

**PORTFOLIO MANAGEMENT SERVICES**  
**DISCLOSURE DOCUMENT**  
**OF**  
**PIPER SERICA ADVISORS PRIVATE LIMITED.**  
**(SEBI Registration No. PM/INP000006749)**

*(As per the requirement of the Fifth Schedule under Regulation -22 (3) of SEBI (Portfolio Manager) Regulations, 2020)*

**INVESTORS SHOULD NOTE THAT:**

The Disclosure Document (“**Document**”) for certain portfolio management services (“**Portfolio Management Services**” or “**PMS**”) to be provided by Piper Serica Advisors Private Limited, registered with SEBI to act as Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 2020 (“**Regulations**”), bearing Registration No. PM/NP000006749.

This Disclosure Document has been filed with the Securities and Exchange Board of India (“**SEBI**” or “**Board**”) together with the certificate in the prescribed format in terms of Regulation 22 of the Regulations.

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

The Document contains necessary information about the Portfolio Manager required by an investor before investing and the investor is advised to retain the Document for future reference.

This Disclosure Document is dated November 11, 2024 (**data considered up to 31<sup>st</sup> March 2024**).

The following are the details of the Portfolio Manager:

Name	PIPER SERICA ADVISORS PRIVATE LIMITED
SEBI Registration Number	INP000006749 dated May 08, 2019.
Registered Office Address	Office No. 905 and 906, A wing, 9th Floor, Marathon Innova Nextgen, Off K. K. Marg, Lower Parel, Mumbai, Maharashtra - 400013.
Phone	022-66545370
Email	contact@piperserica.com
Website	www.piperserica.com

The name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is:

Name of the Principal Officer	Mr. Abhay Agarwal
Phone	022-66545370
Email	<a href="mailto:contact@piperserica.com">contact@piperserica.com</a>

**INDEX**

<b>Sr. No.</b>	<b>Contents</b>	<b>Page No.</b>
1	Disclaimer Clause	3
2	Definitions	3
3	Description about the Portfolio Manager	6
4	Penalties, pending litigations or proceedings, findings of inspections or investigations for which actions may have been taken or initiated by any regulatory authority.	9
5	Details of Services offered/Proposed to be offered	9
6	Risk Factors	15
7	Client Representation	18
8	The Financial Performance of Portfolio Manager	19
9	Performance of the Portfolio Manager for the last 3 Years	20
10	Audit Observation for the last 3 preceding years	20
11	Fees and Services Charged (To be based on actual)	20
12	Taxation	22
13	Accounting Policies	30
14	Agreement	31
15	Termination of Agreement	32
16	Disclaimer by the Portfolio Manager	32
17	Investor Services	33
18	Anti-Money Laundering Compliances	34
19	List of third-party service providers	35
20	Details of Investments in the securities of associates / related parties of the Portfolio Manager	35
21	Details of the diversification policy of the Portfolio Manager	36
22	General	36
	Form C	38

**Contents of  
Disclosure Document**

**1 Disclaimer Clause:**

- 1.1 The particulars given in this Document have been prepared in accordance with the Regulations 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 this 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.

**2 Definitions:**

- 2.1 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) **“Accreditation Agency”** means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the SEBI from time to time.
- (c) **“Accredited Investor”** means any person who fulfils the eligibility criteria as specified by SEBI pursuant to circular dated 26 August 2021 on ‘Modalities for implementation of the framework for Accredited Investors’ (SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620), as may be amended from time to time, and is granted a certificate of accreditation by an Accreditation Agency.
- (d) **“Agreement”** means the agreement between the Portfolio Manager and its Clients in terms of Regulation 14 of the Regulations and shall include all recitals, schedules, exhibits and Annexure attached thereto and any amendments made to such Agreement by the parties thereto, in writing.
- (e) **“Applicable Laws”** or **“Laws”** means any applicable local or national statute, regulation, notification, circular, ordinance, requirement, directive, guidance or announcement issued by any authority.
- (f) **“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.
- (g) **“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.

- (h) **“Assets Under Management”** or **“AUM”** means the value of Securities in the Client’s Portfolio. For the purpose of calculating the Assets Under Management, Securities shall be valued at the fair market value/marked to market basis (as applicable).
- (i) **“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.
- (j) **“Board”** or **“SEBI”** means the Securities and Exchange Board of India established under sub- section (1) of Section 3 of the Act.
- (k) **“Client”** means the Person who makes an Application and enters into an Agreement with the Portfolio Manager for managing its Portfolio / Funds.
- (l) **“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.
- (m) **“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 Document and the Agreement, where under the Portfolio Manager exercises any degree of discretion in investments or management of Assets of the Client;
- (n) **“Document”** means this Disclosure Document;
- (o) **“Financial Year”** means the year starting from 1<sup>st</sup> April and ending on 31<sup>st</sup> March of the following year
- (p) **“Funds”** means the monies placed by the Client with the Portfolio Manager and any accretions thereto.
- (q) **“High Water Mark”** means a value of the highest closing NAV achieved by the Portfolio in any year during the subsistence of the Agreement (adjusted for any additional Funds/withdrawals by the Client in that year) and net of portfolio management fees and Performance Fees, for that year.
- (r) **“Hurdle Rate of Return”** shall mean a certain agreed level of return (as specified in this Document and/or the Agreement) achieved in a Performance Fee Billing Period calculated on the relevant Performance Fee period’s opening NAV or High Water Mark.
- (s) **“Investment Advice”** means advice relating to investing in, purchasing, selling or otherwise dealing in Securities or investment products, and advice on investment portfolio (including the Portfolio, as applicable) 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.

