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To,
Investment Management Department
Division of Funds-I
Securities Exchange Board of India
SEBI Bhavan, Plot No. C 4-A, G Block,
Bandra Kurla Complex, Bandra East
Mumbai – 400051.

अंतर्वस्तु Contents No:
19 APR 2024
सेबी /SEBI
मुंबई /MUMBAI

Kind Attn : Ms. Supriya Kabra

Sub : Filing of Risk Disclosure Document (RDD) dated 18th April 2024
SEBI Registration No.INP000005166

As per requirement of Regulation 22 of the Securities Exchange Board of India (Portfolio Managers) Regulations, 2020, we are re-filing the **Risk Disclosure Document** dated April 16, 2024 of Scient Capital Private Limited (Portfolio Manager) along with below documents.

1. Annexure-A to the Disclosure Document
2. Certificate in Form-C as specified in Schedule (Annexure-2)
3. Certificate Issued by M. P. Chitale & Co.

We trust the above is in order.

Kindly acknowledge the receipt of the same and take the above information o records and oblige.

Thanking you,

Yours faithfully,
For **Scient Capital Private Limited**

SCIENT CAPITAL PRIVATE LIMITED MUMBAI

Antony Tason
(Compliance Officer)

Date : 18th April 2024
Place : Mumbai

Encl : As above

SCIENT CAPITAL PVT. LTD.
H-532, Kanakia Zillion Building, BKC Annex, Near Kurla Bus Depot, Kurla (West), Mumbai 400 070. INDIA.
Phone: +91-9892034427 ◇ E-mail: connect@scientcap.com ◇ CIN No: U65923MH2015PTC269290 ◇ GSTIN No: 27AAWCS3001J1Z4
◇ Website : www.scientcapital.com

SCIENT
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FORM C
Securities & Exchange Board of India (Portfolio Managers) Regulation, 2020
(Regulation 22)

NAME OF THE PORTFOLIO MANAGER:	SCIENT CAPITAL PRIVATE LIMITED
REGISTERED OFFICE ADDRESS:	H-532, Kanakia Zillion Building, BKC Annex, Kurla West, Mumbai 400070. Telephone: +91 99878 88558 Email : info@scientcap.com

We confirm that:

- The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time.
- The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management.
- The Disclosure Document has been duly certified by an Independent Chartered Account **M.P.Chitale & Co.** 1/11, 1st Floor, Prabhadevi Industrial Estate, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai 400025 (copy of the CA certificate enclosed).

For **SCIENT CAPITAL PRIVATE LIMITED**

Rameshrachuri

SCIENT CAPITAL PRIVATE LIMITED MUMBAI

Ramesh Rachuri
Principal Officer

Date: 18th April, 2024
Place: Mumbai

M. P. Chitale & Co.

Chartered Accountants

1/11, Prabhadevi Ind. Estate, 1st Flr., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 25 • Tel.: 43474301-03

The Board of Directors,

Scient Capital Private Limited
H 532, Kanakia Zillion,
BKC Annex,
Kurla West.
Mumbai – 400070

We have examined the Disclosure Document dated 16th April 2024 for Portfolio Management prepared in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 by Scient Capital Private Limited, (Registration Number INP000005166) and having its office at H 532, Kanakia Zillion, BKC Annex, Kurla West. Mumbai – 400070

Based on our examination of attached Disclosure Document, latest available audited annual accounts of Scient Capital Private Limited and other relevant records and information furnished by Management, we certify that the disclosures made in the attached Disclosure Document for Portfolio Management are true, fair and adequate to enable the investors to make a well-informed decision.

We have relied on the representation given by the management about the applicability of Income Tax provisions and the penalties or litigations against the Portfolio Manager mentioned in the disclosure document.

This certificate has been issued to the Securities and Exchange Board of India for the sole purpose of certifying the contents of the Disclosure Document for Portfolio Management and should not be used or referred to for any other purpose without our prior written consent.

For M. P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W

Santosh More
Partner
M. No. 114236
Mumbai, April 16, 2024
UDIN: 24114236BKDIRX8165

SCIENT CAPITAL PRIVATE LIMITED

PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT

[As required under Regulation 22 of SEBI (Portfolio Managers) Regulation, 2020]

1. This Disclosure Document shall be filed with SEBI along with the certificate from independent chartered accountant in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 as amended till date.

2. The purpose of this Disclosure Document is to provide essential information about the portfolio management services offered by Scient Capital Pvt. Ltd. in such manner as to assist and enable the investors in making informed and considered decision for engaging Scient Capital Pvt Ltd as a Portfolio Manager.

3. This document contains the necessary information about the Portfolio Manager required by an investor.

4. Scient Capital Pvt Ltd is permitted to provide Portfolio Management Services pursuant to its registration as a Portfolio Manager with SEBI vide Registration number INP000005166 dated 9th June, 2016.

5. Investors should carefully read this entire document before making a decision to avail portfolio management services from Scient Capital Pvt. Ltd. and retain this document for future reference. Any other relevant information may be provided upon request.

6. No person has been authorized to give any information or to make any representations not confirmed in this draft Disclosure Document in connection with the services proposed to be provided by the Portfolio Manager, and any information or representations not contained herein must not be relied upon as having been authorized by the Portfolio Manager.

SCIENT CAPITAL PRIVATE LIMITED MUMBAI

7. The Principal Officer designated by Scient Capital Pvt Ltd, the Portfolio Manager is:

Name of the Principal Officer	RAMESH RACHURI
Appointment Date	2nd January, 2020
Tel No:	+91 22 61810000
Email:	Ramesh.rachuri@scientcap.com
Address:	H-532, Kanakia Zillion Building, BKC Annex, Kurla West, Mumbai 400070

8. The Compliance Officer designated by Scient Capital Pvt Ltd, the Portfolio Manager is:

Name of the Compliance Officer	ANTONY TASON
Appointment Date	2nd August, 2021
Tel No:	+91 9987888558
Email:	antony.tason@scientcap.com
Address:	H-532, Kanakia Zillion Building, BKC Annex, Kurla West, Mumbai 400070

9. This disclosure document is dated 16th April 2024.

SCIENT CAPITAL PRIVATE MUMBAI

PORTFOLIO MANAGEMENT SERVICES

SCIENT CAPITAL PVT LTD

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SCIENT CAPITAL PRIVATE LIMITED * MUMBAI

Section 1:	DISCLAIMER

This document has been prepared in accordance with the Securities Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and other circulars issued by SEBI from time to time and has been 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.

This information 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.

Section 2:	DEFINITIONS

In this Agreement, unless otherwise clearly indicated by or inconsistent with the context, the following expressions shall have the meaning assigned to them hereunder respectively:

"Act" – means the Securities and Exchange Board of India Act, 1992.

"Agreement" means the agreement that shall be entered between Scient Capital Pvt Ltd, the Portfolio Manager and the Client for the management of funds or securities of the client in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Portfolio Managers) Amendment Regulations, 2020 issued by the Securities and Exchange Board of India and as may be modified from time to time and shall include all schedules and annexures thereto and shall also include all modifications, alterations, additions or deletions made thereto in accordance with the terms thereof.

"Board" means the Securities and Exchange Board of India.

"Bank Account" means one or more bank accounts opened, maintained and operated by the Portfolio Manager in the name of clients or a pool account in the name of the Portfolio Manager in which the funds handed over by the client shall be held by the Portfolio Manager on behalf of the Client.

"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" means any body corporate, partnership firm, individual, HUF, association of person, body of individuals, trust, statutory authority, or any other person who enters into agreement with Scient Capital Pvt. Ltd., the Portfolio Manager for availing the Portfolio Management Services

"Custodian" means any person who carries on or proposes to carry on the business of providing custodial services in accordance with the regulations 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 Account" means any account of the client or for the client with an entity registered as depository participant under sub-section 1A of Section 12 of the Act or any other law for the time being relating to registration of depository participants in which the securities comprising part of the Portfolio of the Client are kept by the Portfolio Manager.

"Discretionary Portfolio Management Services" means the discretionary portfolio management services to be rendered to a Client by Scient Capital Pvt Ltd, the Portfolio Manager pursuant to the terms and conditions contained in the Portfolio Management Services Agreement, where under the Portfolio Manager exercises absolute and unfettered discretion, with regards to the investments and management of the portfolio of securities or the funds of the client, as the case may be.

