	1.00	1.00	1.00	1.00
b) Free reserves (excluding re-valuation reserves)	160.46	186.45	207.01	204.38
c) Total (a) + (b)	161.46	187.45	208.01	205.38

8.2 Deployment of Resources (Rs. in lakhs)

Particulars	As on 31-Mar-2017	As on 31-Mar-2018	As on 31-Mar-2019	As on 31- March-2020
(a) Fixed Assets	0.16	0.10	0.06	0.05
(b) Plant & Machinery & Office Equipment's	0.16	0.79	0.74	1.30
(c) Investments	151.47	174.44	189.62	155.19
(d) Others	21.08	26.40	23.37	45.34
Total	172.87	201.73	213.79	201.88

8.3 Major Sources of Income: (Rs. in lakhs)

Particulars	As on 31-Mar-2017	As on 31-Mar-2018	As on 31-Mar-2019	As on 31- Mar-2020
• Revenue from Operations	12.31	12.25	45.52	33.49
• Other Income	3.17	49.68	12.48	5.99
Total	15.48	61.93	58.00	39.48

8.4 Net Profit (Rs. In lakhs)

Particulars	As on 31-Mar-2017	As on 31-Mar-2018	As on 31-Mar- 2019	As on 31- Mar-2020
Profit Before Tax	(12.80)	26.00	17.28	(3.82)
Profit After Tax	(12.82)	25.99	17.28	(3.82)

8.5 Audit Observation of last 3 preceding years:

NA

9) Performance of the Portfolio Manager for the last 3 years (Regulation 14 (2b)(iv) of SEBI (Portfolio Managers) Regulations, 2020:

Since business has started on 01.06.2019, the same is not applicable for previous periods.

Particulars	Year Ended (2019-2020)	Year Ended (2018-2019)	Year Ended (2017-2018)
Portfolio Performance (%), Net of all fees and Charges levied by the Portfolio Manager - Leaders Strategy	-12.11%	N.A.	N.A.
Benchmark Performance - Nifty 50	-26.03%	N.A.	N.A.

10) Fees and Services Charged (To be based on actual):

- Investment Management Fee i.e.** Fixed Fees charged as agreed with the client wide terms and conditions mentioned in the agreement relating to the Portfolio Management Services offered to the Clients.
- Performance Management Fee i.e.** A performance fees based on profit slabs provided in the portfolio agreement is charged as agreed with the client wide terms and conditions mentioned in the agreement. Performance fees will be charged on the performance over the hurdle rate,

management fee and any costs of trading. It shall be computed on the basis of high-water mark principle over the life of the investment for charging of performance/profit sharing fees.

High Water Mark Principle: 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.

3. The fees charged to the client for PMS Service comes under "Fees for technical services" under Sec 194J of the Income Tax Act 1961. This section calls for withholding tax on the fees that the client pays to the portfolio manager if he or she falls under
 - An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.
 - Corporate.
4. **Custodian fee / Depository Charges & Fund Accounting Charges:** Charges relating to custody and transfer of shares, bonds and units, opening and operation of demat account, dematerialization and rematerialization, and/or any other charges in respect of the investment etc. The actual fees levied by the custodian for custody, demat charges and fund accounting shall be charged to the client as mentioned in the agreement with the client and as agreed between the Portfolio Manager and the Custodian from time to time. These charges are expected to be in the range of 5 to 15 BPS per annum.
5. **Registration and transfer agents' fees:** Fees payable for the Registrars and Transfer Agents in connection with effecting the transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps, and courier charges.
6. **Brokerage, transaction costs, and other services:** The brokerage and other charges like stamp duty, transaction cost and statutory levies such as GST, securities transaction tax, turnover fees, and such other levies as may be imposed upon from time to time.
7. **Fees and charges in respect of investment in mutual funds:** Mutual Funds shall be recovering expenses or management fees and other incidental expenses and such fees and charges shall be paid to the Asset Management Company of the Mutual Funds on behalf of the Client. Such fees and charges are in addition to the portfolio Management fees described above.
8. **Certification charges or professional charges:** The charges are payable to professional services like accounting, taxation, certification and any other legal services, etc.
9. **Securities lending and borrowing charges:** The charges pertaining to the lending of securities, costs of borrowings and costs associated with the transfer of securities connected with the lending and borrowing transfer operations.
10. **Stamp Duty:** As may be applicable at actuals
11. **Goods & Services Tax:** As applicable from time to time