- (t) **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.
- (u) **“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 Investment 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.
- (v) **“Net Asset Value” or “NAV”** means 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.
- (w) **“Parties”** means the Portfolio Manager and the Client, and **“Party”** shall be construed accordingly.
- (x) **“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.
- (y) **“Performance Fee(s)”** shall mean a performance linked fee payable by the Client to the Portfolio Manager for the Portfolio Management Services, as further specified in this Document and/or the Agreement that will be payable if the Portfolio Manager achieves a rate of return that is greater than the Hurdle Rate of Return for the relevant Performance Fee Billing Period subject to the High Water Mark for the relevant Performance Fee Billing Period.
- (z) **“Performance Fee Billing Period”** means a 12-months period from the account activation date or account activation anniversary date, as the case may be.
- (aa) **“Portfolio Manager”** means “Piper Serica Advisors Private Limited” who has obtained the certificate of registration from SEBI to act as a Portfolio Manager under the Regulations vide **Registration No. INP000006749**.
- (bb) **“Plan/Product”** shall mean plans offered by the Portfolio Manager and accepted by the Client for the purpose of investments.
- (cc) **“Portfolio”** means the Securities and/or Funds managed by the Portfolio Manager on behalf of the Client pursuant to this Document and the 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.
- (dd) **“Principal Officer”** means an individual who is responsible for the activities of portfolio management and PMS, and has been designated as a principal officer by

the Portfolio Manager.

- (ee) **“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time;
- (ff) **“Scheduled Commercial Bank”** means any bank included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).
- (gg) **“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.

## 2.2 Interpretation

- 1) Words and expressions used in this Document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive.
- 2) They have been included only for the purpose of clarity and shall, in addition, be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.
- 3) All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- 4) All references to “INR” refer to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand.”

## 3 Description about the Portfolio Manager:

### 3.1 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 29<sup>th</sup> December, 1999 under the Companies Act, 1956 and having its registered address at 127, T V Industrial Estate, 1<sup>st</sup> Floor, S. K. Ahire Marg, Worli, Mumbai, Maharashtra-400 030 [CIN - U99999MH1999PTC123348]. The name of the company was changed to “Piper Serica Advisors Private Limited” as on 31<sup>st</sup> December, 2003. Mr. Abhay Agarwal and Mrs. Rajni Agarwal are the Directors of the Company.

Mr. Abhay Agarwal completed his MBA from Jamnalal Bajaj in 1993. Prior to that, he 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 08<sup>th</sup> May 2019.

The company also holds a registration for a Category 1 Alternate Investment Fund (Angel Fund) under the registration IN/AIF1/21-22/1028. The company acts as a manager to this angel fund.

The company's main objective is to provide investment management services to its clients which align with the clients' 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.

3.2 Directors and Promoters of the Portfolio Manager:

a) Directors and Promoters:

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

The Directors of the Company are as below:

- Mr. Abhay Agarwal
- Mrs. Rajni Agarwal

b) Directors' Background

➤ **Mr. Abhay Agarwal**

Abhay is the Founder and Fund Manager of Piper Serica Advisors ([www.piperserica.com](http://www.piperserica.com)) with 30 years of investment experience. Prior to founding Piper Serica, Abhay worked as a Director with the Private Equity group of JP Morgan in India, HK and Singapore (1997-2004). He invested in companies in India, Korea, Australia, Singapore, China and the US. His investments include HDFC Bank, Piramal Glass, Jubilant Foodworks, Nicholas Piramal (acquired by Abbott), Bharat Forge, MTR Foods (acquired by Orkla), Mando Machinery Korea, Marico and HDFC Securities.

Abhay worked with Citibank India from 1993-1997. He managed a direct investment program for the bank that made some very successful investments.

Abhay has done B.com from Sydenham College, Mumbai (1991) and MBA from Jamnalal Bajaj Institute of Management (1993).

➤ **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.

3.3 Top 10 Group companies / firms of the Portfolio Manager, on the basis of their turnover:

1. RA Fortune Venture LLP

3.4 Details of Services Offered

The Portfolio Manager offers Portfolio Management Services under Discretionary, Non-Discretionary, and Advisory categories to its prospective Clients. All clients will have the option to be onboarded directly to avail of these services, without the intermediation of persons engaged in distribution services.

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's 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 Client's Funds is absolute and final and cannot be called in question or be open for review at any time during the course of the Agreement or any time thereafter except on the ground of mala fide intent, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager will be exercised strictly in accordance with the relevant acts, rules, regulations, guidelines, and notifications in force from time to time.

b) Non-discretionary Portfolio Management:

In the case of Non-Discretionary Portfolio Management 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 that 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 that 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 Client is to be given purely advisory services as stipulated under the Regulations and in accordance with the requirement of the Client. The Portfolio Manager gives Investment 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 Regulations and/or the SEBI (Investment Advisors) 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 investments for the 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.

**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 Applicable Laws, the Act or Regulations, or the rules 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 Applicable Laws, the Act or Regulations, or the rules made thereunder:	None
6	Penalties imposed for any economic offense and/or violation of any Applicable Laws, the Act or Regulations, or the rules made thereunder:	None

## 5 Services offered:

The Portfolio Manager provides the Portfolio Management Services under Discretionary, Non-Discretionary, and Advisory categories, in the following manner:

### 5.1 Investment objective

The Funds of the Client 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 that are tradable on any of Exchanges as well as 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 Regulations, or other Applicable Laws, rules or regulations 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. The Portfolio Manager shall observe a high standard of integrity and fair dealing in all transactions involving the Client's Funds. 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 Plan/Product 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 profiles and also customized portfolios as per suitability and specific requirements of the Client. The general objective is to formulate and devise 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.

