

# Vivekam Financial Services Private Limited

## Portfolio Management Services – Disclosure Document (As required under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)

- I. The Disclosure Document (hereinafter referred as this “Document”) has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and has been filed with Securities and Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- II. This Document serves the purpose of providing essential information about the portfolio services in order to assist and enable the investors in making informed decision for engaging Guardian Asset Management Private Limited (hereinafter referred as the “Portfolio Manager”).
- III. This Document contains the necessary information about the Portfolio Manager required by an investor before investing. The investor is advised to retain this Document for future reference.
- IV. The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager and Custodian are as follows:

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

Name of the Portfolio Manager	VIVEKAM FINANCIAL SERVICES PRIVATE LIMITED
Name of the Principal Officer	Mr. V V K Prasad
Name of the Compliance Officer	Mr. Yashwant Vemuru
Phone	9100009891
E-mail	info@vivekam.co.in
Registered Office	Plot 57, Road 71, Jubilee Hills, Hyderabad, Telangana - 500096
Custodian Details	Orbis Financial Corporation Limited 4A, Ocus Technopolis Sector 54, Golf Club Road, Gurgaon, Haryana-122002

Date: \_\_\_\_\_, 2025  
Place: Hyderabad

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## **1. Disclaimer**

- The particulars given in this Disclosure Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI.
- This Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Disclosure Document.

## **2. Definitions**

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

- “**Act**” means the Securities and Exchange Board of India, Act 1992 (15 of 1992).
- “**Advisory Services**” shall mean the non-binding investment advisory services rendered by the Portfolio Manager to the Client. The Portfolio Manager shall be solely acting as an advisor to the Portfolio of the Client and shall not be responsible for the investment / divestment of Securities.
- “**Agreement**” means the agreement between Portfolio Manager and its Client and shall include all schedules and annexures attached thereto.
- “**Application**” means the application made by the Client to the Portfolio Manager as more particularly described in Schedule A to the Agreement, for investing the monies and/or Securities therein mentioned with the Portfolio Manager in the Products for rendering the services. Upon execution of the Agreement by the Parties, 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.
- “**Assets**” means (i) the Portfolio and/or (ii) the Funds (as the case may be).
- “**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 the Product (as may be applicable).
- “**Board**” means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act.
- “**Chartered Accountant**” means a chartered accountant as defined in Clause (b) of Sub-section (1) of Section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under Sub-section (1) of Section 6 of that Act.
- “**Client/ Investor**” Means an individual, HUF, association of person, body of individuals, trust, company, partnership firm, limited liability

partnership, body corporate, statutory authority, FPI, NRI or any other person who enters into an Agreement with the Portfolio Manager for managing/advising on the funds/portfolio of securities belonging to such person/entity.

- **“Client Level”** shall mean the Product under which all the Assets of the Client shall be managed on an individual basis through a separate Bank Account and Depository Account which will be opened in the name of the Client and operated by the Portfolio Manager.
- **“Custodian”** means any person who carries on or proposes to carry on the business of providing custodial services and shall be registered with SEBI.
- **“Compliance Officer”** means person appointed under regulation 34(1) to monitor compliance of the Regulations, rules, guidelines, instructions, regulation, notification etc issued by SEBI from time to time.
- **“Depository”** means Depository as defined in the Depositories Act, 1996 (22 of 1996) and currently includes National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- **“Depository Participant ”** means any person / entity with whom the Securities of the Client may be held in dematerialized form in an account opened for that purpose
- **“Depository Account”** means one or more account or accounts opened, maintained and operated by Portfolio Manager in the name of client or Product (as may be applicable) with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.
- **“Disclosure Document”** shall mean this disclosure document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from time to time pursuant to the Regulations.
- **“Discretionary Portfolio Management Services”** shall mean the portfolio management services rendered to the Client, by the Portfolio Manager individually and independently, exercising its full discretion and/or advising and/or directing and/or undertaking on behalf of the Client, in respect of investments or management or administration of the Portfolio of the Assets of the Client in accordance with the various provisions of the Act, Rules, Regulations and/or laws in force and amendments made therein from time to time and on the terms and conditions set out in this Agreement.
- **“Non-Discretionary Portfolio Management Services”** shall mean service wherein Portfolio Manager shall manage the Assets in accordance with the directions of the Client under oral or written consents/ instructions.
- **“Funds ”** means the money and/or market value of securities placed by the Client with the Portfolio Manager and any accretions thereto
- **“Financial year”** Means a period of 12 months commencing on 1st of April and ending on the 31st of March of the succeeding year.