"**Disclosure Document**" means this draft disclosure document for offering Portfolio Management Services.

"Financial year" means the period of twelve months commencing on 1^{st} April every year and ending on 31^{st} March of the following year.

"Funds" means the monies placed by the Client with the Portfolio Manager and any accretions thereto and also includes any further monies placed by the client with the Portfolio Manager to be managed pursuant to the Agreement, the proceeds of the sale or realization of the portfolio and any interest, dividend or other monies so long as the same is being managed by the Portfolio Manager.

"Funds managed" means the market value of the Portfolio of the Client as on date.

"Fund Manager" (FM) means the individual/s appointed by the portfolio manager who manages, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or funds of the client, as the case may be.

"Initial Corpus" means the value of the funds and the market value of securities brought in by the client and accepted by the Portfolio Manager at the time of registering with the Portfolio Manager for the portfolio management services. The Initial corpus brought in by the Client in the form of securities shall be valued at the closing market price of such securities, prevailing on recognised stock exchange [NSE/ BSE (only if security is not listed on NSE)] on the previous working date of activation of client's portfolio management account by the Portfolio Manager or of the previous working day of the transfer of such securities from client's account to the Depository account whichever is later. The Portfolio Manager shall not accept from the client, funds or securities worth less than Twenty five lakh rupees.

"Investment Advisory Services" means the non-exclusive, non-binding services, where the Portfolio Manager advises Clients on investments in general or gives specific advice required by the Clients as agreed upon in the Agreement. Advice, whether general or specific is non-binding in nature and it is entirely at client's discretion to follow the advice

"Non-Discretionary Portfolio Management Services" means the non-discretionary portfolio management services to be rendered to a Client by the Portfolio Manager on the terms and conditions pursuant to the Agreement, where under the Portfolio Manager invests and manages the Funds of the Client based on the instructions of the Client.

SCIENT CAPITAL PRIVATE LIMITED
MUMBAI

"Net Asset Value" or "NAV" means the market value of the Assets managed by the Portfolio Manager, as calculated by the Portfolio Manager from time to time, depending on the Strategy chosen by the Client.

"Person directly or indirectly connected" means any person being an associate, subsidiary, interconnected company or a company under the same management within the meaning of section 370(1B) of the Companies Act, 1956 or in the same group.

"Portfolio" means the total holdings of securities and / or funds belonging to the client.

"Portfolio Manager" (PM) means Scient Capital Pvt Ltd., a company incorporated under the Companies Act, 2013 and registered with SEBI as a Portfolio Manager in terms of SEBI (Portfolio Managers) Regulations 2020 vide registration no. INP000005166 and having its Registered Office and its PMS dealing office at Trade Centre, Unit No. 216, Bandra Kurla Complex, Bandra East, Mumbai - 400051 [but may add more dealing offices in future] and who pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the client, as the case may be.

"**Portfolio Management Services**" means the Discretionary Portfolio Management Services, and/or the Non-Discretionary Portfolio Management Services, and/or the Investment Advisory Services, as the case may be.

"Portfolio Value" means the aggregate of the Portfolio Funds and Value of Portfolio Securities.

"Principal Officer" means a director/an employee of the portfolio manager who is responsible for the activities of portfolio management and has been designated as principal officer by the portfolio manager.

"Regulations" – means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended by SEBI from time to time and includes Securities and Exchange Board of India (Portfolio Managers) Amendment Regulations, 2020, and rules, guidelines or circulars issued in relation thereto from time to time.

"Strategy" means any of the Portfolio Investment categories mentioned herein or that may be introduced by the Portfolio Manager from time to time. The Term **Strategy** may be interchanged with Plans/Products/Options.

"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.

"Securities" means securities as defined under the Securities Contracts (Regulation) Act, 1956 and 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
 (i.a) derivative;

SCIENT CAPITAL PRIVATE LIMITED MUMBAI

(i.b) units or any other instrument issued by any collective investment Strategy to the investors in such Strategies.

(i.c) security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(i.d) units or any other such instrument issued to the investors under any mutual fund Strategy.

(ii) Government securities.

(ii.a) such other instruments as may be declared by the Central Government to be securities; and

(iii) rights or interest in securities.

A descriptive, but not the exhaustive list of "Securities" is given hereunder:

Shares (whether dematerialized or otherwise), derivatives (futures and options, Interest rate swaps & Forward rate agreements etc.), scrip, stocks, bonds, warrants, optionally convertible debentures, compulsorily convertible debentures, non-convertible debentures, securitized debt, compulsorily redeemable preference shares, compulsorily convertible preference shares, fixed return investments, floating rate instruments linked to MIBOR/ call money etc., equity shares and equity linked instruments or other marketable securities of a like nature in or of any incorporated company or other body corporate, negotiable instruments, including usage bills of exchange, trade bills, deposits or other money market instruments, derivatives, commercial paper, certificates of deposits, units issued by Unit Trust of India, units issued by Mutual Funds, units issued by SEBI registered Alternative Investment Funds, mortgage backed or other asset backed securities issued by any institution or corporate, cumulative convertible preference shares issued by any incorporated Company and securities issued by the Central Government or a State Government , Pass Through Certificates , RBI auctions, open market sales conducted by RBI or any other securities that may be issued from time to time.

"Securities lending" means the securities lending as per the Securities Lending Scheme, 1997 and related guidelines specified by SEBI.

"Structured Products" means products returns on which may be linked to Equity Index, Debt instruments, Non-Convertible Debentures and may also be based on Basket of stock, index or stock futures with pre-defined capital protection. These are normally third-party products.

The terms that are used herein and not defined herein, except where the context otherwise so requires, shall have the same meanings as are assigned to them under the Act, the Regulations, or the Rules.

Words importing the singular include the plural and vice-versa. Words importing a gender include the other gender.

SCIENT CAPITAL PRIVATE LIMITED * MUMBAI

Section 3	DESCRIPTION

i. HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER:

Scient Capital Pvt Ltd, was incorporated under the Companies Act, 2013 as a Private Limited Company on 15th October 2015. Scient Capital Pvt Ltd has its Registered Office at Trade Center, Unit No. 216, Bandra Kurla Complex, Bandra East, Mumbai - 400051.

Scient Capital Pvt Ltd is principally engaged in providing comprehensive investment solutions across asset classes to its investors.

Scient Capital Pvt Ltd. intends to carry on various investment management and advisory activities, either directly or through intermediate investment vehicles as may be permissible by regulatory/statutory authorities in India or abroad (through but not limited to a fund structure), either on its own or in collaboration with others, act as a sponsor/manager or settler of a trust, to act as a general partner of a limited liability partnership or promoter of an investment company, incorporate or cause the incorporation of and/or acquire and hold shares in an asset management company and/or a trustee company to the investment fund; to engage in the investment fund related business activities as permitted under Indian law, carry on fund management activities; raise funds from any investor whether Indian, foreign or non-resident Indians by way of issue of units; to provide advisory and management services and to do all such things as are incidental or conducive to the attainment of the above objects from time to time. These services would include discretionary portfolio management services, non-discretionary portfolio management services and advisory services.

Scient Capital Pvt. Ltd. is registered with SEBI as a Portfolio Manager vide registration number, INP000005166 on 9th June, 2016 valid till unless it is suspended or cancelled by the board, subject to payment of fees as prescribed. Scient Capital Pvt. Ltd. has also received license from SEBI (vide letter dated 8th April 2017) to act as the Investment Manager of a Category II Alternative Investment Fund.

SCIENT CAPITAL PRIVATE LIMITED MUMBAI

ii. **DETAILS OF PROMOTERS, DIRECTORS AND THEIR BACKGROUND:**

The directors of Scient Capital Pvt Ltd as on and their background are as follows:

<table>
<tr><td>Name and age:</td><td>Mr. Swapnil Pawar, aged 44 years</td></tr>
<tr><td>Designation:</td><td>Director</td></tr>
<tr><td>Qualification:</td><td>Post-graduate in Management (PGDM) from IIM-Ahmedabad and B.Tech. (Aerospace Engineering) from IIT-Bombay</td></tr>
<tr><td>Experience (General and specific Intermediaries activity):</td><td>Swapnil Pawar is an expert in alternate assets – across hedge funds, structured debt, focused equities and multi-asset portfolios.