### 5.2 Types of Securities

The Portfolio Manager shall invest in all such types of Securities as defined above 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. 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.

### 5.3 Minimum Investment Amount

The Portfolio Manager will not accept an initial corpus of less than INR 50 lakhs 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.

### 5.4 Services offered to Accredited Investors and Large Value Accredited Investors:

The below, or any other regulatory concessions which are defined by SEBI, are available to Accredited Investor and Large Value Accredited Investor under SEBI (Portfolio Managers) Regulations, 2020:

Particulars	Applicability
Contents of agreement specified under Schedule IV of SEBI (Portfolio Managers) Regulations, 2020 shall not apply to the agreement between the Portfolio Manager and Large Value Accredited Investor	Large Value Accredited Investor
The requirement of minimum Capital Contribution per client shall not apply	Accredited Investor
The Portfolio Manager may offer discretionary or non-discretionary or advisory services for investment up to hundred percent of the assets under management in unlisted securities subject to the terms agreed between the client and the Portfolio Manager	Large Value Accredited Investor
The quantum and manner of exit load applicable to the client of the Portfolio Manager shall be governed through bilaterally negotiated contractual terms	Large Value Accredited Investor

#### 5.5 Investment Approaches & details of PMS Products/Plans:

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

##### **d. 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 10-15 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 15-25 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. All cap universe. Active universe is about 100 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 the Bank Account.
- V. **Appropriate Benchmark to compare performance:** NIFTY 50 Total Return Index
- VI. **Basis for choice of benchmark:** Average portfolio market cap is more than 1 lakh crores. 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 lakhs (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:** Up to 3% of the AUM in the first year, up to 2% of the AUM in the second year and up to 1% of the AUM in the third 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/Wealth Creator" by Piper Serica.

**e. 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 that 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 the Bank Account.
- V. **Appropriate Benchmark to compare performance:** NIFTY 50 Total Return Index
- VI. **Basis for choice of benchmark:** Most liquid benchmark. 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 lakhs (DPMS/NDPMS)
- VIII. **Minimum Investment:** INR 50,00,000 (DPMS/NDPMS)
- IX. **Indicative investment horizon:** 5-10 years

- X. **Lock-In:** Investments managed under this Investment Approach shall not be subject to any lock-in period.
- XI. **Exit loads:** Up to 3% of the AUM in the first year, up to 2% of the AUM in the second year, up to 1% of the AUM in the third year and no exit load thereafter. This will be subject to mutual agreement between the client and the portfolio manager.
- XII. **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 Document.
- XIII. **Use of derivatives:** The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of the 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.
- XIV. **Risks associated with the investment approach:** Please refer to Clause 6 of this Document on Risk Factors.

**f. 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 that 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 the Bank Account.
- V. **Appropriate Benchmark to compare performance:** Nifty 50 Index
- VI. **Basis for choice of benchmark:** The entire universe of the strategy is NIFTY 50 Stocks. Thus, NIFTY 50 serves as the most relevant benchmark.
- VII. **Minimum Investment:** INR 50 lakhs (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:** Up to 3% of the AUM in the first year, up to 2% of the AUM in the second year, up to 1% of the AUM in the third year and no exit load thereafter 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 Document.
- 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 to Clause 6 of this Document on Risk Factors.

#### 5.6 Investment in associates / group companies

The Portfolio Manager before investing in the Securities of its associate / group companies, shall evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Portfolio. Investments under the Portfolio in the Securities of the associate / group companies will be subject to the limits prescribed under the Agreement executed with the Client and the same would be subject to the Applicable Laws and/or any rules or regulations issued by SEBI, from time to time.

### 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 a 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 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: This is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income Securities can be expected to rise. Conversely, when 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 that 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 Funds / 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 or exit the Portfolio holdings (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's 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 Securitized 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.

**7 Client Representation:****a) Details of client's accounts active: As on 31<sup>st</sup> March 2024.**

Sr. No.	Category of clients	No. of clients	Funds managed (amt in INR Cr.)	Discretionary/ Non-Discretionary (if available)
1	Associates/group companies	-	-	-
2	Related Parties: Corporate	1	3.18	Discretionary
3	Related Parties: Individual	2	14.51	Discretionary
4	Others	169	198.14	Discretionary
5	<b>TOTAL</b>	172	215.83	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 2023-24 (audited).

Name of the related parties	Nature of payment	Amount (in INR)
Abhay Agarwal (Director)	Remuneration	3,25,000
Abhay Agarwal (Director)	Car hire charges	1,00,000
Rajni Agarwal (Director)	Remuneration	12,00,000
RA Fortune Venture LLP	Office Rent	3,00,000

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

Particulars	As on 31-Mar-2021	As on 31- March-2022	As on 31-Mar-2023	As on 31-Mar-2024
a) Paid-up capital	1.00	75.00	75.90	75.90
b) Free reserves (excluding re-valuation reserves)	221.94	273.32	342.89	503.46
<b>c) Total (a) + (b)</b>	<b>222.94</b>	<b>348.32</b>	<b>418.79</b>	<b>579.36</b>

**8.2 Deployment of Resources (INR in lakhs)**

Particulars	As on 31-Mar-2021	As on 31- March-2022	As on 31-Mar-2023	As on 31-Mar-2024
(a) Fixed Assets	192.92	191.63	182.32	173.42