- “**FPI**” means Foreign Portfolio Investor registered with SEBI under SEBI (Foreign Portfolio Investors) Regulations, 2019’
- “**Net Asset Value**” (NAV) for the Products shall be calculated using the following method: NAV= Market value of all investments + Cash + Balance in ledger account with broker + Dividend/interest receivable - accrued expenses including Portfolio Management Fee.
- “**Parties**” means the Portfolio Manager and the Client; and “Party” shall be construed accordingly.
- “**Person**” includes any individual, partners in partnership, central or state government, company, body corporate, co-operative society, corporation, trust, society, Hindu Undivided family or any other body of persons, whether incorporated or not.
- “**Portfolio Manager**” means any person who pursuant to a contract or arrangement with a Client, advises or directs or undertakes on behalf of the client the management or administration of portfolio of securities or the funds of the client, as the case maybe. For the purpose of this Disclosure Document, Portfolio Manager is Vivekam Financial Services Private Limited (“Vivekam”).
- “**Portfolio**” means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes any Securities mentioned in the Application, any further Securities that may be placed by the Client with the Portfolio Manager from time to time, for being managed pursuant to this 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.
- “**Principal Officer**” means a director or any senior management employee of the Portfolio Manager, who is responsible for the activities of the portfolio management and has been designated as principal officer by the Portfolio Manager.
- “**Portfolio Management Fees/Advisory Fee**” shall have the meaning attributed thereto in Clause [11] of this Disclosure Document.
- “**RBI**” mean Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time
- “**Regulations**” means the Securities and Exchange Board of India (Portfolio Managers) Regulation, 2020, and as may be amended from time to time.
- “**Related Party**” means
  - i. A director, partner or his relative;
  - ii. A key managerial personnel or his relative;
  - iii. A firm, in which a director, partner, manager or his relative is a partner;
  - iv. a private company in which a director, partner or manager or his relative is a member or director;

- “**Scheduled Commercial Bank**” means any bank included in second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).
- “**SEBI**” means the Securities and Exchange Board of India established under sub- section (1) of Section 3 of the Securities and Exchange Board of India Act 1992.
- “**Product**” means any current investment Products or such Products that may be introduced at any time in the future by the Portfolio Manager.
- “**Regulations**” Means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended from time to time including any clarification and guidelines, circulars etc., issued by SEBI or the Government of India or the Reserve Bank of India from time to time.
- “**Compliance Officer**” means person appointed under regulation 34(1) to monitor compliance of the Regulations, rules, guidelines, instructions, regulation, notification etc issued by SEBI from time to time.
- “**Securities**” includes:
  - (i) shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
  - (ii) derivative;
  - (iii) units or any other instrument issued by any collective investment scheme to the investors in such schemes;
  - (iv) security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
  - (v) units or any other such instrument issued to the investors under any mutual fund scheme; Government securities;
  - (vi) such other instruments as may be declared by the Central Government to be securities; and
  - (vii) Rights or interest in securities;

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in the regulations governing Portfolio Management Services.

### **3. Description**

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

**History** – Vivekam Financial Services Private Limited, incorporated on 2<sup>nd</sup> of August, 2010 as a Private Limited Company under the Companies Act, 2013 having its CIN: U65990TG2010PTC069782 to offer consultancy services in financial management, portfolio management, investment strategies, financial planning and related fields.

Vivekam Financial Services Private Limited is presently registered as a portfolio manager with SEBI under the Regulations bearing registration number [REDACTED] dated [REDACTED] and provides discretionary portfolio management services, non-discretionary portfolio management services and advisory services to its clients.

**Present Business** – To carry on the business of providing portfolio management, investment strategies, publication and distribution of newsletters, journals, magazines and other modules through print, audio, video and other communication media in the area of financial management, portfolio management, investment strategies and related fields, buying stocks, bonds, mutual funds and derivatives.