12. **Any incidental and ancillary out of pocket expenses:** All incidental and ancillary expenses not recovered above but incurred by the Portfolio Manager on behalf of the client shall be charged to the Client.
13. 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 and the client would be sent a statement about the same.
14. The fee so charged may be a fixed fee or performance-based fee or a combination of both as agreed in the agreement.
15. Portfolio Manager shall not charge any entry/setup fees to Clients at the time of onboarding except the specific charges applicable for execution of the agreement and related documents for account opening. These will be capped at INR 2500.
16. Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

11) Taxation:

The following information is based on the law in force in India at the date hereof. This information is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does constitute tax or legal advice. This information is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. Investors / clients should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of the tax consequences, each investor /client is advised to consult his/ her/its own professional tax advisor. The information/data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should not be construed as investment advice.

Income on Investment in Securities is subject to tax in the following manner:

a) Dividend

The Finance Act, 2020 has abolished the provisions related to Dividend Distribution Tax ("DDT") and hence the dividends distributed by an Indian company are taxable in hands of the shareholders/unit holders at the rates applicable to the respective assesses.

Further, The Finance Act, 2020 has amended Section 57 of the IT Act, in respect of deduction from the dividend income. The said amendment governs that no deduction shall be allowed from dividend income other than interest expense to the extent of 20% of the dividend income. Also w.e.f. 1st April 2020 mutual fund / RTA shall be required to deduct TDS at 10 per cent only on dividend payment (Above Rs 5000); No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gain. However, with effect from 14th May 2020, TDS on dividend is reduced to 7.5% for FY2020-21 only.

b) Interests on Investment are taxable except in certain cases where it is exempted from tax under Income Tax Act 1961.

c) In case the securities are sold within one year (for listed securities except for units other than units of equity oriented mutual funds) or within three years (for unlisted securities) 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 if the securities are sold on a recognized stock exchange in India and on which securities transaction tax has been paid are taxed at a

concessional rate of 15% (as increased by surcharge plus education cess), in other cases they would be taxed at the slab rate applicable to the respective PMS client type.

In case the securities are sold after one year (for listed securities) or three years (for unlisted securities) and three years for units other than units of equity oriented mutual funds from the date of purchase, the resultant gains or losses are termed as long term capital gains or losses and the gain is arising out of transfer of equity shares which are sold on a recognized stock exchange in India and on which securities transaction tax has been paid would be taxed at 10% (as increased by surcharge plus education cess) in case of listed securities and 20% (as increased by surcharge plus education cess) in case of unlisted securities and units other than units of equity oriented mutual funds.

From A.Y. 2019-20, Long Term capital gain (where STT is paid) in excess of Rs. 1 Lakh will be chargeable at the rate of 10% and on the balance amount of the total income, the tax will be computed as if it were the total income of the assessee.

Note: "Listed Securities" as defined under the explanation to section 112(1) of Income Tax Act, means the securities as defined in clause 2(h) of Securities Contract (Regulations) Act, 1956 and listed on any recognized stock exchange in India.

"Unlisted Securities" means securities other than listed securities.

"Units" shall have the meaning assigned to it in clause (b) of explanation to section 115AB of Income Tax Act, 1961.

The following are the tax provisions presently applicable to clients investing in the Portfolio Management Products under the Income Tax Act, 1961.

Tax on Long Term Capital Gain:

If the capital asset, which is transferred, is equity share or units of equity oriented mutual funds and the transaction is subject to Securities Transaction Tax, the Long-Term Capital Gain in excess of Rs. 1 Lakh is chargeable to tax @ 10%.

In other cases, the tax will be calculated as follows:

Capital Asset	If it is not subject to Securities Transaction Tax		
	Long Term		Short Term
	Without Indexation	With Indexation	
1. Debenture Listed	10 %	Not Applicable	Normal
2. Debenture Non-Listed	20 %	Not Applicable	Normal
3. Government Securities	10 %	20 %	Normal
4. Bonds Listed	10%	Not Applicable	Normal
5. Bonds Non-Listed	20%	Not Applicable	Normal

TDS

If any tax is required to be withheld on account of any future legislation, the portfolio manager shall be obliged to act in accordance with the regulatory requirements in this regard. Interest would be subject to tax as per prevailing provisions of the Income Tax Act, 1961.