In his earlier assignment, he was the Managing Director and Chief Executive Officer at Karvy Capital, the asset management arm of a major Indian Financial Services conglomerate. The firm specialized in alternate asset management. He also served as the Chief Investment Officer for credit, quant investments and discretionary equity portfolios.

Prior to working with Karvy, Swapnil was the co-founder of PARK Financial Advisors, a wealth management venture which was acquired by Karvy Group. PARK Financial Advisors was managing over 1000 clients and had made significant headway in building a robust analytical framework for financial planning and investment advisory. Swapnil has deep expertise in quantitative methods, corporate finance and macroeconomics.
He has published a book on Global Financial Crisis – titled 'Anatomy of Froth – Demystifying the Global Financial Crisis and Lessons to Learn' in December, 2010.</td></tr>
<tr><td>Date of appointment:</td><td>15th October, 2015</td></tr>
<tr><td>Other directorships:</td><td><table>
<tr><td>Name of Company</td><td>Date of appointment</td></tr>
<tr><td>ASQI Advisors Private Limited</td><td>September 29, 2018</td></tr>
<tr><td></td><td></td></tr>
<tr><td>ASQI INVESTMENT MANAGERS PRIVATE LIMITED</td><td>March 23, 2016</td></tr>
<tr><td>ASQI SYSTEMS PRIVATE LIMITED</td><td>November 5, 2019</td></tr>
<tr><td>Ufaber Edutech Private Limited</td><td>September 30, 2016</td></tr>
</table></td></tr>
</table>

<table>
<tr><td>Previous Positions held:</td><td>Swapnil Pawar was the Chief Executive Officer at Karvy Capital, the asset management arm of a major Indian Financial Services conglomerate. Prior to working with Karvy, Swapnil was the co-founder of PARK Financial Advisors, a wealth management venture which was acquired by Karvy Group. He has also worked with The Boston Consulting Group – a strategy consulting firm where he advised clients across financial services, banking, engineering and technology sectors on business strategy and execution.</td></tr>
<tr><td></td><td></td></tr>
<tr><td>Name and age:</td><td>Ms. Palak Nitesh Nanjani, aged 38 years</td></tr>
<tr><td>Designation:</td><td>Director</td></tr>
<tr><td>Qualification:</td><td>Chartered Financial Analyst (ICFAI), Bachelors in Commerce</td></tr>
<tr><td>Experience (General and specific Intermediaries activity):</td><td>She has a diverse experience of over 17 years across Investment Advisory and Asset Management. She worked at the Wealth and Asset management arms of an Indian diversified financial services conglomerate for nearly seven years. Her work experience includes setting up and managing various investment products including Alternative Investment Fund (AIF), Portfolio Management Services (PMS) and High yield debt products. She has worked across the structuring and regulatory aspects of all of these investment vehicles and has deep knowledge of investment product management in Indian context.</td></tr>
<tr><td>Date of appointment:</td><td>6th January, 2023</td></tr>
<tr><td>Other directorships:</td><td><table>
<tr><th>Name of the Company</th><th>Date of Appointment</th></tr>
<tr><td>ASQI Advisors Private Limited</td><td>15/01/2021</td></tr>
<tr><td>ASQI Systems Private Limited</td><td>18/01/2021</td></tr>
<tr><td>ASQI Investments Managers Private Limited</td><td>03/02/2021</td></tr>
<tr><td>Paradigmarq Advisors Private Limited</td><td>12/05/2021</td></tr>
</table></td></tr>
</table>

iii. **Details of the top 10 group companies of the Portfolio manager based on turnover according to the latest audited financial statements**

Name	Address	Turnover (Rs. Cr)
ASQI Investment Managers Private Ltd.	5028, NIBR Corporate Park, 1 Aerocity, Andheri Kurla Road, Safed Pool, Andheri East, Mumbai 400072, Maharashtra INDIA	3.89 (as of 31-03-2023)

iv. **Details of the Services Being Offered**

Portfolio Manager offers Discretionary & Non-discretionary & as per the preference and agreement with the individual client. For details of the services offered kindly refer Annexure A.

Section 4: **PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY**		
I	All cases of penalties imposed by the Board or the directions issued by Board under the Act or Rules or Regulations made there under	There are no penalties imposed or litigation pending against the Portfolio Manager viz. Scient Capital Pvt Ltd.
II	The nature of penalty/direction	Not Applicable
III	Penalties imposed for any economic offence and/or for violation of any securities laws	Not Applicable
IV	Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any	Not Applicable
V	Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency	Not Applicable
VI	Any enquiry/adjudication proceedings initiated against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly	Not Applicable

SCIENT CAPITAL PRIVATE LIMITED MUMBAI

	connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or Rules or Regulations made there under.	

Section 5:	SERVICES OFFERED

5.1 The Portfolio Manager offers the following three types of Services

a. Discretionary Services

The Portfolio account of the client is managed at the full Discretion and liberty of the Portfolio Manager.

Under these services, the choice as well as the timings of the investment decisions on an on-going basis rest solely with the Portfolio Manager. The Portfolio Manager may at times and at its own discretion, adhere to the views of the Client pertaining to the investment /disinvestment decisions in the Client's Portfolio. The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of security as per the Agreement and make such changes in the investments and invest some or all of funds in the Client's account in such manner and in such markets as it deems fit. The Client may give informal guidance to customize the portfolio strategies; however, the final decision rests with the Portfolio Manager. The securities invested / disinvested by the Portfolio Manager for Clients in the same Strategy may differ from one Client to another Client. The Portfolio Managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and can never be called in question or be open to review at any time during the currency of the agreement or any time 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.

Under these services, the Clients may authorize the Portfolio Manager to invest their Funds in specific financial instruments or a mix of specific financial instruments or restrict the Portfolio Manager from investing in specific financial instruments or securities. Periodical statements in respect of Client's Portfolio shall be sent to the respective Clients.

Currently, the strategies offered by the Portfolio Manager are contained in Annexure A

b. <u>Non-Discretionary</u>

Non-Discretionary Portfolio is the Portfolio which Portfolio Manager manages in consultation with and as per the directions or consent of the client. Under these services, the Clients decide their own investments with the Portfolio Manager only facilitating the execution of transactions. The Portfolio Manager's role would include but not be limited to providing research, structuring of clients' portfolios, investment advice and guidance and trade execution at the Client's request. The Portfolio Manager shall execute orders as per the mandate received or consent obtained from the Client. The deployment of the Client's Funds by the Portfolio Manager shall be as per the instructions or consent of the Client. The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. Periodical statements in respect of Client's Portfolio shall be sent to the respective Clients. Details of strategies can be viewed in Annexure A.

c. <u>Advisory</u>

Portfolio Manager will provide advisory services, as per the Regulations, which shall be in the nature of investment advice and shall include the responsibility of advising on the portfolio strategy, investment, disinvestment of the various securities in the client's portfolio, for an agreed fee, entirely at the client's risk. The Portfolio Manager will render the best possible advice to the client having regard to the client's needs and the requirements, using his own professional skills. This service will be purely of advisory in nature under an agreed fee structure with the client. It is up to the client to accept the recommendations/advice of Portfolio Manager and Portfolio Manager will not be held responsible for any consequence arising out of acceptance of Portfolio Manager's advice under this service.

5.2 **<u>Present Investment Objective</u>**

The General Objective is to formulate and devise the investment philosophy to achieve specific investment mandates. These mandates include either income generation on a regular basis or long term growth of capital by investing in assets, which generate reasonable return. The actual portfolio management style will vary in line with profile of each client with regards to his risk tolerance levels and specific preferences or concerns. (The specific objective will be as mentioned in the agreement with the client).

5.3 **<u>Types of securities</u>**

The Portfolio Manager/Fund Manager shall invest in all such types of Securities as defined (kindly refer to the definition) and in all such Securities as permissible from time to time.

5.4 **<u>Investment in Group / associate companies</u>**

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The Portfolio Manager/Fund Manager may Invest in listed or unlisted Securities of the associate/group companies subject to the applicable laws/ regulations/ guidelines. The Portfolio Manager / Fund Manager may also make investments in privately placed securities issued by Associate/Group companies of the promoter subject to the applicable laws/ regulations/ guidelines. These investments will be carried out to achieve the investment objectives and strategies and in the normal course of investment activity subject to the applicable laws/regulations.

