

# Disclosure Document

## Vivekam Financial Services Private Limited

(Prepared in accordance with SEBI (Portfolio Managers) Regulations, 2020 and SEBI Circular SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 9, 2025)

- I. This Disclosure Document ("Document") has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- II. This Document serves the purpose of providing essential information about the portfolio management services offered by Vivekam Financial Services Private Limited ("Vivekam" or the "Portfolio Manager") to enable investors to make informed decisions before engaging the Portfolio Manager. Investors are advised to retain this Document for future reference.
- III. This Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of the contents of this Document.
- 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. Vemuru Venkatakrishna Prasad
Name of the Compliance Officer	Mr. Yashwant Vemuru
Phone	9100009890
E-mail	<a href="mailto:info@vivekam.co.in">info@vivekam.co.in</a>
Registered Office	Plot 57, Road 71, Jubilee Hills, Hyderabad, Telangana – 500096
Custodian Details	Orbis Financial Corporation Limited 4A, Technopolis, Golf Club Road, Sector 54, Gurugram, Haryana 122011
SEBI Registered Portfolio Manager	INP000009481
Registration Granted on	June 05, 2025

Date:

Place: Hyderabad

## Classification of Parameters for the Disclosure Document for Vivekam

### Part-1 Static Section:

<b>SL. NO.</b>	<b>Parameter</b>
1	Disclaimer Clause
2	Definitions
3	Description
4	Penalties, pending litigation or proceedings, findings of Inspection or investigation for which action may have been taken or initiated by any regulatory authority.
5	Services Offered
6	Risk Factors
7	Nature of Expenses
8	Taxation
9	Accounting Policies
10	Investors services
11	Details of the diversification policy of the portfolio manager

### Part-II Dynamic Section:

<b>SL. NO.</b>	<b>Parameter</b>
12	Client Representation
13	Financial Performance
14	Performance of Portfolio Manager
15	Audit Observations (of the preceding 3 years)
16	Details of Investments in the securities of related parties of the portfolio manager

## PART-1 Static Section

### 1. Disclaimer Clause

- This Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI. Distribution of this document may be restricted in certain jurisdictions. Persons into whose possession this document comes are required to inform themselves about and observe any such restrictions.

### 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.
- **“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.

For the avoidance of doubt, this Disclosure Document pertains exclusively to Portfolio Management Services offered by the Portfolio Manager, and not to standalone Investment Advisory Services.

- **“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 or the agent appointed by Portfolio Manager for this service.
- **“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:
  - 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;
  - derivative;
  - units or any other instrument issued by any collective investment scheme to the investors in such schemes;
  - 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;
  - units or any other such instrument issued to the investors under any mutual fund scheme; Government securities;
  - such other instruments as may be declared by the Central Government to be securities; and
  - 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 Registered Investment Adviser with SEBI under the Regulations bearing registration number INA200000316 for more than a decade and provides advisory services to its clients. Vivekam Financial Services Private Limited has obtained registration as a Portfolio

Manager from the Securities and Exchange Board of India (SEBI) on **June 05, 2025**, bearing registration number **INP000009481**, and is serving investors in the capacity of a SEBI-registered Portfolio Manager...

**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

#### **Background of Board of Directors**

**V V K Prasad**, Chartered Accountant by qualification, VVK has over 43years 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 mala-fide, 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 In client's 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 investigation for which action may have been taken or initiated by any regulatory authority.**

- I. All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder – **None.**
- II. The nature of the penalty/direction – **None**
- III. Penalties/fines imposed for any economic offence and/ or for violation of any securities Laws – **None**
- IV. Any pending material litigation/legal proceedings against the portfolio manager/key Personnel with separate disclosure regarding pending criminal cases, if any. – **None**
- V. Any deficiency in the systems and operations of the portfolio manager observed By the Board or any regulatory agency – **None**
- VI. Any enquiry/ adjudication proceedings initiated by the Board against the portfolio Manager or its directors, principal officer or employee or any person directly or indirectly Connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder – **None**

**5. Services Offered**

**(I) Investment Objectives and Policies**

Investment objectives and strategies may vary according to each client's needs. The investment objectives, risk tolerance, and return expectations of every client are ascertained from the application form and client agreement. The portfolio is structured to align with the client's investment goals and preferences.