Advance Tax Obligations

It shall be the client's responsibility to meet the advance tax obligations payable on the due dates as per the Income Tax Act, 1961.

Provisions of Income Tax Act 1961, undergoes change frequently and is also based on the status of the client, thus the client is advised to consult his/her tax consultant for appropriate advice on the tax treatment of income indicated herein.

The fees charged to the client for PMS come under the ambit of "fees for technical services" under Section 194J of the Income Tax Act, 1961 ("the Act"). As the section calls for withholding tax, the client is required to withhold tax @ 10 % excluding GST, on the fees that the client pays to the Portfolio Manager if he/she falls under the following two categories:

a) An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year

b) Corporate

This implies, the Client (as mentioned in point 'a' and 'b' above) while making payment of the fees would deduct tax at Source. The taxes payable on any transactions entered into or undertaken by the Portfolio Manager on behalf of the client, whether by way of deduction withholding, payment or other, shall be fully borne by the client. Payment of the tax shall be the personal responsibility and liability of the client. In case the client deducts and pay the withholding tax, the client shall provide Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of filing return or due date of filing TDS Return for the quarter whichever is earlier. The Portfolio Manager is not by law, contract or otherwise required to discharge any obligation on behalf of the client to pay any taxes payable by the clients.

Please note: These are indicative & brief taxation policies and are not exhaustive. The taxation in the hands of the investor might differ based on their income, structure, location, residence status and other requirement as defined and laid down by the income tax act from time to time. An investor should consult a tax expert/tax advisor before entering into any agreement.

12) Accounting Policies:

1. Basis of accounting

- a. Books and Records for each product is separately maintained in the Back-office software (with Fund Accountant) 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, 2020, and SEBI (Investment Advisers) Regulations, 2013 as amended from time to time.
- b. Accounting under the respective portfolios is done in accordance with Generally Accepted Accounting Principles except with Point (a) of Income/Expenses.
- c. Transactions for purchase and sale of investments are recognized as of the trade date. In determining the holding cost of investments and the gain or loss on sale of investment, the

first-in-first-out method is followed. The same is done at the product level. The cost of the investments acquired or purchased would include brokerage, stamp charges, and any charges customarily included in the broker's contract note or levy by any statute except STT (Securities Transaction Tax). Securities Transaction Tax incurred on buying and selling of securities is charged to revenue account.

- d. Realized Gains/Losses are calculated by applying the First in/ First Out method.
- e. Where eligible securities have been received from the client towards corpus, the closing market value of the previous day of activation of account/receipt of securities (in case of the additional corpus) is considered as a capital contribution and deemed to be the cost of investments for the purpose of tracking performance.
- f. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- g. Unrealized gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.

2. **Income/expenses**

- a. All investment income and Expenses are accounted on accrual basis except Custodian, Fund Accounting, audit fees& Depository charges which are accounted on cash basis.
- b. The dividend is accrued on the Ex-date of the securities and the same is reflected in the clients' books on the ex-date.
- c. Similarly, bonus shares are accrued on the ex-date of the securities and the same are reflected in the clients' books on ex-date.
- d. In case of fixed income instruments, purchased/sold at Cum-interest rates, the interest component up to the date of purchase/sale is taken to interest receivable/payable account.
- e. Further, Mutual Fund dividend shall be accounted on receipt basis.

3. Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.

4. **Audit**

- a. The Portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be given to the client.
- b. The client may appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such chartered accountant in course of the audit.

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

13) Agreement:

1. The Portfolio Manager before taking up an assignment of management of funds or portfolio of securities on behalf of the client, enters into an agreement in writing with such client clearly defining the inter se relationship and setting out their mutual rights liabilities and obligations relating to the management of funds or portfolio of securities, containing such details as per the regulations.
2. The money or securities accepted by the portfolio Manager shall not be invested or managed by the Portfolio Manager except as mentioned in terms of the agreement between the Portfolio Manager and the client.
3. The Portfolio Manager shall not change any terms of the agreement without prior written consent of the client.
4. The term of the PMS Agreement shall be for perpetuity, with auto-renewal after a period of one year from the Activation Date ("Term") on mutual agreement and, unless terminated by either Party in accordance with the terms of the PMS Agreement. The agreement shall be deemed to be automatically renewed from the next day of date of expiry of the Term on the such terms and conditions as may be mutually agreed upon by the Parties in writing, till any further communication by either of the party to terminate the same. The Client shall be entitled to terminate the PMS Agreement before the expiry of the term according to and with the terms/clauses specified in the said agreement.