#### **Directors of the Portfolio Manager:**

- **V V K Prasad**, Director
- **Yashwant Vemuru**, Director
- **Avanti Vemuru**, Director
- **Balakrishna Vellanki**, Director

#### ***Background of Board of Director***

**V V K Prasad**, Chartered Accountant by qualification, VVK has over 40 years of experience with Indian Financial Markets. After several years of sub-broking to a corporate broking house, he headed Gayatri Capital Ltd from 1996 to 2005. As a head of Gayatri Capital Ltd, he was instrumental in setting up 32 branches in AP, TG and Tamilnadu. He was the partner in MOSL and headed the Andhra Pradesh operations from 2005 to 2007.

He was the president of Association of NSE Members of India (ANMI) for the year 2005-06. His vast retail broking experience, thorough knowledge of Capital Markets and aptitude of creating products is the back-bone to ViVeKam.

As a qualified Chartered Accountant, Registered Investment Advisor and now qualified Portfolio Manager, VVK Prasad is one of the early pioneers in the financial literacy and financial product creator in the states of AP and Telangana. A vocal figure even today on topics ranging from economic factors, financial literacy and fundamental research, his vision is what empowers Vivekam and its associates to strive to produce top quality

Investment products for scale.

**Yashwant Vemuru**, Post Graduate from the prestigious Carnegie Mellon University at Pittsburgh, Yashwant boasts of 13+ Years of experience at Vivekam, Oracle & Sysdig among other roles across the globe and functions as a key driver of Product, Technology and Operations functions at Vivekam.

Yashwant has held multiple infrastructure positions in his 9 year stint in silicon valley. He brings a great deal of big corporate experience with companies such as Oracle as well as unicorn startup experience with Sysdig in San Francisco to the board at Vivekam.

**Details of the services being offered:**

**Discretionary Services:** Under these services the Portfolio Manager shall have the sole and absolute discretion to invest the Client's assets in any type of securities as per executed Agreement and make such changes in the investments and invest some or all of the Client's funds in such manner and in such markets as it deems fit and would benefit the Client. The Securities invested/disinvested by the Portfolio Manager for Clients in the same Product may differ from Client to Client.

The Portfolio Manager will provide Discretionary Portfolio Management Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. and any other benefits that accrues to the Client's Portfolio, for an agreed fee structure and for a definite period as described in the Products from time to time, entirely at the Client's risk.

The Portfolio Managers' decision (taken in good faith) in deployment of the Clients' assets is absolute and final and cannot be called in question or be open to review at any time during the continuity of the agreement or anytime thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force from time to time.

The Portfolio Manager shall be acting in a fiduciary capacity, both, as an agent as well as a trustee, with regard to the Client's assets and accretions thereto. Account consisting of investments, accruals and monetary and non-monetary corporate action & benefits if any.

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

1. All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Regulations made there under relating to Portfolio Management Services.



**None**

2. The nature of the penalty/direction.

**None**

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

**None**

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

**None**

5. Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency in relation to Portfolio Management Services for which action may have been taken or initiated.

**None**

6. Any enquiry/adjudication proceedings initiated by the Board against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or Regulations made there under relating to Portfolio Management Services.

**None**

**5. Services offered:**

Investment objectives and strategies may vary from client to client. The investment objectives of the client are understood and captured from the application form and the client agreement. The application form/client agreement captures the client's expectation of returns and risk tolerance and other terms. Further, depending on the individual client requirements and specifications, the portfolio can be tailor made.

**The Portfolio Manager offers the following types of Investment Approaches/Strategies:**

## 1. Vivekam BIO-Growth Plus:

### Investment Objective and Strategy:

BIO-Growth is our lumpsum offering and SMILES-Growth is our SIP offering of the same product. Several filters are used to screen the stocks and identify better performing companies (Sales Growth, Operating profit margin, PAT margin and other IPR).

We split the price of a company between the business value portion and the profit sensitive portion. By tweaking with Beta, we are able to increase the accuracy of our estimations and come up with next quarter high, low and expected prices for each stock.

From the derived estimated (or) fair value of each stock, we compare with the current market price (CMP) each day and ascertain scope to grow for each stock. By ranking in order of decreasing scope to grow, we have now arrived at our rankings for each particular day.

For building up a portfolio for BIO-Growth/SMILES-Growth, we take the following conditions:

- More than 1000 Crore market cap to avoid volume issues and for easy deployment.
- At least 30% scope to grow from current levels.
- Not more than 20% of portfolio is assigned for one industry.
- Such a constructed portfolio of undervalued growth stocks will have a portfolio P/E lower than the index P/E.