Vivekam Financial Services Private Limited currently offers the following discretionary portfolio management strategies:

## **(ii) Investment Approach I – Large Cap Growth Plus**

Vivekam's primary investment approach is the Large Cap Growth Plus strategy, designed for investors seeking long-term capital growth through high-quality, large-cap stocks.

The strategy aims to achieve capital appreciation by investing in Indian companies with strong value potential. In this product, we are able to arrive at estimated (or) fair value of each stock on the NSE predominantly based on fundamentals. 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. After shortlisting growth stocks based on fundamentals by ranking in order of decreasing scope to grow, we will have list of most suitable stocks arrived based on our rankings for each particular day.

### **Investment Approach:**

- Invest in India's Top 300 Companies, ranked by market capitalization, with strong fundamentals.
- At least 15% scope to grow from current levels.
- Not more than 20% of portfolio is assigned for one industry.

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. Exit also happens when clients seek partial withdrawal from portfolio.

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

- Benchmark: NIFTY 50 TRI

The Large Cap Growth Plus approach is actively managed, with regular monitoring to capture growth opportunities and manage risks in changing market conditions.

## **Investment Approach II – Vivekam Hybrid**

### **(a) Investment Objective**

Vivekam Hybrid is a discretionary portfolio management strategy designed to generate steady, risk-adjusted returns over the medium to long term through a hybrid investment approach combining equity investments and derivative strategies.

The primary objective of the strategy is to seek annualized returns over a full market cycle through a rule-based and process-driven framework, while maintaining liquidity and effective risk management. There is no assurance or guarantee that the investment objective of the strategy will be achieved.

### **(b) Nature of Strategy**

The Vivekam Hybrid strategy follows a hybrid structure, wherein client assets may be deployed across:

- Listed equity securities (TOP 300 Stocks in terms of Market Cap)
- Equity-linked derivative instruments (including options)
- Cash and cash equivalents, as permitted under SEBI (Portfolio Managers) Regulations, 2020

The strategy seeks to balance capital appreciation and income generation, depending on market conditions and opportunity sets identified through internal quantitative and rule-based models.

#### **(c) Investment Philosophy and Process**

The investment philosophy of Vivekam Hybrid is founded on the following principles:

- Rule-based decision making with predefined quantitative criteria
- Staggered deployment of capital to mitigate timing risk
- Periodic review and rebalancing based on market conditions and internal thresholds
- Focus on risk management and capital discipline

Derivative strategies, where used, are primarily intended for income generation and portfolio balancing and not for speculative purposes.

#### **(d) Use of Derivative Instruments**

The Portfolio Manager may use exchange-traded derivative instruments, including index options and stock options, as permitted under applicable laws, for purposes such as income generation, portfolio balancing, and risk mitigation.

Derivative positions shall be undertaken in accordance with SEBI regulations, internal risk management policies, and applicable margin requirements. The use of derivatives may result in both gains and losses and may involve leveraged exposure

The Portfolio Manager does not undertake derivative positions for speculative purposes or for creating leveraged directional exposure beyond regulatory limits

#### **(e) Investment Horizon**

The recommended minimum investment horizon for the Vivekam Hybrid strategy is medium to long term. Clients are advised that the strategy may require multiple market cycles to achieve its intended objectives.

(f) Benchmark: NIFTY 50 TRI

#### **(g) Client Suitability**

The Vivekam Hybrid strategy may be suitable for investors who:

- Seek disciplined equity participation with an income-oriented component

- Have a medium- to long-term investment horizon
- Understand risks associated with equity and derivative instruments
- Are not seeking assured or capital-protected returns

### **(iii) Policies for Investments in Associates/Group Companies**

Vivekam Financial Services does not currently invest client portfolios in securities issued by associates or group companies. If any such investments are made in the future, the Portfolio Manager will ensure disclosure and strict compliance with SEBI regulations and applicable exposure limits.