14) Termination of Agreement:

1. Notwithstanding anything contained above, the funds or securities can be withdrawn or taken back by the client before the maturity of the contract under the following circumstances, namely –
 - a. Voluntary or compulsory termination of portfolio management services by the Portfolio Manager or the client.
 - b. Suspension or cancellation of the certificate of registration of the Portfolio manager by the Board.
 - c. Bankruptcy or liquidation of the Portfolio Manager.
2. There shall be written intimation about such termination by the terminating party.
3. On termination of the agreement, the Portfolio Manager shall give a detailed statement of accounts to the client and settle the account with the client as agreed in the agreement.

15) Disclaimer by the Portfolio Manager:

Prospective investors should review / study this Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.

16) Investor Services:

(i) The details of the investor relation officer who shall attend to the investor queries and complaints are mentioned here below:

Name of the person	Mr. Ajay Modi
Designation	Compliance Officer
Address	222, 2nd Floor, TV Industrial Estate, S.K. Ahire Marg, Worli, Mumbai – 400 030, Maharashtra.
Email	ajay@piperserica.com
Investor Grievance Email ID	complaints@piperserica.com
Telephone	022-66545370

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 means to handle investor complaints.

(ii) Grievances redressal and Dispute settlement mechanism.

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 the court in Mumbai only and are governed by Indian laws.

The Portfolio Manager will endeavor 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 in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

Alternatively, with effect from September 2011, SEBI has launched a new web-based centralized grievance system called SCORES i.e. SEBI Complaints Redressal System, for online filing, forwarding, and tracking of resolution of investor complaints. The Client may also make use of the SCORES facility for any escalations on redressal of their grievances. Following is the link to visit the website and inform their dispute/complaints against the company.

<https://scores.gov.in/scores/complaintRegister.html>

SEBI vide press release PR No. 80/2012 dated 30th August' 2012 has extended its toll-free helpline service for Investors (1800 22 7575 / 1800 266 7575) to Saturday and Sunday from the existing Monday to Friday. The service on Saturday and Sunday would be available initially to investors from all over India in English, Hindi, Marathi, and Gujarati from 9:30 a.m. to 5:30 p.m. For any queries/feedback or assistance, the Client may also e-mail to sebi@sebi.gov.in

The agreement with the client shall be governed by construed and enforced in accordance with the laws of India. Any dispute with the client shall at first be settled by mutual discussion, failing which the same will be referred to and settled by arbitration in accordance subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification/enactment thereof for the time being in force. A sole arbitrator will be appointed by mutual consent of the portfolio manager and the client. The arbitration shall be held in Mumbai and be conducted in the English language. Any action or suit involving the agreement with a client or the performance of the agreement by either party of its obligations will be exclusively in courts located at any place in India subject to the jurisdiction clause in the portfolio agreement.

17) Anti-Money Laundering Compliances:

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). PMLA 2002 and the Rules notified there under (PMLA Rules) came into effect from July 1, 2005. Director, FIU-IND, and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act. Consequently, SEBI has mandated that all registered intermediaries formulate and implement a comprehensive policy framework on anti-money laundering and adopt 'Know Your Customer' (KYC) norms.

Further, SEBI vide Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/104 dated July 04, 2018 (which supersedes all the earlier circular) issued a '**Master Circular for Guidelines on Anti Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules frame there under**' consolidating all the requirements/instructions/obligations of Securities Market Intermediaries.

Accordingly, the investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Prevention of Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti-money laundering laws and regulations in all of its operations. Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client doesn't comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements.

The Portfolio Manager shall not be held liable in any manner for any claims arising whatsoever on account of freezing the account/rejection or refund of the application etc. due to non-compliance with the provisions of any of the aforesaid Regulations or Applicable Laws.

Investors are requested to note that KYC is mandatory for all investors. SEBI vide circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011, and CIR/MIRSD/ 11/2012 dated September 5, 2012, has mandated that the uniform KYC form and supporting documents shall be used by all SEBI registered intermediaries in respect of all new clients from January 1, 2012. Further, SEBI vide circular no. MIRSD/Cir-23/2011 dated December 2, 2011, has developed a mechanism for centralization of the KYC records in the securities market to bring about uniformity in securities markets.