5.5 Minimum Investment Amount

The Portfolio Manager shall not accept funds and/or securities from new clients, cumulative value of which is less than ***Rupees Fifty Lakhs*** or as specified in the agreement with the Portfolio Manager or as amended/specified in the SEBI (Portfolio Managers) Regulations, 2020.

Section 6: RISK FACTORS

1. Investments in securities are subject to market risks including price volatility and liquidity risk and there is no assurance or guarantee that the objectives of the strategy will be achieved. The investment may not be suited for all categories of investors. The past or present performance of these strategies does not indicate the future performance of the same strategy or any other future strategies launched subsequently by Portfolio Manager. With reference to appreciation on the portfolio, the investors are not being offered any guaranteed or indicative returns through any of the strategies. The Portfolio Manager also does not guarantee any capital protection for any strategy.

2. There are inherent risks arising out of investment objectives, investment strategy, asset allocation and non-diversification of portfolio. The investment objective, investment strategy and asset allocation may differ from client to client. However, generally, highly concentrated portfolios with lesser number of stocks/bonds/NCDs/underlying instruments will be more volatile than a portfolio with a larger number of such instruments. Portfolios with higher allocation to equities will be subject to higher volatility that portfolios with low allocation to equities. Diversified portfolios (allocated across companies and broad sectors) generally tend to be less volatile than non-diversified portfolios. The names of the various strategies do not in any manner indicate their prospects or returns. Portfolios with allocations to privately placed rated or unrated debt securities issued by private companies will in general carry higher credit risk than government securities and AAA rated publicly listed debt securities.

   (i) Diversification: In general, depending on the strategy, adequate diversification by the Portfolio Manager will be resorted to. However, in debt and credit strategies, because of market lot sizes, and lack of availability of retail lots in corporate bonds and securities, minimum 3 securities will be populated in the client's portfolio.

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3. Investment decisions made by the Portfolio Manager may not always be profitable since actual market movement may be at variance with anticipated trends.

4. ETF may trade above or below their NAV. The NAV of ETF will fluctuate with changes in market value of scheme's holdings of underlying stocks. However, given that ETF can be created and redeemed only in creation units directly with the Mutual Fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to availability of arbitrage possibility. Any changes in trading regulations by the Exchange (s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium / discount to NAV for ETFs.

5. The performances of the strategies depend on the performance of the market and the individual companies in which investment have been made under strategies relative to industry specific and macro-economic factors. The Portfolio Manager does not assure or guarantee that Performance of Portfolio of the Investor shall better the Performance of any Benchmark Index.

6. The tax benefits described in this Disclosure Document are as available under the present taxation laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the Portfolio Manager regarding the law and practice in force in India and the investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the current tax position or the proposed tax position prevailing at the time of an investment in the Portfolio will endure indefinitely. In view of the individual nature of tax consequences, each investor is advised to consult his/her own professional tax advisor regarding the taxation aspects of his/ her portfolio investments.

7. Prospective investors should review/ study this Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters. Prospective investors 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.

8. The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk and reinvestment risk. Liquidity in these investments may be affected by trading volume, settlement period and transfer procedures. Issuer of fixed income security may default or may be unable to make timely payments of principal and interest. Net Asset Value of portfolio may be affected due to perceived level of credit risk as well as actual event of default.

9. The corporate debt market is relatively illiquid vis-à-vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties.

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Further, liquidity may occur only in specific lot sizes. Liquidity in a security can therefore suffer. Even though the Government securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. There can be no assurance that the requirements of the securities market necessary to maintain the listing of specified debt security will continue to be met or will remain unchanged.

10. Exposure to select Sector(s) carries the performance risk of the relevant sector, which could outperform or underperform the market and/or various indices.
11. Technology and pharmaceutical stocks and some of the investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
12. Frequent rebalancing of portfolio may result in higher brokerage / transaction cost. Also the allocation to different securities can vary from 0 to 100 %, hence there can be a vast difference between the performance of the products and returns generated by underlying securities.
13. Information available on some companies in which the Portfolio manager has made investments may be limited.
14. The performance of the strategies may be affected by change in Government Policies including taxation, and certain unforeseen developments in political or general areas at the national or international level. Also, the investments are subject to external risks such as war, natural calamities and policy changes of local / international markets which affect stock markets.
15. The performance of the strategies may also be affected and investor could lose money over short periods due to fluctuation in NAV of Portfolio arising out of fluctuations of interest rates, credit risk, political and geopolitical risk, currency risk, foreign exchange risks, foreign investments, risks arising from changing business dynamics, risk associated with investment in securities debt, risk due to movement in Futures and options markets, changes in the general market conditions, forces affecting the capital markets, closure of stock exchange due to circuit filter rules or otherwise and risks associated with trading volumes, settlement periods, transfer procedures, liquidity and settlement systems in equity and debt markets.
16. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "Counter party") to comply with the terms of the derivative contract.
17. Portfolio Manager, subject to authorization in writing by the client, may participate in securities lending. Engaging in securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/default from counter party, including corporate benefits accrued thereon. This may lead to the risk of Approved Intermediary unable to deliver back the securities. Portfolio Manager cannot be held liable for any loss arising out of operation of such strategies.

The portfolio manager may in the course of its activities, avail the services of persons / bodies who are not employees of the portfolio manager. The portfolio manager would exercise due diligence when employing such persons, however there may be losses incurred on account of any act or omission on part of such persons or bodies. The portfolio manager disclaims liability for any loss in the portfolio on this account.

All portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.

18. In the case of stock lending, risks relate to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks. The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the strategies/options.

19. Investments in the Market Linked Debentures (MLDs) are also subject to model risk. The MLDs are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

20. Strategies may use derivative instrument like futures and options (index as well as individual securities), warrants, convertible securities, swap agreements, etc. for the purpose of hedging and/or portfolio balancing, as permitted under the Regulations/guidelines. Strategies using such derivative products may be affected by risks different from those associated with stock and bonds. Such derivative products are highly leveraged instruments and their use requires a high degree of skill, expertise and diligence. Small price movements in the underlying security may have a large impact on the value of the derivatives and futures and options and may also result in loss. Some of the risks relate to mis-pricing or the improper valuation of the derivatives/futures and option and the inability to correlate the positions with the underlying assets, rates and indices. The risk of loss associated with futures contracts is potentially unlimited due to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. Also, the derivatives/future and options market is nascent in India.

    The liquidity of the investments is guided by trading volumes in the securities in which it invests. Although securities may be listed on the Exchange(s), there can be no assurance that an active secondary market will develop or be maintained. This may limit the Portfolio Manager's ability to freely deal with securities in the Portfolio and may lead to incurring of losses till the security is finally sold. Different segments of the financial markets have different settlement periods and such periods may be extended significantly due to unforeseen circumstances. The inability of a Portfolio to make intended securities purchase due to settlement problems could cause the portfolio to miss certain investment opportunities. Similarly, the inability to sell securities held in the portfolio due to absence of a well-developed and liquid secondary market would at times result in potential losses in the Portfolio, in case of a subsequent decline in the value of securities held in the Portfolio.

21. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted securities. This may expose client's portfolio to liquidity risks.

22. Securities, which are not listed on the Stock Exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the

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Exchanges or offer other exit options to the investor. The Portfolio Manager may, considering the overall level of risk of the Portfolio, invest in lower rated/unrated securities that offer attractive yield, which may increase the risk of the Portfolio. Such investments shall be subject to the scope of investments laid down in the executed agreement.

23. The Portfolio Manager may seek to create value by investing in stocks that trade below the estimated fair value of the Company, which shall be judged by various quantitative valuation parameters. But due to various reasons, it may so happen that such stocks continue to languish and are not able to attain the price discovery. Accordingly, this may have material adverse impact on the performance of the portfolio.

24. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the clients may suffer opportunity loss.

25. The Portfolio Manager has no previous experience/ track record with regards to management of portfolio and this is the first scheme launched by the Portfolio Manager.