## **6. Risk Factors**

Investments under portfolio management services are subject to various risks that may affect the performance of the portfolio. The client should carefully read and understand the following risk factors before investing. The Portfolio Manager does not guarantee or assure any returns or protection of capital.

### **A. General Risk Factors**

1. Investment in securities is subject to market risk including price fluctuation, liquidity constraints, interest-rate movements, exchange-rate variations and impact-cost risk.
2. The Portfolio Manager does not guarantee achievement of any investment objective; investors are not being offered any assured or guaranteed return.
3. Past performance of the Portfolio Manager or any of its investment approaches does not indicate future performance.
4. The name of any investment approach does not in any manner indicate its future prospects or returns.
5. Portfolios concentrated in fewer stocks or sectors tend to be more volatile than diversified portfolios.
6. Overall portfolio values may be affected by changes in political, economic or regulatory conditions, taxation, interest-rates, liquidity, settlement cycles, or closure of stock exchanges.
7. The Portfolio Manager shall act in a fiduciary capacity and endeavour to mitigate potential conflicts of interest; however, such conflicts may still arise in certain circumstances.

### **B. Risks Associated with Equity and Equity-Related Instruments**

1. Equity and equity-related securities are inherently volatile and their prices fluctuate daily due to macro- and micro-economic factors.
2. Portfolio performance depends on the ability of the Portfolio Manager to identify and execute investment opportunities; such opportunities may not always be available or profitable.
3. Investments may be affected by trading volumes, settlement systems or market liquidity, which could delay sales or purchases of securities.
4. Concentrated exposure to a particular sector or stock may adversely impact performance if that sector or company underperforms.
5. Market movements may deviate from expectations; consequently, actual returns may differ from anticipated results.
6. Corporate actions, restatement of financials or unforeseen events may alter the valuation of portfolio holdings.

### **C. Risks Associated with Debt and Money-Market Securities**

1. **Interest-rate risk:** Prices of fixed-income securities generally rise when interest rates fall and decline when rates rise. Longer-term securities are more sensitive to such changes.
2. **Liquidity risk:** Certain fixed-income or money-market instruments may have limited secondary-market liquidity, making them difficult to sell at fair value when required.
3. **Credit risk:** Issuer default or downgrades may result in loss of principal or interest. Corporate instruments carry higher credit risk than sovereign securities.
4. **Re-investment risk:** Cash flows from coupons or maturities may have to be reinvested at lower prevailing rates, reducing overall returns.

### **D. Risks Associated with Derivative Instruments**

1. Derivatives are leveraged instruments and can magnify both gains and losses.
2. Execution of derivative strategies depends on accurate market forecasts; wrong assumptions may lead to losses.
3. Risks include mis-pricing, imperfect correlation with underlying assets, settlement risk, and illiquidity.
4. The use of derivatives requires robust internal controls; failure or errors in such systems may affect portfolio performance.

### **E. Risks Associated with Investments in Mutual Fund Schemes**

1. Investments made through mutual funds are subject to the risks associated with the underlying schemes and the securities they hold.
2. NAVs of mutual funds fluctuate in response to market conditions; past performance of the fund or its sponsor does not guarantee future returns.
3. Liquidity of mutual-fund units may be constrained during periods of market stress or high redemption volumes.
4. The Portfolio Manager is not responsible for any default, negligence or non-compliance on the part of the asset-management company or the scheme.

### **F. Risk Arising out of Non-Diversification**

Concentrated portfolios—by stock, sector, or market-capitalisation segment—may experience higher volatility. Any adverse policy change or economic downturn affecting the relevant sector or company can materially impact portfolio value. While the Portfolio Manager follows diversification guidelines, clients may specify restrictions that could increase concentration risk.

### **G. Risk Arising out of Investment in Associates / Related Parties**

1. The Portfolio Manager or its employees may, at times, hold or trade in securities also held in client portfolios. Such situations could create potential conflicts of interest. Internal Personal Securities Transaction Guidelines are in place to mitigate these risks.
2. The Portfolio Manager may engage with its associates or group companies for execution or custodial services. All such transactions shall be conducted on an arm's-length basis and disclosed to clients in accordance with SEBI Regulations.
3. Investments, if any, in securities of related or group entities will be within the regulatory limits and on terms no less favourable to clients than those prevailing in the market.