Exit happens only at stock level. We shall exit when stock reaches Vivekam expected level which could be revised every quarter. Exit can also happen if performance drops drastically and is no longer in the growth list for the next quarter.

Dividends during the holding period add to the annual return. Any cash released on sale of stocks or portfolio will be invested in exchange traded liquid instruments that earn daily interest until next quarter at which point funds will be deployed into highest scope to grow company.

**Salient features:** The portfolio will be invested in companies across market capitalizations, with higher focus on companies with market capitalization higher than Rs 1000 crores.

Portfolio Benchmark: S&P BSE 500 TRI

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

Investment Horizon: Medium to long term

**Policies for investments in associates/group companies of the portfolio manager – NA**

## 6. RiskFactors

The name of the Product does not, in any manner, indicate either the quality of the Product or its future prospects or returns.

The present Products are not guaranteed or assured return products.

At times, due to the forces and factors affecting the capital market or as per the view of the Portfolio Manager, the Product may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities amounting to substantial reduction in the earning capability of the Product.

- (i) Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the product will be achieved.
- (ii) Past performance of the Portfolio Manager may not indicate the future performance of the same investment option in future or any other future investment options of the Portfolio Manager.
- (iii) Risk arising from the investment objective, investment strategy and asset allocation: Market risk, political and geopolitical risk and risk arising from changing business dynamics, which may affect portfolio returns.
- (iv) At times, portfolios of individual Clients may be concentrated in certain companies/industries. The performance of the portfolios would depend on the performance of such companies/industries/sectors of the economy.
- (v) The Portfolio Manager has obtained a license to function as a portfolio manager in 2016 and its track record of performance under its portfolio management services is provided under section 11 below.
- (vi) Investors are not being offered any guaranteed or assured return/s i.e. either of Principal or appreciation on the portfolio.
- (vii) The Portfolio Manager and its employees directly involved in investment operations may trade in securities in their personal account which may result in a conflict with transactions in any of the Client's portfolio. However, to mitigate the said conflict in relation to employees, the Portfolio Manager has implemented the Personnel Securities Transaction Guidelines. The employees of the Portfolio Manager are required to abide by the said policy as may be applicable to them. The Portfolio Manager has guidelines for managing conflicts of interest in place to achieve and maintain discipline and transparency in all investment activities and to avoid any potential or actual conflict of interests.
- (viii) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group

companies/associates, in a manner which is not detrimental to the Client

- (ix) Investments under the Portfolio in the securities of the group companies, if any, will be subject to the limits prescribed in the Agreement (if any) executed with the respective Client and the same would be subject to the applicable laws/regulations/guidelines.

The Client clearly understands that investment in securities entails a high degree of risk and there is no guarantee or assurance by the Portfolio Manager about any minimum returns on the Client portfolio/funds or even as regards preservation of capital. The Client understands and acknowledges that the Portfolio Manager and its affiliates may be engaged in a broad spectrum of activities in the portfolio management and financial services sectors. There will be instances where the interests of such parties' conflict with the interests of the Client. In case of restatement or changes in the audited financial details of a particular company, the financial ratios may undergo change. Such changes may adversely impact the performance of the Client's portfolio. Additional risks and uncertainties not presently known to the Portfolio Manager, or those risks currently deemed immaterial may also have an adverse impact on the Client in the future. The Client's Portfolio may be subject to risks arising due to happening of any force majeure event (i.e. an event which cannot be reasonably anticipated and controlled, including an act of God, war, natural calamities, policy changes of local / international markets and such events which are beyond the reasonable control of the Portfolio Manager). The Portfolio Manager will also not be liable for any adverse material financial impact on the Client's portfolio due to such force majeure events.

**Risks associated with investments in equity and equity related instruments:**

The under mentioned risks include but are not restricted to:

- (i) Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- (ii) The Product seeks to generate returns out of identifying reforms and sectors or stocks that are likely to outperform in the future. Execution of investment strategies depends upon the ability of the Portfolio Manager to identify such opportunities which may not be available at all times and that the decisions made by the Portfolio Manager may not always be profitable.
- (iii) The Portfolio Manager may invest in stocks, which may or may not be undervalued with the anticipation of increase in price. However, the stocks may languish and may not attain the anticipated price.
- (iv) The portfolio is subject to investment style risk; the Product may have a contrarian style of investment, the portfolio performance may not be in line with the general market in scenarios of strong upward or

downward cycles. Further, the prices of securities invested by the product may not behave as expected by Portfolio Manager, this may affect the returns adversely.