Section 7: CLIENT REPRESENTATION

I. Category of clients as on March 31, 2023:

Category of Clients as on 31st March 2023:			
Category of Clients	No of Clients	Funds Managed	Remarks
		(Rs. In Crs)	
Associate/ Group Companies			
As on 31st March 2023	0	0	Discretionary
As on 31st March 2022	0	0	Discretionary
As on 31st March 2021	0	0	Discretionary
Others			
As on 31st March 2023	123	93.91	Discretionary
As on 31st March 2022	134	100.29	Discretionary
As on 31st March 2021	157	93.82	Discretionary
Total			
As on 31st March 2023	123	93.91	Discretionary

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As on 31st March 2022	134	100.29	Discretionary
As on 31st March 2021	157	93.82	Discretionary

ii. Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India (according to the latest audited financial statements)

(Rs. In Thousands)

Transactions with	Nature of Transaction	For the period 1 April 2021 to 31 Mar 2023
ASQI Investments Managers Pvt. Ltd.	Loan Taken	5 ,274.36

iii. Investments in securities of related parties: At present, the Portfolio Manager has no investments in securities issued by related parties. However, if we do so in future, investor consent will be taken.

iv.

Section 8: FINANCIAL PERFORMANCE OF PORTFOLIO MANAGER (BASED ON AUDITED FINANCIAL STATEMENTS)) (Rs. In Thousands)

		Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I		**EQUITY & LIABILITIES**			
	1.	**Shareholders Funds**			
		a) Share capital	8 39.28	391.78	391.78
		b) Reserves & surplus	41,788.37	32,005.81	34,135.81
		c) Money Received against share warrants	-	-	-
	2.	**Share application money pending allotment**	-	-	-
	3.	**Non-current Liabilities**			
		a) Long-term borrowings	-	8,260.00	8,260.00
		b) Defferred tax liabilities (Net)	-	-	-
		c) Other long-term liabilities	-	-	-
	4.	**Current Liabilities**			
		a) Short-term borrowings	5 ,274.36	3,594.55	4,977.62
		b) Trade Payable	5 ,682.99	5,643.57	5,068.11
		c) Other current liabilities	-	801.55	-1,062.50
		d) Short-term provisions	1 ,736.54	1,978.46	1,915.35
		TOTAL	55,321.54	52,675.72	53,686.17
I		ASSETS			
	1.	**Non-current assets**			
		a) Property, Plant & Equipment			
		i) Tangible Assets	5 62.06	104.04	107.68
		ii) Intangible Assets	9 56.42	729.05	1,063.86
		iii) Capital work-in-progress	-	-	-
		iv) Intangible assets under development	-	-	-
		b) Non-current investments	1 ,479.39	1,479.39	2,479.39
		c) Deferred tax assets (Net)	1 2,136.79	12,136.79	12,136.79
		d) Long-term loans & advances	40.00	40.00	40.00
		e) Other non-current assets	-	-	-
	2.				-
		Current assets	1 ,688.48	1,883.41	1,077.20
		a) Current investments	33,930.25	31,139.49	30,014.26

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b)	Inventories	3,884.77	3,930.11	5,177.82
c)	Trade receivable	421.46	853.40	793.92
d)	Cash & cash equivalents	221.92	370.04	795.23
e)	Short-term loans & advances	-	-	-
f)	Other current assets			
TOTAL		55,321.54	52,675.72	53,686.17

Audit Observation (w.r.t PMS Business)

Period	Observations
01.04.2022 to 31.03.2023	NIL
01.04.2021 to 31.03.2022	NIL
01.04.2020 to 31.03.2021	NIL

Section 9: PORTFOLIO MANAGEMENT PERFORMANCE OF PORTFOLIO MANAGER FOR THE LAST THREE YEARS. IN CASE OF DISCRETIONARY PORTFOLIO MANAGER, DISCLOSURE OF PERFORMANCE INDICATORS CALCULATED USING WEIGHTED AVERAGE METHOD IN TERMS OF REGULATION 22 OF THE SEBI (PORTFOLIO MANAGERS) REGULATIONS, 2020

Period	01.04.2022 – 31.03.2023	01.04.2021 - 31.03.2022	01.04.2020 - 31.03.2021
Discretionary Orion PMS Resident			
Portfolio Performance	9.80%	5.43%	2.72%
Benchmark Performance	5.32%	6.69%	9.75%
Discretionary Orion PMS Non- Resident			
Portfolio Performance	-	-	-
Benchmark Performance	-	-	-

Period	01.04.2022 – 31.03.2023	01.04.2021 - 31.03.2022	01.04.2020 - 31.03.2021
Discretionary Aries PMS Resident			
Portfolio Performance	7.91%	5.49%	6.11%
Benchmark Performance	5.32%	6.69%	9.75%
Discretionary Aries PMS Non- Resident			
Portfolio Performance	-	-	-
Benchmark Performance	-	-	-

Period	01.04.2022 – 31.03.2023	01.04.2021 - 31.03.2022	01.04.2020 - 31.03.2021

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Discretionary Aquila PMS Resident			
Portfolio Performance	-4.23%	12.19%	36.14%
Benchmark Performance	-0.62%	15.73%	46.44%
Discretionary Aquila PMS Non- Resident			
Portfolio Performance	-	12.19%	36.14%
Benchmark Performance	-	15.73%	46.44%

Period	01.04.2022 – 31.03.2023	01.04.2021 - 31.03.2022	01.04.2020 - 31.03.2021
Discretionary ZEN PMS Resident			
Portfolio Performance	6.49%	6.23%	1.40%
Benchmark Performance	3.63%	5.36%	9.75%
Discretionary ZEN PMS Non- Resident			
Portfolio Performance	-	5.95%	1.40%
Benchmark Performance	-	5.36%	9.75%

Period	01.04.2022 – 31.03.2023	01.04.2021 - 31.03.2022	01.04.2020 - 31.03.2021
Discretionary Smart Beta PMS Resident			
Portfolio Performance	1.00%	0%	0%
Benchmark Performance	-2.00%	0%	0%

Section 10:	NATURE OF EXPENSES

The following are the general costs and expenses to be borne by the Client availing the services by the Portfolio Manager. However, the exact nature of expenses relating to each of the following services is provided in the annexure to this Risk Disclosure Document and in the Schedule of Charges signed by the client in respect of each of the services provided.

(i) Portfolio Management and Advisory Fees

This fee relates to the portfolio management services offered by Portfolio Manager (including advisory services) to the clients. The fee may be a Fixed Charge on the quantum of the funds being managed (or) charges linked to portfolio return (or) combination of both. For details kindly refer the annexure to this Risk Disclosure Document.

(ii) Premature Redemption Charges

If the redemption is done prematurely at the option of the client, the Portfolio Manager shall levy the Premature Redemption Charges. For details kindly refer the annexure to this Risk Disclosure Document.

(iii) Custodian charges, Depository Participant fee and fund accounting charges

The charges relating to opening and operation of demat accounts, custody and transfer charges for shares, bonds and units, dematerialization and rematerialization, pledge and removal of pledge, etc. will be as per the actual charged by the Depository Participant/Custodian. The portfolio manager may also appoint a custodian and an independent fund accounting agency. The charges on actuals for the same will be passed on to investors. For details kindly refer the annexure to this Risk Disclosure Document.

(iv) Registrar and transfer agent fee

Charges payable to the Registrar and Share Transfer Agents in connection with effecting transfer of securities and bonds, units, etc. including stamp charges, cost of affidavits, notary charges, postage/courier charges and other related charges will be recovered on actual. For details kindly refer the annexure to this Risk Disclosure Document.

(v) Placement fee:

A Placement fee not exceeding 3% on the investment value will be charged in some of the strategies over and above the fixed management fee and performance fee. The placement fee, if charged, shall be deducted from client's initial corpus. For details kindly refer the annexure to this Risk Disclosure Document.

(vi) Brokerage and transaction cost

The Brokerage and other charges like GST, Stamp duty, Security Transaction Tax, SEBI Fees, Bank charges, Turnover tax, and other charges (if any), as per the rates existing from time to time, will be charged on actual. For details kindly refer the annexure to this Risk Disclosure Document.