## H. Risks Specific to Hybrid and Derivative Strategies

In addition to general risks associated with portfolio management services, the Vivekam Hybrid strategy is subject to the following risks:

- Derivative instruments are leveraged and may magnify gains and losses
- Income generation from derivatives is dependent on market volatility and liquidity
- Certain strategies may limit upside participation in rising markets
- Margin requirements may require additional capital during adverse movements
- The time taken to achieve investment objectives may extend due to market conditions

Investors should carefully evaluate these risks prior to investing.

## 7. Nature of Expenses:

The Client shall bear all expenses, costs, fees and charges relating to portfolio management services provided by the Portfolio Manager. These expenses may be charged directly or indirectly to the Client as permitted under the SEBI (Portfolio Managers) Regulations, 2020. A brief explanation of the nature of such expenses is provided below:

<b>Type of Expense</b>	<b>Description / Basis of Charge</b>
(I) Portfolio Management / Advisory Fee	Payable by the Client for portfolio management or advisory services offered by the Portfolio Manager. The fee may be a fixed charge, a percentage of assets under management, linked to returns achieved ("performance fee"), or a combination thereof, as specified in the Portfolio Management Service Agreement. Performance-based fees are computed on the High-Water-Mark principle.
(ii) Brokerage and Transaction Costs	Brokerage, transaction charges, stamp duty, exchange fees, securities transaction tax, turnover charges and other statutory levies incurred for purchase and sale of securities.
(iii) Custodian and Depository Charges	Charges for opening and operation of dematerialised accounts, custody and transfer of securities, dematerialisation, corporate-action processing, and services rendered by the Custodian.
(iv) Registrar and Transfer Agent Fees	Fees payable for effecting transfer of securities, including stamp duty, courier, postage, notarisation and related incidental costs.
(v) Audit Fee	Annual fee for audit of the Client's PMS account where such audit is requested or required.
(vi) Certification and Professional Charges	Fees for outsourced professional services such as accounting, auditing, legal, taxation and documentation, including notarisation and attestations required by banks or regulators.
(vii) Goods and Services Tax (GST)	GST or any other indirect tax as applicable on fees, charges or expenses.
(viii) Entry / Exit Load (if applicable)	As may be mutually agreed between the Client and the Portfolio Manager and disclosed in the Agreement.
(ix) Incidental and Ancillary Expenses	Any other statutory, administrative or operational costs not specifically covered above, including revenue levies, filing fees and regulatory charges incurred on behalf of the Client.

## 8. Taxation:

## A. General

The following information is based on the tax laws presently in force in India and represents Vivekam Financial Services Private Limited's ("Vivekam" or the "Portfolio Manager") understanding of the relevant provisions of the **Income-tax Act, 1961 ("IT Act")**.

Tax implications vary for each client depending on residential status, nature of income, holding period, and other factors.

The information herein is only for general guidance and should not be construed as tax advice. Clients are strongly advised to consult their professional tax advisors for specific implications before investing.

The Portfolio Manager will not act as a tax representative for any client and assumes no responsibility for the client's individual tax filings, assessments, or advance-tax obligations. Adequate portfolio statements will be provided to clients for accounting and reporting purposes.

## B. Tax Deducted at Source (TDS)

Income such as dividends, interest, or other income arising from investments under the portfolio may be subject to tax deduction at source as per the IT Act.

- **Resident clients:** TDS shall be deducted at prescribed rates. Clients not furnishing a valid Permanent Account Number (PAN) are subject to higher TDS.
- **Non-resident clients:** Tax shall be deducted as per the provisions of the IT Act or the relevant **Double Taxation Avoidance Agreement (DTAA)**, subject to submission of valid **Tax Residency Certificate (TRC), Form 10F**, and other required documents.
- Under the **Finance Act, 2021**, higher TDS applies to residents who have not filed their income-tax returns for the preceding two years and whose aggregate TDS/TCS is ₹50,000 or more in each of those years.