(b) Plant & Machinery & Office Equipment's	2.75	9.20	8.54	46.18
(c) Investments	105.75	110.73	254.36	356.23
(d) Others	55.05	102.09	110.32	166.03
<b>Total</b>	<b>356.47</b>	<b>413.65</b>	<b>555.55</b>	<b>741.86</b>

## 8.3 Major Sources of Income: (INR in lakhs)

Particulars	As on 31-Mar-2021	As on 31- Mar-2022	As on 31-Mar- 2023	As on 31-Mar- 2024
• Revenue from Operations	81.46	287.20	451.51	728.07
• Other Income	7.20	28.20	7.08	39.23
<b>Total</b>	<b>88.66</b>	<b>315.40</b>	<b>458.60</b>	<b>767.30</b>

## 8.4 Net Profit (INR in lakhs)

Particulars	As on 31-Mar-2021	As on 31- Mar-2022	As on 31-Mar-2023	As on 31-Mar-2024
Profit Before Tax	20.52	147.14	92.74	217.09
Profit After Tax	15.68	125.61	70.14	160.57

9 Performance of the Portfolio Manager for the last 3 years:

Particulars	Year Ended (2021-2022)	Year Ended (2022-2023)	Year Ended (2023-2024)
<b>Portfolio Performance (%), Net of all fees and Charges levied by the Portfolio Manager - Leaders Strategy</b>	15.11%	-11.10%	51.76%
<b>Benchmark Performance - Nifty Fifty TRI</b>	18.88%	-0.60%	30.08%

10 Audit Observation of last 3 preceding years:

There are no observations made by the Statutory Auditor of the Portfolio Manager for the preceding three financials years, FY 2021-22, FY 2022-23, FY 2023-24.

**11 Nature of Expenses / Fees and Services Charged (To be based on actual):**

1. **Investment Management Fee i.e.** Fixed Fees charged as agreed with the Client in the Agreement relating to the Portfolio Management Services offered to the Clients.
2. **Performance Management Fee i.e.** A performance fees based on profit slabs provided in the Agreement is charged as agreed with the Client in the Agreement. Performance Fees will be charged on the performance over the Hurdle Rate of Return, 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 has reached. Value of the Portfolio for computation of High-Water Mark shall be taken to be the value on the date when Performance Fees are charged. For the purpose of charging Performance Fees, the frequency shall not be less than quarterly.

The Portfolio Manager shall charge Performance Fees only on increase in Portfolio value in excess of the previously achieved High Water Mark.

3. The fees charged to the Client for PMS 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 of the Income Tax Act 1961 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 rematerialisation, 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 and amended 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 will 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 Services, 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 upfront/entry/setup fees to the Client 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 5000.
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).
17. The Portfolio Manager may charge and deduct full redemption and closure charges, up to a maximum of INR 20,000, in addition to the operating expenses cap specified in Clause 16 above.

## **12 Taxation:**

12.1 The information set out below outlines the tax implications based on relevant provisions of the Indian Income-tax Act, 1961 (the "IT Act") as amended by the Finance Act, 2024.

- a) All or any Taxes payable on any transaction entered into or undertaken by the Portfolio Manager on behalf of Clients / investors or with respect to any Securities, whether by way of deduction, withholding, payment or otherwise, shall be fully borne by Clients / investors. Payment of the Taxes shall be the personal responsibility and liability of the Clients / investors. The Portfolio Manager is not required, to discharge any obligation on behalf of any Client / investor to pay any Taxes payable by such Client / investor. If, however, the Portfolio Manager

pays any Tax to any Tax authority on behalf of a Client / investor, that Client / investor shall reimburse the Portfolio Manager for the same. The Portfolio Manager shall have an unconditional and irrevocable authority to deduct or appropriate the same from any amount or Funds or Securities held by the Portfolio Manager on behalf of the Client / investor.

- b) Subject to applicable taxation laws, in force from time to time, the Portfolio Manager may at its own accord deduct the required amount of Tax at source while effecting disbursements / payments of amounts interim or otherwise to a client / investor.
- c) Prospective Investors are advised to consult their Tax practitioners with respect to Tax consequences that may be faced by them on account of their participation in any of the strategies or investment approaches or Products/Plans of the Portfolio Manager. The Portfolio Manager shall not be responsible for assisting or completing the fulfillment of the obligations of an Client / investor. Wherever required by the relevant Act, rules and regulations, Tax will be deducted at source by the Portfolio Manager. The obligation of paying advance Tax installments shall lie on the Client / investor.
- d) If the Portfolio Manager deals in shares, Securities etc. on average basis for its Clients, the securities transaction Tax charged by broker in its contract shall be apportioned among its concerned Clients based on transaction value or any other appropriate basis, and will be informed to the concerned Clients along with transaction details/other details. Based on the documents and as per advice of Client's Tax advisor, the Client shall claim applicable tax benefit under the IT Act. In case, the Client does not get Tax benefit under the IT Act, the Tax liability will be entirely borne by the Client only.
- e) The following information is based on the Applicable Laws in force in India at the date hereof. The information set forth below is based on the Portfolio Manager's understanding of the Applicable Laws relating to Tax as of the date of this Document. The Client should seek advice from his/her/its own professional advisor if he/she/it is in any doubt regarding the Taxation consequences of investing in the Products/Plans offered under Portfolio Management Services.
- f) All Tax rates mentioned below are exclusive of surcharge and health and education cess, as may be applicable. The Tax incidence to Clients / investors could vary materially based on residential status, characterization of income (i.e., capital gains versus business profits) accruing to them.
- g) The following income Tax slab rates are notified in new Tax regime vs old Tax regime:

**Under new tax regime**

Income Tax Slab	Tax rates
Rs. 0 - Rs. 3,00,000	Nil
Rs. 3,00,001 - Rs. 7,00,000	5% (Tax rebate available up to income of INR 7,00,000)
Rs. 7,00,001 - Rs. 10,00,000	Rs. 20,000 + 10% of total income exceeding Rs. 7,00,000
Rs. 10,00,001 - Rs. 12,00,000	Rs. 50,000 + 15% of total income exceeding Rs. 10,00,000
Rs. 12,00,001 - Rs. 15,00,000	Rs. 80,000 + 20% of total income exceeding Rs. 12,00,000
Above Rs. 15,00,000	Rs. 1,40,000 + 30% of total income exceeding Rs. 15,00,000

**Under old tax regime**

<b>Income Tax Slab</b>	<b>Tax rates</b>
Rs. 0 - Rs. 2,50,000	Nil
Rs. 2,50,001 - Rs. 5,00,000	5% (Tax rebate of INR 12,500 available)
Rs. 5,00,001 - Rs. 10,00,000	Rs. 12,500 + 20% of total income exceeding Rs. 5,00,000
Above Rs. 10,00,000	Rs. 112,500 + 30% of total income exceeding Rs. 10,00,000

<b>Income Tax Slab</b>	<b>Tax Rate for Individuals of the age of 60 and above but less than the age of 80 Years</b>	<b>Tax Rates for Super Senior Citizens of the age of 80 Years and above</b>
Up to Rs. 3,00,000	<b>Nil</b>	<b>Nil</b>
Rs. 3,00,001 to Rs. 5,00,000	<b>5%</b>	<b>Nil</b>
Rs. 5,00,001 to Rs. 10,00,000	<b>20%</b>	<b>20%</b>
Above Rs. 10,00,000	<b>30%</b>	<b>30%</b>

Individuals and HUFs under new Tax regime will not be allowed certain deductions and exemptions as mentioned in section 115BAC of the IT Act which among others includes the following:

- 1) Profession Tax
- 2) House rent allowance
- 3) Housing loan interest
- 4) Leave travel allowance
- 5) Deductions under Chapter VIA of the IT Act such as section 80C (life insurance premium), section 80CCC (pension premium), 80D (health insurance premium), 80TTA (bank interest), 80G (Donations), etc., except 80CCD (2) (contribution to pension scheme of central government) and section 80JJAA (employment linked deduction) of the IT Act.

**Alternate Minimum Tax**

Per the IT Act, if the income Tax payable on total income by any Person other than a company is less than the alternate minimum Tax, the adjusted total income is deemed to be the total income of that Person and he is liable to pay income Tax on such total income at the rate of 15%. Such provisions are not applicable if the adjusted total income does not exceed INR 20 lakhs.

Further, the above provisions are not applicable in case of a Person who exercises the option referred to in section 115BAC or section 115BAD of the IT Act.

Income Tax Rates for domestic companies/foreign companies for FY 2024-25:

<b>Turnover Particulars</b>	<b>Tax rates as per old regime</b>	<b>Tax rates as per special regime</b>
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Total turnover or Gross receipts up to INR 400 Cr. in the FY 2022-23	<b>25%</b>	<b>22%</b> (Opting to pay Tax as per section 115BAA of the IT Act)
Domestic companies other than above (except for new manufacturing companies)	<b>30%</b>	<b>22%</b> (Opting to pay tax as per section 115BAA of the IT Act)
Minimum Alternate Tax (MAT) rate	15% (In case the Company does not opt for the new Tax regime, MAT rate of 15% would apply where the Tax computed at the rate of 15% of book profits is higher than Tax computed as per the normal provisions of the IT Act)	NA (In case the company opts for new Tax regime, MAT will not apply)
Foreign company	Tax rate for foreign companies on the business income and income under the head 'Income from other sources' is 35%	

Surcharge rates for various assesses and applicable cess have been captured in the table below: -

Assesses	Rate of surcharge & Cess applicable
Individuals (including NRIs /PIOs), HUFs, Non-Corporate FPIs	<ul style="list-style-type: none"> <li>• Surcharge of 10% on income tax if total income is above Rs. 50 lakhs but below Rs. 1 crore.</li> <li>• For total income above Rs. 1 crore surcharge shall be 15 % on income tax (on income above 1 crore).</li> <li>• For total income (other than specified income) <sup>1</sup> above Rs. 2 crore – 25% surcharge</li> <li>• For total income (other than specified income) above Rs. 5 crore surcharge – 25% (under new tax regime)/ 37% (under old tax regime)</li> </ul> <p>Health &amp; Education cess of 4% is payable on the total amount of income Tax including surcharge</p>
Companies where the Taxable income more than Rs. 1 crore and upto Rs. 10 crores	<ul style="list-style-type: none"> <li>• Domestic company: Surcharge of 7% on income Tax and 'Health &amp; Education' cess of 4% is payable on the total amount of income Tax including surcharge.</li> <li>• Foreign company: Surcharge of 2% and 'Health &amp; Education' cess of 4% is payable on the total amount of income Tax including surcharge.</li> </ul>