The investment by Portfolio Manager will be done through such SEBI registered Stock Broker(s) as may be empaneled by the Portfolio manager only and would as per the rates negotiated between Portfolio Manager and such stock broker. The charges relating to brokerage as per the related party transactions charged by Scient Capital Pvt. Ltd. or through any SEBI Registered stock broker will be recovered on actual by the Portfolio Manager

(vii) Securities Lending and Borrowing Charges

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If utilized, the charges pertaining to lending of securities, cost of borrowing including interest and costs associated with transfer of securities connected with lending and borrowing transfer operations, Depository Participant Charges, Share Transfer Agent Charges, etc. would be recovered on actual. For details kindly refer the annexure to this Risk Disclosure Document.

(viii) Certification Charges or Professional Charges

Any charges payable for outsourced professional services like accounting, taxation, auditing, and any legal services, notarizations, etc., incurred on behalf of the Client by the Portfolio Manager, will be charged from the client on actual. For details kindly refer the annexure to this Risk Disclosure Document.

(ix) **Incidental Expenses**

Charges about day to day operations like courier charges incurred in providing physical reports relating to client's as per SEBI requirements, stamp duty, GST, postal, telegraphic expenses, opening and operation of bank and demat accounts or any other out of pocket expenses incurred by the Portfolio Manager, on behalf of the client, would be recovered from the client. For details kindly refer the annexure to this Risk Disclosure Document.

Section 11: TAXATION

The information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client vis-à-vis the investments made through the portfolio management services route. This information gives the direct tax implications on the footing that the securities are/will be held for the purpose of investments. In case the securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be examined on a case-to-case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment under portfolio management services route shall endure indefinitely.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest under portfolio management services route. Implications of any judicial decisions/ Double Tax Avoidance Treaties, etc. are not explained herein. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of individual nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the Client is advised to best consult its or his or her own tax consultant, with respect to specific tax implications arising out of its or his or her portfolio managed by the Portfolio Manager.

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It is the responsibility of all prospective client to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the securities.

The following summary is based on the law and practice of the Income-tax Act, 1961 (the "IT Act"), the Income-tax Rules, 1962 (the "IT Rules") and various circulars and notifications issued thereunder from time to time. The IT Act is amended every year by the Finance Act of the relevant year and this summary reflects the amendments enacted in the Finance Act, 2020.

The Finance Act, 2020, has provided an option to Individuals and HUF for payment of taxes at the following reduced rates from Assessment Year 2021-22 and onwards:

Type	*Old Regime*			*New Regime*	
Age Bracket	*< 60 Yrs*	*60 - 80 Yrs*	*>80 Yrs*	*All Age Groups of Individuals*	
Total Income (INR)	*Rate**	*Rate*	*Rate*	*Total Income (INR)*	*Rate*
Up to 250000	NIL	NIL	NIL	Up to 2,50,000	NIL
From 250,001 to 300000	5%	NIL	NIL	From 2,50,001 to 5,00,000	5%
From 300,001 to 500000	5%	5%	NIL	From 5,00,001 to 7,50,000	10%
From 500,001 to 10,00,000	20%	20%	20%	From 7,50,001 to 10,00,000	15%
Above 10,00,001	30%	30%	30%	From 10,00,001 to 12,50,000	20%
				From 12,50,001 to 15,00,000	25%
				Above 15,00,000	30%

**These are also applicable rates for persons other than individuals (HUF, AOI, BOP, Artificial Juridical Person)*

With effect from Finance Act, 2019 the applicable rate of surcharge in case of foreign companies is 2% where the income exceeds INR 10 million but is less than or equal to INR 100 million and is 5% where the income exceeds INR 100 million. In case of resident companies having total income exceeding INR 10 million but not exceeding INR 100 million, surcharge of 7% on income tax is applicable. In case of resident companies having total income exceeding INR 100 million, surcharge of 12% is applicable. In case of firms having total income exceeding INR 10 million, surcharge of 12% is applicable. Surcharge is levied on the amount of income-tax at following rates if total income of any other resident or non-resident assessee exceeds specified limits: -

Assessment Year 2023-24
Range of Income

INR 5 million to INR 10 million	INR 10 million to INR 20 million	INR 20 million to INR 50 million	INR 50 million to INR 100 million	Exceeding INR 100 million
10%	15%	25%	37%	37%

Note: The enhanced surcharge of 25% & 37%, as the case may be, is not levied, from income chargeable to tax under sections 111A, 112A and 115AD. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.

Further, for Financial Year 2018-19 (Assessment Year 2019-20) the health and education cess at 4% is leviable.

In this Disclosure document, we have assumed that the highest surcharge rate would be applicable to an investor. However, for the investors where highest surcharge rate is not applicable, the stated tax rates will differ.

1. **Taxation in hands of Investors**

Taxation of non-resident investors:

A non-resident investor would be subject to taxation in India only if;

- it is regarded a tax resident of India; or
- being a non-resident in India, it derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued in India in terms of the provisions of the IT Act.

Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company should be treated as a tax resident in India if its place of effective management ("POEM") is in India in that year. The Finance Act, 2016 provided that the said amended provisions are effective from April 1, 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.
The CBDT had vide its Circular dated January 24, 2017 issued guiding principles for determination of POEM of a Company ('POEM Guidelines'). The POEM Guidelines lays down emphasis on POEM concept being 'substance over form' and further provides that place where the management decisions are taken would be more important than the place where the decisions are implemented for determining POEM. The CBDT had vide circular dated 23 February 2017 clarified that provisions of Sec 6(3)(ii) relating to place of effective management (POEM) would not apply to companies having turnover or gross receipts less than Rs 500 million during the financial year.

Characterization of Income

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Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the Indian Revenue authorities. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as 'business income' or as 'capital gains'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case.

Regarding characterization of income from transactions in listed shares and securities, the Central Board of Direct Taxes ("CBDT") had issued a clarificatory Circular No. 6 of 2016 dated February 29, 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and securities, which are held for more than twelve months would be taxed under the head 'Capital Gains' unless the tax-payer itself treats these as its stock-in-trade and transfer thereof as its business income.

In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F.No. 225/12/2016/ ITA.II dated May 2, 2016 stating that income arising from transfer of unlisted shares would be considered under the head 'Capital Gains' irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach (with tax treatment on transfer of listed shares). However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- The transfer of unlisted shares is made along with the control and management of underlying business and the Indian Revenue authorities would take appropriate view in such situations.

The tax implications in the hands of investors on different income streams are discussed below:

(i)Dividend Income

Till FY 2019-20, dividends declared by Indian companies are exempt from tax in the hands of the investors under section 10(34) of the IT Act. The Indian company would be liable to pay DDT at the effective rate 20.56% for F.Y.2019-20 of the dividends at the time of distributing dividends to the investors. But Finance Act 2020 has shifted the burden of taxation on recipients and will be taxed at the applicable income slab rate from FY 2022-23 onwards.
Further, such dividend received by a recipient will also attract tax deduction at source (TDS) at 10 per cent, if it exceeds INR 5,000 in a financial year.

Further, dividends declared by all mutual funds are also taxable in the hands of Investors in the same manner.

(ii)Interest Income

For F.Y.2022-23, any income in the nature of interest income would be subject to tax at the rate of 42.744% (in the hands of individuals, HUF, AOP and BOI investors), 34.944% (in the hands of resident corporate, firm and LLP investors) and 43.68% (in the hands of foreign corporate investors).

In case the investments made by the non-resident Indian ('NRI') individual investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, the interest income from specified assets (which includes debentures issued by public companies) should be taxable at the rate of 2 . % on gross basis for F.Y.2022-23.