- (v) In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.
- (vi) In the event of inordinately low volumes, there may be delays with respect to unwinding the portfolio and transferring the redemption proceeds.
- (vii) The value of the portfolio, may be affected generally by factors affecting securities markets
- (viii) as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the portfolio valuation may fluctuate and can go up or down.
- (ix) Investors may note that Portfolio Manager's investment decisions may not always be profitable
- (x) As actual market movements may be at variance with anticipated trends.

The portfolio may have higher concentration towards a particular stock or sector, at a given point in time. Any change in government policy or any other adverse development with respect to such a stock or the sector, may adversely affect the value of the portfolio.

#### **Risks associated with investments in Fixed Income Securities:**

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not restricted to:

**Interest Rate Risk:** As with all debt securities, changes in interest rates will affect the valuation of the portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of Portfolios.

**Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Money market securities, while fairly liquid, lack a well- developed

secondary market, which may restrict the selling ability of the Product and may lead to the Product incurring losses till the security is finally sold.

**Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Because of this risk debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default. The fund manager will endeavor to manage credit risk through in-house credit analysis. The Products may also use various hedging products from time to time, as are available and permitted by SEBI, to attempt to reduce the impact of undue market volatility on the Product's portfolios.

**Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities under a particular portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk refers to the fall in the rate for reinvestment of interim cash flows.

#### **Portfolio-related Risks:**

**Identification of Appropriate Investments:** The success of the portfolio management services as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

**Change in Regulation:** Any change in the Regulations and/or other applicable laws or any new direction of SEBI may adversely impact the Client's Portfolio.

**Inflation Risk:** Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

**Tax Risks:** Changes in state and central taxes and other levies in India may have an adverse effect on the cost of operating activities of the portfolio entities. The Government of India, State Governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the portfolio entities. An increase in these

taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability. Furthermore, the tax laws in relation to the Client's portfolio are subject to change, and tax liabilities could be incurred by Clients as a result of such changes.

## 7. Client Representation

Particulars	Mar-24	Mar-23	Mar-22	Discretionary/ non-discretionary
Number of Associate/ Group Clients	0	0	0	NA
Number of Other Clients	0	0	0	Non-discretionary
Funds Managed(INR CR)	0	0	0	-

Details of related party transactions during the period ending

NAME OF PARTY	Designation	As on March 31,2024 (INR Lakhs)	As on March 31,2023 (INR Lakhs)	As on March 31, 2022 (INR Lakhs)

## 8. Financial Performance of the Portfolio Manager

Particulars	For last 12 months ending		For Twelve months Ending (Audited)	
	Mar-24	Mar-23	Mar-23	Mar-21
INR(Amount in Rs'00)				
Total Income				
Total expenses (incl. depreciation, interest and tax)				
Profit after tax				
Equity capital				
Reserves				

## 9. Portfolio Management performance of the Portfolio Manager

Portfolio Management performance of the portfolio manager for the last three years calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020

10. **Audit Observations**

The details of observations made during 3 previous year audit conducted under Regulations 30(2) are as follows:

<b>Financial Year</b>	<b>Audit Observations</b>
FY2023-24	Nil Observation
FY2022-23	Nil Observation
FY2021-22	Nil Observation

11. **Nature of expenses**

**Portfolio Management Fees**

It relates to the fees payable by the client for the Portfolio Management Services offered by the Portfolio Manager. This fee may be a fixed charge or a percentage of quantum of funds managed or linked to portfolio on return achieved or a combination of any of these or Advisory Fee, as set out in the Portfolio Management Service Agreements / annexure / schedules attached thereto. Performance based fee is charged when there is incremental profit, this is known as High Water Marking. The detailed fee schedule is available as a part of agreement and depends on the nature of product.

**Depository & Custodian charges**

The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization, any fees to be paid to the custodian, fees towards availing of services such as filings for rights issue, IPO, FPO, open offer, mutual fund application, and other charges in connection with the operation and management of the depository accounts, etc.

**Registrar and transfer agent fee**

A fee payable to the Registrar and Transfer Agents for effecting transfers of Securities and includes stamp charges, notary charges, cost of affidavits, courier, post etc.