The Portfolio Manager will comply with statutory withholding requirements but will not be liable for any shortfall resulting from inaccurate or incomplete information furnished by clients.

## C. Long term capital gains

- On listed equity shares / equity-oriented mutual funds: **12.5 %** (u/s 112A) on gains exceeding ₹1.25 lakhs in a financial year, without indexation.
- On other listed securities, unlisted shares, or debt instruments: **20 %** (with indexation) or **10 %** (without indexation) as per section 112.  
Capital losses, if any, may be set off and carried forward as per Chapter VI of the IT Act.

### Period of Holding

Type of Capital Asset	Short-Term if held ≤	Long-Term if held >
Listed equity shares / equity-oriented mutual fund units	12 months	12 months
Other listed securities (e.g., bonds, debentures)	12 months	12 months
Unlisted shares	24 months	24 months
Debt-oriented mutual fund units / other assets	36 months	36 months

#### **D. Short term capital gains**

- On listed equity shares / equity-oriented mutual funds where STT is paid: **20 %** (u/s 111A) + surcharge & cess.
- On other securities: taxable at the applicable slab rate of the client.

#### **E. Profits and gains of business or profession**

If the securities in the portfolio are regarded as business/trading assets, any gain or loss from their sale shall be taxable under the head “**Profits and Gains of Business or Profession**” (section 28 of the IT Act).

Such income shall be computed after allowing normal business expenses, including transfer costs, as permitted under the IT Act.

Interest income may also be characterised as “business income” depending on the facts of the case.

#### **F. Losses under the head capital gains/business income**

Under sections 70 and 74 of the IT Act:

- Short-term capital loss can be set off against both short- and long-term capital gains.
- Long-term capital loss can be set off only against long-term capital gains.  
Unabsorbed capital losses may be carried forward for **eight assessment years** if the return of income is filed within the prescribed due date.  
Business losses may also be carried forward for eight assessment years and set off against subsequent business income.

#### **G. General Anti Avoidance Rules (GAAR)**

The provisions of **GAAR** may be invoked by Indian tax authorities if an arrangement is found to be an **impermissible avoidance arrangement**.

An arrangement may be deemed impermissible if its main purpose is to obtain a tax benefit and it:

1. Creates rights or obligations not ordinarily created between persons dealing at arm’s length;
2. Results in misuse or abuse of the IT Act provisions;
3. Lacks commercial substance; or
4. Is carried out in a manner not ordinarily employed for bona fide purposes.

If GAAR is invoked, authorities may disregard, re-characterise, or reallocate income, deductions, or other items for determining tax liability.

#### **H. FATCA Guidelines**

Indian regulations implementing **FATCA** and the **Common Reporting Standard (CRS)** require financial institutions to collect and report information about investors’ tax residency.

Applicants (including joint holders, Power of Attorney holders, and Vivekam account holders) must mandatorily complete and sign the prescribed **FATCA/CRS self-declaration form**. Applications without such declaration shall be deemed incomplete and may be rejected.

Clients must notify Vivekam promptly of any change in their tax-residency status.

Information collected may be shared with the **Central Board of Direct Taxes (CBDT)** and, through inter-governmental agreements, with relevant foreign tax authorities.

Vivekam shall not be liable for any consequences arising from incomplete, inaccurate, or delayed disclosure of information by clients.

## **I. Goods and Services Tax on services provided by the portfolio manager**

GST is applicable on portfolio management and advisory fees charged by Vivekam.

In addition, stamp duty and other statutory charges on purchase, sale, or transfer of securities shall be borne by the client.

### **9. Accounting policies**

The accounting functions relating to the Portfolio Management Services are managed and maintained by the **Custodian** appointed by Vivekam Financial Services Private Limited (“Vivekam” or the “Portfolio Manager”).

All accounts are maintained in accordance with applicable **Indian Accounting Standards (Ind AS), SEBI (Portfolio Managers) Regulations, 2020**, and other relevant guidelines issued by SEBI and the Institute of Chartered Accountants of India (ICAI).