Companies where the Taxable income is more than Rs. 10 Crore	<ul style="list-style-type: none"> <li>Domestic company: Surcharge of 12% on income tax and 'Health &amp; Education' cess of 4% is payable on the total amount of Tax including surcharge</li> <li>Foreign company: Surcharge of 5% and 'Health &amp; Education' cess of 4% is payable on the total amount of Tax including surcharge</li> </ul>
Surcharge under special tax regime under section 115BAA of the IT Act	Fixed surcharge rate of 10% on income Tax is payable. 'Health & Education' cess of 4% is payable on the total amount of Tax including surcharge
Surcharge on specified income	<p>Surcharge on specified income such as dividend income, short term capital gains under section 111A of the IT Act and long-term capital gains under section 112 and section 112A of the IT Act (i.e., on listed equity shares, equity oriented mutual funds, Unit of a REIT / InvIT ('Business Trust') (on which STT is paid) shall be restricted to 15%</p> <p>'Health &amp; Education' cess of 4% is payable on the total amount of tax including surcharge</p>

#### h) Dividend Income

The Dividend received on the shares and units of above mutual funds held in the Portfolio and/or Products/Plans offered under the Portfolio Management Services are subject to Tax in the hands of Clients / investors. At the applicable slab rates as mentioned above (plus applicable surcharge and 'health and education' cess). An Indian company declaring dividend would be required to deduct Tax at 10% (in case of payment to resident Clients / investors) where the dividend paid/ payable exceeds INR 5,000.

Further, for non-residents, as per Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of residence of the non-resident subject to the availability of DTAA benefits to the non-resident. However, no assurance can be provided that the DTAA benefits would be available to the non-resident Clients / investors or the terms of the DTAA would not be subject to amendment or a different interpretation in the future. The Indian company declaring dividend would be required to deduct tax at rates in force (in case of payment to non-resident Clients / investors).

#### i) Capital Gains:

*For Resident Individuals (including proprietorship), HUF, Partnerships Firm (Including LLPs) and Indian Companies:*

Sr. No	Type of Security	Long Term Capital Gains			Short Term Capital Gains
		Period of Holding	With Indexation	Without Indexation	Rate of Tax
		Rate of Tax			

1	Listed Shares	More than 12 months	NA	12.5% above Rs. 1.25 lakh	20%
2	Unlisted Shares	24 months		12.5%	Slab Rate
3	Listed Corporate Bonds	24 Months		12.5%	Slab Rate
4	Listed Debentures	12 Months		12.5%	Slab Rate
5	Equity Mutual Funds	More than 12 Months	NA	12.5% above Rs. 1.25 lakh	20%
6	Listed Debt Mutual Funds	12 Months		12.5%	Slab Rate
7	Unlisted Debt Mutual Funds	24 months	NA	12.5%	Slab Rate

j) **Capital Losses**

As per the provisions of the IT Act, short term capital loss can be set off against both short term capital gains and long-term capital gains but long term capital loss can be set off only against long term capital gains. The unabsorbed short term and long-term capital loss can be carried forward for 8 (eight) assessment years.

k) **Tax withholding:**

(i) Resident Investors:

As per Circular no. 715 dated August 8, 1995 issued by the CBDT in case of resident Unit holders, no Tax is required to be deducted at source from capital gains arising at the time of repurchase or redemption of the units.

(i) Foreign Portfolio Investors:

Under section 196D of the IT Act, no Tax is required to be deducted at source on income way of capital gains earned by an FPI.

(ii) Non-resident Investors other than FPIs:

Under Section 195 of the IT Act, the mutual fund is required to deduct Tax at source at the rate of 12.5% (plus applicable surcharge and cess) on any long-term capital gains arising to non-resident Clients / investors. Long term capital gains from units of equity-oriented schemes & listed equity shares (STT paid) are liable to be withheld at the rate of 12.5% (plus applicable surcharge and cess) if the capital gains exceed INR 1.25 Lakh during the financial year subject to the 'grandfathering clause'.

In respect to short-term capital gains from units other than units of an equity-oriented scheme or listed equity shares or business trust (STT paid), Tax is required to be deducted at source at the rate of 30% (assuming highest tax bracket for the Client / investor) (plus applicable surcharge and cess) if the payee unit holder is a non-resident non-corporate, and at the rate of 35% (plus applicable surcharge and cess) if the payee unit holder is a foreign company. In case of equity-oriented schemes or listed equity shares or business trust (STT paid), Tax is required to be deducted at the rate of 20% (plus applicable surcharge and cess) for both corporate and non-corporate non-

resident unit holders. On buyback, company to withhold taxes at applicable rates in case of non-residents on deemed dividend.

In the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee subject to the availability of DTAA benefits to the assessee.

**l) Gains arising on buy-back of shares by Company**

As per the amendment in Finance (No. 2) Act, 2024, the sum paid by an Indian company on buy-back of its own shares shall be treated as deemed dividend in the hands of the shareholder and shall be taxable at applicable rates. No deduction for expenses, including the cost of acquisition of shares in the hands of shareholder, shall be available against such deemed dividend while determining the income from other sources.

Further, the cost of acquisition of the shares bought back will be treated as capital loss in the hands of shareholders and the same can be set-off against the capital gains earned by the shareholders as per the provisions of the IT Act.