**Brokerage and transaction cost**

The transaction charges, brokerage and other charges like stamp duty, transaction cost and statutory levies such as service tax, securities transaction tax, turnover fees and such other levies as may be imposed from time to time.

**Audit Fee**

A yearly Audit fee is charged for the audit conducted on the client's PMS account upon request by the client.

**Goods and Service Tax**

As applicable from time to time



### **Depository Charges**

As may be applicable from time to time Entry Load /Exit Load As may be mutually agreed to between the Client and the Portfolio Manager

### **Certification and professional charges**

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

### **Any other incidental or ancillary expenses**

All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above arising out of or in the course of managing or operating the Portfolio incurred by the Portfolio Manager on behalf of the Client shall be charged to the Client. Any other taxes, duties and fees, which may be levied from time to time for providing the services. The fees structure mentioned above shall be determined from product to product.

## **12. Taxation**

Any tax liabilities on the portfolio and yields there from shall be borne and paid by the client. The Portfolio Manager does not take any responsibility for any matters relating to the income tax filings or assessments of the client. The client is advised to consult its own tax advisor with respect to the specific implication arising out of its investments. The Portfolio Manager shall provide adequate statements to the Clients for accounting purpose.

### **Details under FATCA/Foreign Tax Laws:**

Tax regulations require us to collect information about each investor's tax residency. If you have any questions about your tax residency, please contact your tax advisor. Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010. Applicants (Including joint holders, Guardian, POA holder) are required to refer and mandatorily fill/sign off a separate "FATCA declaration form". Applications without this information /declaration being filled/signed off will be deemed as incomplete and are liable to be rejected. Investors are requested to note that the contents of the information to be provided/declaration in the application form may undergo a change on receipt of communication/guidelines from SEBI.

### **Tax Implications for Clients**

It may be noted that the information given hereinafter is only for general information purposes and is based on the advice received by the Portfolio Manager regarding the law and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change, or it may not be acceptable to the tax authorities. As is the

case with any interpretation of any law, there can be no assurance that the tax position or the proposed tax position prevailing at the time of an investment in a Product will be accepted by the tax authorities or will continue to be accepted by them indefinitely. Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the Portfolio Manager to induce any investor to invest whether directly from the Portfolio Manager or indirectly from any other persons by the secondary market operations. In view of the above, and since the individual nature of tax consequences may differ in each case on its merits and facts, each Investor is advised to consult his / her or its own professional tax advisor with respect to the specific tax implications arising out of its participation in a Product, as an investor.

### **13. Accounting Policies**

The accounting functions are managed by the Custodian.

### **14. Investors Services**

The Portfolio Manager seeks to provide its clients a high standard of service and is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology.

The Portfolio Manager believes it is imperative that an investor invests in a product that suits his risk - return profile; and to achieve this objective, the Portfolio Manager extends the scope of "client service" to ensure client – product suitability as a first step in this direction.

The gamut of client service offerings by the Portfolio Manager includes: •

- Client Product Suitability to ensure that a client invests in a Product that best suits his risk-return profile.
- Communication in the form of:
  - Agreement with the services being provided by the fund manager including the agreement from the custodian with the client.
  - Monthly statement detailing the portfolio statement and dividends
- A one - point contact through dedicated email id (info@vivekam.co.in) and contact point that helps attend and address Client queries and requests with the least lead time.

### **15. Investments in the securities of related parties of the portfolio manager**

NA

**16. Diversification policy of the portfolio manager**

The Portfolio Manager has a diversification policy in place, which covers the following considerations in managing of Client's funds and mitigating risk that could arise from non-diversification.

- Portfolio construction basis Investment Approach objectives.
- Number of securities and level of concentration of securities basis percentage, sector/industry.
- Adhering with limits of investment prescribed under the applicable Regulation
- Client's guidance on limits/restriction for investment in securities
- Nature of securities viz. equity, debt, liquid, and market capitalization/sector/industry etc.
- Liquidity nature of the securities

For the <b>Client:</b>	For the <b>Portfolio Manager</b> (through its authorized representative):
<b>Signature:</b>  Name:  Date: Place:	<b>Signature:</b>  Name: YASHWANT VEMURU Designation: DIRECTOR  Date: Place: Hyderabad <b>Company Seal:</b>