The key accounting principles followed are:

#### **1. Recognition of Income and Expenses:**

Income and expenses are accounted for on an accrual basis unless stated otherwise.

#### **2. Valuation of Investments:**

Investments are valued in accordance with the Portfolio Management Agreement, SEBI regulations, and accounting standards applicable to portfolio managers.

- Quoted securities are valued at the last available closing price on the recognised stock exchange.
- Unlisted or thinly traded securities, if any, are valued in good faith by the Portfolio Manager in accordance with SEBI’s valuation norms.

#### **3. Audit of Accounts:**

The Portfolio Manager ensures that the accounts of client portfolios are audited annually by an independent Chartered Accountant, as required under Regulation 38(3) of the SEBI (Portfolio Managers) Regulations, 2020.

### **10. Investors services**

#### **(I) Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints.**

The Portfolio Manager seeks to provide its clients with a **high standard of service** and is committed to continuously upgrading systems and procedures to ensure effective and transparent client servicing through the use of technology.

Vivekam Financial Services Private Limited (“Vivekam” or the “Portfolio Manager”) believes it is imperative that an investor invests in a product that suits his or her **risk–return profile**. To achieve this, Vivekam extends the scope of “client service” beyond transactional support to include **client–product suitability assessment** as a first step in the relationship.

## Scope of Client Services

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

- **Client–Product Suitability:** Ensuring that each client invests in a Product that best aligns with their investment objectives, financial goals, and risk–return profile.
- **Communication and Transparency:**
  - Execution of a detailed **Portfolio Management Agreement** defining rights, obligations, and services offered.
  - Provision of a **monthly portfolio statement**, including details of investments, transactions, dividends, and corporate actions.
  - Access to statements and reports through secure electronic means, as permitted by the client.
- **Dedicated Client Support:**  
Vivekam provides a single point of contact for all queries, requests, and service-related matters through the following contact details:

**Email:** info@vivekam.co.in

**Phone:** +91 9100009890

**Address:** Plot No. 57, Road No. 71, Jubilee Hills, Hyderabad, and Telangana – 500096

### (ii) Grievance redressal and dispute settlement mechanism.

Clients may lodge complaints or service requests through the designated email ID or contact point mentioned above. The Portfolio Manager shall acknowledge and resolve such grievances within **30 days** from the date of receipt.

If a client is not satisfied with the resolution provided by the Portfolio Manager, they may escalate the complaint to the **Securities and Exchange Board of India (SEBI)** through the online complaint redressal system **SCORES** (<https://scores.gov.in>).

## **11. Details of the diversification policy of the portfolio manager**

Vivekam Financial Services Private Limited (“Vivekam” or “the Portfolio Manager”) has adopted a structured diversification policy to manage client portfolios in a prudent manner and to mitigate risks arising from overexposure or concentration in specific securities, sectors, or asset classes.

The diversification policy is guided by the principles of portfolio construction, liquidity management, and regulatory compliance and covers the following aspects:

- **Portfolio construction** based on the investment approach and objectives defined in the Portfolio Management Agreement and the Client’s Investment Policy Statement.
- **Number of securities** and the **level of concentration** maintained with reference to the percentage of allocation to individual securities, sectors, or industries.
- **Adherence to regulatory limits** prescribed under the SEBI (Portfolio Managers) Regulations, 2020, and other applicable laws.
- **Client-specific restrictions or guidance**, if any, on limits for investment in particular securities or sectors, as specified in the client agreement.
- **Nature of securities**—equity, debt, liquid instruments, or hybrid—considering market capitalization, sector exposure, and risk-return characteristics.

- **Liquidity profile** of the underlying securities to ensure the ability to meet redemption or rebalancing requirements efficiently.

The Portfolio Manager continuously monitors the portfolios to ensure compliance with the diversification policy, regulatory requirements, and risk control parameters established under its internal investment framework.

## Part-II- Dynamic Section

### 12. Client Representation

As per Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 and SEBI Circular SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 9, 2025, details of the clients represented by Vivekam Financial Services Private Limited (“Vivekam” or “the Portfolio Manager”) for the last three financial years are provided below.