**m) Provisions regarding Dividend income and Bonus stripping**

According to the provisions of section 94(7) of the IT Act, where any person buys or acquires any securities or units of a mutual fund or the Unit Trust of India within a period of 3 (three) months prior to the record date (i.e., the date that may be fixed by a company for the purposes of entitlement of the holder of the securities to receive dividend or by a mutual fund or the administrator of the 'Specified Undertaking' or the 'Specified Company', for the purposes of entitlement of the holder of the units to receive income, or additional unit without any consideration, as the case may be) and such person (i) sells or transfers such securities within a period of 3 (three) months after such record date, or (ii) such unit within a period of 9 (nine) months after such record date, and (iii) the dividend or income on such securities or unit received or receivable by such person is exempt, then, any loss arising to such person on account of such purchase and sale of securities or unit, to the extent such loss does not exceed the amount of such dividend or income received or receivable, would be ignored for the purposes of computing his income chargeable to Tax.

According to the provisions of section 94(8) of the IT Act, if the Client / investor purchases any securities or units within 3 months before the record date (for entitlement of bonus) and sells/redeems the securities or units within 9 months after that date, and by virtue of holding the original securities or units, he becomes entitled to bonus securities or units, then the loss arising on transfer of original securities or units shall be ignored for the purpose of computing his income chargeable to Tax (even though he continues to hold all / part of the additional securities or units allotted as bonus). In fact, the loss so ignored will be treated as cost of acquisition of such bonus securities or units.

The Finance Act, 2022 has made the said provision applicable to securities as well (i.e., stocks and shares) and also modified the definition of unit, so as to include units of business trusts such as InvIT, REIT and AIF, within the definition of units.

**n) For non-residents, as per section 90(2) of the IT Act, the provisions of the IT Act would apply**

to the extent they are more beneficial than the provisions of the DTAA between India and the country of residence of the non-resident subject to the availability of DTAA benefits to the non-resident. However, no assurance can be provided that the DTAA benefits would be available to the non-resident investor or the terms of the DTAA would not be subject to amendment or different interpretation in the future.

Section 90(4) of the IT Act provides that in order to claim DTAA benefits, the non-resident investor has to obtain a TRC as issued by the foreign tax authorities. Further, the non-resident investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC. As per notification no. 03/2022 dated July 16, 2022, Form 10F is required to be filed electronically.

The details required to be furnished are as follows:

- Status (individual, company, firm, etc.) of the assessee
- Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others)
- Assessee's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the Person is identified by the government of the country or the specified territory of which the assessee claims to be a resident
- Period for which the residential status, as mentioned in the TRC, is applicable; and
- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

The additional information prescribed above may not be required to be provided if it already forms a part of the TRC

**o) Advance tax obligations:**

It will be the responsibility of the Client to meet the advance Tax obligation installments payable on the due dates specified under the IT Act and/or other Applicable Laws relating to Tax.

**p) Default in providing the PAN:**

Section 206AA of the IT Act inserted by the Finance (No.2) Act, 2009, effective from 1<sup>st</sup> April, 2010, states that the deductee is required to provide his PAN to the deductor failing which the deductor shall deduct Tax at source at the higher of the following rates:

1. The rate prescribed in the Act;
2. The rate in force; or
3. The rate of 20%.

The provisions of section 206AA should not apply to a non-resident, not being a company, or to a foreign company, in respect of any payment. This is, however, subject to the conditions prescribed in Rule 37BC of the Income Tax Rules, 1962. As per the rule, the non-resident deductee shall be required to furnish following details and documents:

- i. Name, e-mail id, contact number;
- ii. Address in the country of residence;
- iii. Tax Residency Certificate (TRC), if the law of country of residence provides for such certificate; and
- iv. Tax Identification Number (TIN) in the country of residence.

Where TIN is not available, a unique identification number is required to be furnished through which the deductee is identified in the country of residence.

**q) Applicability of higher Tax deducted at source rates where return of income is not filed:**

Section 206AB of the Act inserted by the Finance Act, 2021 effective from 1 July 2021 states that Tax should be deducted at the higher of the following rates at the time of payment to a specified person:

1. at twice the rate specified in the relevant provision of the IT Act; or
2. at twice the rate or rates in force; or
3. at the rate of five per cent.

Where the provisions of section 206AA of the IT Act is applicable, Tax shall be deducted at the higher rate as provided under section 206AA and 206AB of the IT Act.

For the purposes of section 206AB of the IT Act, specified person means a person who has not filed the returns of income for the previous year immediately before the year in which Tax is required to be deducted or collected and time limit for filing such Tax returns has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in previous year.

It is provided that specified person shall not include a non-resident who does not have a permanent establishment in India.

**Notes:**

- i. The Tax incidence to Clients / investors could vary materially based on the characterization of income (i.e. capital gains versus business profits) accruing to them.
- ii. Tax rates in India may change from time to time. Any changes may adversely affect the Taxation of the Clients / investors.

In view of the particularized nature of Tax consequences, each Client / investor is advised to consult its own Tax advisor with respect to the specific Tax consequences of investing in Securities.

**13 Accounting Policies:**

**13.1 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 Regulations and SEBI (Investment Advisors) Regulations, 2013 as

amended from time to time.

- b. Accounting under the respective portfolios is done in accordance with 'Generally Accepted Accounting Principles' (GAAP) 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 the Funds, 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.

### 13.2 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.

13.3 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 the Regulations.

### 13.4 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.

#### **14 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 Funds 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 Agreement shall be for perpetuity, with auto-renewal after a period of 1 year from the activation date ("**Term**") on mutual agreement and, unless terminated by either Party in accordance with the terms of the 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 Parties to terminate the same. The Client shall be entitled to terminate the Agreement before the expiry of the Term according to and with the terms/clauses specified in the said Agreement.