Accordingly, KYC registration is being centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA. Applications shall be liable to be rejected if the investors do not comply with the aforesaid KYC requirements.

As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005 (the rules), every reporting entity shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the Rules, as per the KYC template for 'Individuals' finalized by CERSAI. Accordingly, the KYC template finalized by CERSAI shall be used by the registered intermediaries as Part I of AOF for individuals.

18. List of third-party service providers whose services are being used by Portfolio Manager for the proposed Portfolio Management Service

Sr. No.	Name of the service provider	Nature of services provided
1	Kotak Mahindra Bank Limited	Custodian Services, Fund Account Services & Depository Participant
2	Kotak Securities Ltd.	Broking
3	Ambit Capital Ltd.	Broking
4	Edelweiss Broking Ltd.	Broking

19. General:


The portfolio manager and the client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement.


The Portfolio Manager has outsourced Fund Accounting and Custodian activity to Kotak Mahindra Bank Ltd. (Custodian).

Some details relating to the PMS such as the assets under management, top holdings of the portfolio, top sector exposure and the performance of the scheme is hosted and shared on websites of 3rd Party Aggregators. The data covers very basic details of the PMS and is used as a marketing material. No client specific details are shared. Client confidentiality is maintained at all times.

Approved by the board of directors of Piper Serica Advisors Pvt. Ltd. On:
For Piper Serica Advisors Private Limited

For Piper Serica Advisors Pvt. Ltd. For Piper Serica Advisors Pvt. Ltd.


Mr. Abhay Agarwal
Director


Mrs. Rajni Agarwal
Director



Place: Mumbai
Date: 26th October, 2020

FORM C**SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020
(Regulation 14)**

We confirm that:

The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;

The disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management;

The Disclosure Document has been duly certified by an Independent Chartered Accountant M/s Sabharanjak & Associates, Chartered Accountants, 203, Krishna Vihar CHS Ltd, behind Tata Compound, Irla Bridge, Andheri (West), Mumbai-400058, firm registration number: 129678W on 26th October, 2020.

Date: 26th October, 2020
Place: Mumbai



Signature of the Principal Officer
For Piper Serica Advisors Pvt. Ltd.

A handwritten signature in blue ink, appearing to read "Abhay Agarwal".

Mr. Abhay Agarwal
222, 2nd Floor, TV Industrial Estate,
S.K. Ahire Marg, Worli,
Mumbai – 400 030.
Director

We, Sabharanjak & Associates, Chartered Accountants, Mumbai, have reviewed the Disclosure Document dated 26th October, 2020, prepared by M/s Piper Serica Advisors Pvt Ltd (SEBI Registered Portfolio Manager- INP000006749) having address as 181, Beach Tower, TATA Press Road, Prabhadevi, Mumbai- 400025, Maharashtra, in accordance with disclosure document as stated in Schedule V of Regulation 14(2) of Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 1993, ('The Regulations').

The Management of the Company is responsible for preparation of the attached Disclosure Document in accordance with the regulations

Our responsibility is to issue the certificate based on our review which is primarily limited to inquiries of the Company's personnel, tracking the financial information from the audited financial statements for the year ended 31st March, 2017, 31st March, 2018, 31st March, 2019, 31st March, 2020 and other relevant records, the information, explanations and representations furnished by the Management.

We have relied on the representation given by the Management about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure Document.

Based on such review of attached Disclosure Document, we hereby certify that the disclosures made in the Disclosure Document dated 26th October, 2020 are true, fair and adequate to enable the investors to make well informed decisions.

This Certificate has been issued pursuant to Schedule V of Regulation 14(2) of Securities and Exchange Board of India ("SEBI")(Portfolio Managers) Regulations, 1993, ('the Regulations') and at the request of M/s Piper Serica Advisors Pvt Ltd for the purpose of submitting the same to SEBI and the Portfolio Manager Service Clients and should not be used or referred to for any other purpose without our prior written consent.

For Sabharanjak & Associates
Chartered Accountants
Firm Reg. No. 129678W
UDIN: 20107598AAAADY8452


N. D Sabharanjak
Proprietor
M. No 107598



Mumbai, October 26, 2020