(iii)Capital Gains

Assuming the gains arising from sale of capital assets such as shares and securities of the Indian portfolio companies is characterised as capital gains in hands of the resident Client, such Client be liable to pay taxes on capital gains income as under:

a. <u>Period of holding</u>

Capital assets are classified as long-term capital assets ("LTCA") or short-term capital assets ("STCA"), based on the period of holding of these assets. The period of holding of the asset is computed from the date of acquisition to the date of transfer. Depending on the period of holding for which the shares and securities are held, the gains would be taxable as short-term capital gains ("STCG") or long-term capital gains ("LTCG"). This is discussed below:

Type of instrument	Period of holding	Characterization
Listed securities (other than a unit) / Unit of equity-oriented Fund / Zero Coupon Bonds	More than 12 months	Long Term Capital Asset
	12 months or less	Short Term Capital Asset
Unlisted shares	More than 24 months	Long Term Capital Asset
	24 months or less	Short Term Capital Asset
Other securities (including unit of a debt-oriented Fund)	More than 36 months	Long Term Capital Asset
	36 months or less	Short Term Capital Asset

b. <u>Taxation of capital gains</u>

Capital gains for F.Y. 2022-23 should be taxed in the hands of the Investors as per the IT Act as under:

Nature of Income	Tax Rate for Resident Investors			Tax rate for Non-Resident Investors		
	Corporates	Individuals /HUF / AOP / BOI	Others (Firms, LLPs)	Corporates	Individuals/HUF / AOP / BOI	Others
Short-term capital gains on transfer of: (i) listed equity shares on a recognised stock exchange; (ii) to be listed equity shares sold through offer for sale; or (iii) units of equity oriented mutual fund on which STT has been paid	17.472%	17.94%	17.472%	16.38%	17.94%	17.472%
Other short-term capital gains	34.944%	42.744%	34.944%	43.68%	42.744%	34.944%
Long-term capital gains on transfer of: (i) listed equity shares on a recognised stock exchange; (ii) to be listed equity shares sold through offer for sale; (iii) units of equity oriented mutual fund on which STT has been paid (Refer Note 1)	11.648%	11.96%	11.648%	10.92%	11.96%	11.648%

Long-term capital gains on transfer of listed bonds or listed debentures	11.648%	11.96%	11.648%	10.92%	14.248%	11.648%
	(Note: These rates are without Indexation. The Indian tax authorities may seek to apply a higher rate of 20% plus surcharge and cess with indexation for F.Y. 2022-23 on LTCG arising on sale of listed bonds or listed debentures)					
Long-term capital gains on transfer of listed securities (other than units of mutual funds, listed bonds and listed debentures) and on which STT has not been paid	11.648% (Without Indexation) or 23.296% (With Indexation)	11.96% (Without Indexation) or 23.92% (With Indexation)	11.648% (Without Indexation) or 23.296% (With Indexation)	10.92% (Without Indexation)	14.248% (Without Indexation)	11.648% (Without Indexation)
Long-term capital gains on transfer of unlisted securities (other than unlisted bonds and unlisted debentures)	23.296% (Without Indexation)	23.92% (Without Indexation)	23.296% (Without Indexation)	10.92% (Without Indexation)	14.248% (Without Indexation)	11.648% (Without Indexation)
Long-term capital gains on transfer of unlisted bonds or unlisted debentures	23.296% (Without Indexation)	23.92% (Without Indexation)	23.296% (Without Indexation)	10.92% (Without Indexation)	14.248% (Without Indexation)	11.648% (Without Indexation)

Note 1: The Finance Act, 2017 amended section 10(38) of the IT Act providing that long-term capital gains from transfer of listed equity shares acquired on or after 1 October 2004 and on which STT has been paid, would be exempt from tax under the IT Act only if STT was paid at the time of acquisition of such shares. However, it was proposed that the Central Government would notify a list of transactions / exceptions that shall continue to be eligible for the long-term capital gains tax exemption

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In light of the above the Central Government issued the final notification on 5 June, 2017 which prescribed the following negative list of transactions of acquisition in respect of which exemption under section 10(38) of IT Act would not be available.

a. where acquisition of existing listed equity share in a company whose equity shares are not frequently traded in a recognised stock exchange of India is made through a preferential issue; provided that nothing contained in this clause shall apply to acquisition of listed equity shares in a company:
    i. which has been approved by the Supreme Court, High Court, National Company Law Tribunal, SEBI or RBI in this behalf;
    ii. by any non-resident in accordance with foreign direct investment guidelines issued by the Government of India;
    iii. by an investment fund or a venture capital fund or a Qualified Institutional Buyer;
    iv. through preferential issue to which the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 does not apply.

b. where transaction for acquisition of existing listed equity share in a company is not entered through a recognised stock exchange of India; provided that nothing contained in this clause shall apply to the following acquisition of listed equity shares in a company made in accordance with the provisions of the Securities Contracts (Regulation) Act, 1956 if applicable:
    i. acquisition through an issue of share by a company other than the issue referred to in clause (a);
    ii. acquisition by scheduled banks, reconstruction or securitisation companies or public financial institutions during their ordinary course of business;
    iii. acquisition which has been approved by the Supreme Court, High Courts, National Company Law Tribunal, SEBI or RBI in this behalf;
    iv. acquisition under employee stock option scheme or employee stock purchase scheme framed complying with the guidelines issued by SEBI;
    v. acquisition by any non-resident in accordance with foreign direct investment guidelines of the Government of India;
    vi. where acquisition of shares of company is made under SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
    vii. acquisition from the Government;
    viii. acquisition by an investment fund or a venture capital fund or a Qualified Institutional Buyer;
    ix. acquisition by mode of transfer referred to in sections 47 or 50B of the IT Act, if the previous owner had not acquired by mode referred in clauses (a) or (b) or (c) [other than the transactions referred to in the proviso to clause (a) or (b) above]

c. acquisition of equity share of a company during the period beginning from the date on which the company is delisted from a recognised stock exchange and ending on the date immediately preceding the date on which the company is again listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 read with SEBI Act 1992 and the rules made thereunder.

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Note 2: There was an ambiguity under the ITA on whether unlisted securities of private limited companies are covered by the definition of unlisted securities. Restricting the above lower tax rate only to transfer of unlisted securities of public companies (and excluding private companies) did not seem to be the intent behind the legislative changes. The ITA, vide Finance Act, 2016 provide for lower tax rate on transfer of long-term capital asset on shares of a company not being a company in which the public are substantially interested, which includes private companies.

In case the investments made by the NRI investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, (i) any long-term capital gains should be taxable at the rate of 11.96% for F.Y. 2022-23 and (ii) any investment income should be taxable at 23.92% for F.Y. 2022-23

Note 3: The Finance Act, 2018 has introduced a new regime for taxation of long term capital gain on sale / other transfers of (a) equity shares in a company (b) unit of an equity-oriented fund and (c) a unit of business trust (where such transaction is chargeable to securities transaction tax) where the exemption has been withdrawn under section 10(38) and are made taxable under section 112A. It is taxable with effect from Assessment Year 2019-20 i.e. it will apply to any shares sold after 31st March 2018.The gains covered under section 112A shall be taxable at the concessional rate of 10% (excluding surcharge and cess) with threshold limit of Rs. 1 lakh. Further, the Long Term Capital gains which will be realized after 31st March 2018, on existing holding (i.e., shares etc. acquired up to 31st January, 2018) to the extent of fair market value as on 31st January, 2018 shall also not be chargeable to tax. Thus, the gain over and above the fair market value as on 31st January 2018 only will be taxable @ 10 % (excluding surcharge and cess).

c. **Deemed Sale Consideration on sale of unquoted shares**

As per Section 50CA of IT Act, introduced by Finance Act, 2017, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued final rules for computation of FMV for the purpose of section 50CA of the IT Act.

d. **Gains arising on buy-back of shares by company**

As per the Section 10(34A) of the IT Act, gains arising on buy-back of shares (not being shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the IT Act, a distribution tax at the rate of 23.072% is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act, 2013. Such distribution tax should be payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, recently on October 17, 2016, CBDT notified final buyback rules by inserting new Rule 40BB to IT Rules for determining the amount received by the Indian company in respect of issue of shares.

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Gains arising on buy-back of shares listed on a recognised stock exchange should similarly be taxed in the hands of the company section 115QA of the IT Act and are exempt in the hands of the investor.

e. **Deemed Income on investment in shares / securities of unlisted companies in India**

As per section 56(2)(x) of the IT Act, as inserted by Finance Act 2017, where any person receives any property, including shares and securities from any person for a consideration which is lower than the FMV by more INR 0.05 million, then difference between the FMV and consideration shall be taxable in the hands of acquirer as 'Income from other sources' ("**Other Income**"). The rules for determining the FMV of shares and securities have been prescribed under the IT Rules.