#### Details of Clients Represented

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

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)
–	–	–	–	–

### 13. Financial Performance

The summary of the audited financial performance of **Vivekam Financial Services Private Limited** (“Vivekam” or “the Portfolio Manager”) for the last three financial years is provided below, in accordance with Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 and SEBI Circular SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 9, 2025.

INR (Amount in Lakhs)	For the 12 months ending Mar-24	For the 12 months ending Mar-23	For the 12 months ending Mar-22
Total Income	1,256.87	1,134.85	1,631.81
Total Expenses (including depreciation, interest and tax)	948.33	1,276.61	1,484.63
Profit after Tax	271.43	(141.76)	144.53
Equity Capital	400.00	400.00	400.00
Reserves & Surplus	235.93	(34.30)	109.20

**Notes:**

1. Figures are based on the audited financial statements of Vivekam Financial Services Private Limited.
2. Vivekam obtained registration as a Portfolio Manager from SEBI in FY 2025; hence, PMS-related income and expenses are not separately identifiable for the periods presented.
3. The above information is disclosed in compliance with SEBI Circular SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 and shall be updated annually based on audited accounts.

**14. Performance of Portfolio Manager**

The portfolio management performance of **Vivekam Financial Services Private Limited** (“Vivekam” or “the Portfolio Manager”) for the last three financial years is provided below.

Performance is calculated using the **Time Weighted Rate of Return (TWRR)** method, in accordance with **Regulation 22** of the **SEBI (Portfolio Managers) Regulations, 2020** and SEBI Circular SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 9, 2025.

Financial Year	Portfolio Performance (% – TWRR)	Benchmark Index Performance (% – TRI)	Remarks
FY 2023-24	–	–	Portfolio Management registration granted in FY 2025; no track record available yet under PMS license.
FY 2022-23	–	–	Not applicable – Portfolio Management license not in operation during the year
FY 2021-22	–	–	Not applicable – Portfolio Management license not in operation during the year.

**Notes:**

1. The above performance is presented on a **Time-Weighted Rate of Return** basis, net of all expenses and fees, as required under SEBI regulations.
2. Vivekam Financial Services Private Limited obtained SEBI registration as a Portfolio Manager in FY 2025. Therefore, no performance data is available for the preceding financial years.
3. **Past performance is not indicative of future performance.** Returns achieved in the future will depend on market conditions, the investment strategy adopted, and other external factors beyond the control of the Portfolio Manager.

## 15. Audit Observations

In accordance with **Regulation 30(2)** of the **SEBI (Portfolio Managers) Regulations, 2020** and SEBI Circular No. SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 9, 2025, the details of audit observations made during the preceding three financial-year audits of **Vivekam Financial Services Private Limited** (“Vivekam” or “the Portfolio Manager”) are as follows:

Financial Year	Audit Observations
FY 2023-24	Nil Observation
FY 2022-23	Nil Observation
FY 2021-22	Nil Observation

## 16. Details of investments in the securities of related parties of the portfolio manager

In accordance with **Regulation 22** of the **SEBI (Portfolio Managers) Regulations, 2020** and SEBI Circular **SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125** dated September 9, 2025, details of the investments by **Vivekam Financial Services Private Limited** (“Vivekam” or “the Portfolio Manager”) in the securities of its related parties are provided below.

Particulars	Details
Investments by the Portfolio Manager in securities of related parties	Nil / Not Applicable

### Notes:

1. Vivekam Financial Services Private Limited has **not made any investments** in the securities of its related parties as of the date of this Disclosure Document.
2. Any future investments in related-party securities, if undertaken, shall be made strictly in accordance with SEBI (Portfolio Managers) Regulations, 2020, client agreements, and internal conflict-of-interest management policies.

For and on behalf of Vivekam Financial Services Private Limited (through its Authorized Representative)	
<b>Signature:</b>  Name: Vemuru Venkatakrishna Prasad Designation: Director Place: Hyderabad Date:	

<input type="checkbox"/> I have read and understood the contents of the disclosure document and acknowledge the same.	
<b>Signature:</b> Name: Place: Hyderabad Date:	