#### **15 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.

**16 Disclaimer by the Portfolio Manager:**

Prospective Clients / 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 Securities and/or the 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 Securities and/or the Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the Applicable 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.

**17 Investor Services:**

17.1 The details of the investor relation officer who shall attend to the Clients / investors' queries and complaints are mentioned here below:

Name of the person	<b>Ajay Modi</b>
Designation	Compliance Officer
Address	Office No. 905 and 906, A wing, 9th Floor, Marathon Innova Nextgen, Off K. K. Marg, Lower Parel, Mumbai, Maharashtra - 400013.
Email	<a href="mailto:contact@piperserica.com">contact@piperserica.com</a>
Investor Grievance Email ID	complaints@piperserica.com
Telephone	<b>022-66545370</b>

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

17.2 Grievances redressal and Dispute settlement mechanism.

Grievances, if any, that may arise pursuant to the Agreement entered shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to the Regulations and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the exclusive jurisdiction of the courts 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 Client / investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Client / 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](mailto: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 seat and venue of arbitration shall be 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 in Mumbai.

## **18 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 PMLA 2002 to implement the provisions of the PMLA 2002. 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 Clients / investors should ensure that the amount of Funds 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 its operations. Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the Funds / account of the Client if the Client does not 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.

Clients / investors are requested to note that KYC is mandatory for all Clients / 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 Client / 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 Clients / 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.

**19 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	IndusInd Bank Limited	Banking Services.
2	Nuvama Wealth and Investment Limited	Broking & Depository Participant.
3	Nuvama Clearing Services Limited	Fund Accounting Services
4	Nuvama Custodial Services Limited	Custodian Services.
5	Kotak Mahindra Bank Limited	Banking Services, Custodian Services, Fund Accounting Services & Depository Participant.

6	Kotak Securities Ltd.	Broking.
7	Dam Capital Advisors Limited	Broking.

**20 Details of Investments in the securities of associates / related parties of the Portfolio Manager:**

Sr. No.	Investment Approach, if any	Name of the associate/related party	Investment amount (cost of investment) as on March 31, 2024 (INR in crores)	Value of investment as on March 31, 2024 (INR in crores)	Percentage of total AUM as on March 31, 2024
NIL					

**21 Details of the diversification policy of the Portfolio Manager:**

The portfolio manager's strategy entails an average of 20-24 stocks in the portfolio. This is diversified across small mid and large cap companies thereby giving the portfolio a right balance of stability and growth.

The exposure is diversified over 8-10 different sectors maintaining a balanced portfolio approach. Furthermore, the holdings also heterogeneous mixture of companies across industrial, consumer, financials and focused on both domestic business as well as exports. The portfolio has a maximum 25% exposure to its benchmark index stock while 75% are active shares (those that do not form a part of the benchmark).

This according to the manager is an optimum diversification and any additional stock would lead to over diversification thereby diminishing the returns. This philosophy is supported by a Yale study from 2006, the study that also coined the term "active share" - how much the fund's holdings differ from its benchmark index. The study found mutual funds with low active share (less than 60%) significantly underperformed their benchmarks by 1.4% per year. This underperformance was especially pronounced among small-cap managers but was also observed in large-cap funds. Problem with low active share funds is that fees are comparable to actively managed funds, but performance rarely deviates from their benchmark - so investors are essentially paying for the underperformance.

**22. 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 Agreement.

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 are hosted and shared on websites of third-party aggregators. The data covers very basic details of the PMS and is used as 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 October 28, 2024.

For Piper Serica Advisors Private Limited.



Abhay Agarwal  
Director



Rajni Agarwal  
Director

Place: Mumbai

Date: October 28, 2024.

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

Name of the Portfolio Manager : Piper Serica Advisors Private Limited  
Address : Office No. 905 and 906, A wing, 9th Floor, Marathon Innova  
Nextgen, Off K. K. Marg, Lower Parel, Mumbai, Maharashtra 400013.  
Telephone No. : 022-66545370  
Email : [contact@piperserica.com](mailto:contact@piperserica.com)

Dear Investor,

We confirm that:

1. 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;
2. 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;
3. The Disclosure Document has been duly certified by an independent chartered accountant

Name	M/s. Sabharanjak & Associates
Address	203, Krishna Vihar CHS Ltd., CTS-455, Behind Tata Compound, Irla Bridge, Off. S.V. Road, Andheri (West), Mumbai-400 058
Name of the CA	Mr. Nikhil Sabharanjak
Firm Registration No.	0129678W
Membership No.	107598
On Date	October 28, 2024.
UDIN Registration Number	24107598BKHDR1233

A copy of Chartered Accountant's certificate is enclosed here-with.

For Piper Serica Advisors Private Limited

  
**Abhay Agarwal**  
Principal Officer

Date: October 28, 2024.

Place: Mumbai



We, Sabharanjak & Associates, Chartered Accountants, Mumbai, have reviewed the Disclosure Document dated 28<sup>th</sup> October 2024, prepared by **M/s Piper Serica Advisors Pvt Ltd (SEBI Registered Portfolio Manager- INP000006749)** having address as 127 1<sup>st</sup> Floor TV Industrial Estate, S.K. Ahire Marg, Worli, Mumbai- 400030, 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 31<sup>st</sup> March, 2021, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March 202, 31<sup>st</sup> March 2024 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 28<sup>th</sup> October 2024 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 Regn. No 0129678W  
UDIN: 24107598BKHDKR1233

  
N.D Sabharanjak

Proprietor  
M. No 107598



Mumbai, October 28, 2024