Accordingly, such Other Income would be chargeable to tax as follow:

Particulars	For resident investors	For non-resident investors
In case of companies	34.944% for F.Y. 2022-23	43.68% for F.Y. 2022-23
In case of Individuals / HUFs / AOPs / BOIs	35.88% for F.Y. 2022-23	42.744% for F.Y. 2022-23
In case of other investors	34.944% for F.Y. 2022-23	34.944% for F.Y. 2022-23

2. **Tax Treaty Benefits for non-resident investors**

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 ("Treaty") between India and the country of residence of the non-resident investor (subject to GAAR provisions discussed below and to the extent of availability of Treaty benefits to the non-resident investors). However, no assurance can be provided that the Treaty benefits will be available to the non-resident investor or the terms of the Treaty will not be subject to amendment or reinterpretation in the future.
The taxability of such income of the non-resident investor, in the absence of Treaty benefits or from a country with which India has no Treaty, would be as per the provisions of the IT Act.

3. **Tax Residency Certificate ("TRC")**

To claim Treaty benefits, the non-resident investor must obtain the TRC as issued by the foreign tax authorities. Further, the non-resident investor shall be required to furnish such other information or document as may be prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 has prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC.
The tax authorities may grant Treaty benefit (after verifying the TRC) based on the facts of each case.

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4. **Securities Transaction Tax**

Delivery based purchases and sales of equity shares traded on recognized Indian stock exchanges are subject to STT at the rate of 0.1% on the transaction value of purchase or sale. Further, STT @ 0.2% on the transaction value is also leviable on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a stock exchange. STT is levied on the seller @ 0.025% on the sale of equity share in a company or unit of an equity oriented mutual fund - transaction in a recognised stock exchange, settled otherwise than by actual delivery.

5. **Withholding at a Higher Rate**

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number ("PAN"), then tax is required to be deducted by the payer at higher of the following i.e., rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:

1. Name, e-mail id, contact number;
2. Address in the country or specified territory outside India of which the deductee is a resident;
3. A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and
4. Tax identification number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

6. **Carry-forward of losses and other provisions (applicable to both Equity products irrespective of the residential status):**

In terms of Section 70 read with Section 74 of the IT Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

7. **General Anti Avoidance Rule ("GAAR")**

The Finance Act, 2013 introduced the amended GAAR provisions to be effective from FY 2015-16. However, the Finance Act, 2015 deferred the GAAR provisions by 2 years and it shall now be applicable to the income of FY 2017-18 and subsequent years. Further, investments made up to March 31, 2017

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would be grandfathered and GAAR would apply prospectively only to investments made after April 1, 2017.

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) tests mentioned below:

a. Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
b. It results in direct / indirect misuse or abuse of the IT Act;
c. It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
d. It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

In such cases, the tax authorities are empowered to reallocate the income from such arrangement or re-characterise or disregard the arrangement. Some of the illustrative powers are:

(a) Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
(b) Ignoring the arrangement for the purpose of taxation law;
(c) Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
(d) Looking through the arrangement by disregarding any corporate structure;
(e) Reallocating and re-characterizing equity into debt, capital into revenue, etc.
(f) Disregarding or treating any accommodating party and other party as one and the same person;
(g) Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The above terms should be read in the context of the definitions provided under the IT Act. Any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions shall be applied in accordance with such guidelines and subject to such conditions and manner as may be prescribed.

Further, recently on January 27, 2017, the CBDT has issued clarifications[1] on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations.

8. Goods and Service Tax

From July 1, 2017 onwards, India has introduced Goods and Service Tax (GST). Post introduction of GST, many Indirect tax levies (including service tax) have been subsumed and GST shall be applicable on services provided by the Portfolio Manager. GST rate on such services is currently 18%. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee and any such related fees payable to the Portfolio Manager, respectively.

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[1] Circular no 7 of 2017

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE ITA. NO REPRESENTATION IS MADE EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES UNDER THE ITA. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

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Section 12:	ACCOUNTING POLICIES

The following is the accounting policy followed by Portfolio Manager while accounting for the portfolio investments of the clients.

Investment in equities will be valued on the closing price of that equity at NSE. In case of any investments done in any equity listed on BSE only, the same will be valued based on the closing price of that equity in BSE. In case the prices are not available from NSE or BSE Stock exchange, then any other stock exchange shall be considered. These shall include the Equity shares including Indian Depository Receipts and other instruments, as the case may be. In case a share is not traded on a valuation date, latest closing price of either principal / secondary or any other stock exchange would be used.

Equity shares which are not listed on stock exchanges are included in portfolio valuation at fair/cost value. In case an Equity share is suspended/non-traded/ awaiting Corporate Actions, then the Valuation of such Equity share shall be done on the basis of good faith relying upon prevailing practices elsewhere.

In case of the warrants been traded separately they would be valued as an equity share and valued accordingly. In case of the nontraded warrants, the warrants will be valued at the value of the share which would be obtained on exercise of the warrant less the amount payable on exercise of the warrant. On exercise of warrant, the warrants would be transferred to the normal equity and valued accordingly.

For valuation of the derivatives contract, the open positions, as on the date of valuation, shall be valued as per the last traded prices available from the relevant stock exchange, and will be valued on the mark to market method.

In case of Mutual Fund (both Equity & debt), Investments in Mutual Funds shall be valued at the latest available NAV of the respective scheme. Investment in Exchange listed (ETF) shall be valued at the closing price on the relevant exchange. If on a valuation date Exchange Traded Funds (ETF) is not traded either on the primary or secondary stock exchange, ETF shall be valued at the latest available NAVs of the ETF Scheme.

Investment in listed debt instruments will be valued at the market value of the debt instrument as on cut off date (or) the latest available price on the relevant exchange.

For illiquid securities, the valuation will depend on the underlying instrument. In case of instruments like debentures and bonds, the instruments will be priced at fair value after considering the impact of discounts, premium, redemption premium etc.

The method of valuation for internal transfers during portfolio rebalancing may be different from the valuation adopted for external trading.

For the calculation of performance and fee, the pre tax valuation of all instruments will be considered. In case the valuation for the instrument is not available, the same may be obtained either by an external valuation agent or the issuer on a periodic basis and/or as required by the portfolio manager.

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Realised gains/losses will be calculated on the basis of First in First out (**FIFO**) basis.

Transaction date will be the trade date and not the settlement or auction date.

For derivatives transactions (if any), the unrealized gains/losses on open position will be calculated on the mark to market method.

Unrealized gain/losses means the profit/loss not yet booked and the same will be the difference of the current market price or NAV minus the actual purchase price (or) the historical cost of the securities.

All income will be accounted on accrual or receipt basis, whichever is earlier. All expenses will be accounted on due or payment basis, whichever is earlier.

Purchase and sale transactions are accounted for on contract date basis.

Cost of purchase and sale includes consideration for scrip and brokerage but excludes Securities Transaction Tax, GST & other charges paid on purchase/sale of securities. Other expenses like Custodian charges (Safe keeping charges, Transaction charges, Fund Accounting charges, Out of Pocket expenses) are accounted for as & when debited by the Custodian.

Any corporate benefits like dividend on shares, Mutual Fund units, interest on debt instruments, stock lending fees etc. shall be accounted on accrual basis except interim dividend which would be accounted on receipt basis.

Bonus shares are recorded on the ex-benefit date (ex-date). Dividend income is recorded on the ex-dividend date (ex-date)

Tax deducted at source on interest on Fixed Deposits/Dividend is considered as withdrawal of corpus and debited accordingly.

Portfolio Manager and the Client, on case to case basis, can mutually agree to any specific norms or methodology for valuation of investment and/or accounting

The Client may contact the Portfolio Manager for the purpose of clarifying or elaborating on any of the above.

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Section 13:	INVESTOR RELATIONS OFFICER - IRO

The below mentioned employee has been nominated as the Investor Relations Officer by Portfolio Manager who will attend to the investor queries and complaints:

Mr. Sharon Jacinto

H-532, Kanakia Zillion Building,

BKC Annex, Kurla West,

Mumbai 400070

Tel No. (D) +91 98204 34160

Email ID – sharon.jacinto@scientcap.com

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Section 14: GRIEVANCE REDRESSAL & DISPUTE REDRESSAL MECHANISM

14 (i) Grievance Redressal

The Portfolio Manager has dedicated an email id pmsig@scientcap.com for all the investors to lodge their grievance. Apart from this, the portfolio clients can get in touch with the IRO in person, over phone or through written communication.

Portfolio Manager will ensure that the above IRO attends to all investor grievance/service issues with promptness and Portfolio Manager will ensure that this IRO is vested with necessary authority, independence and the means to handle investor grievance effectively and immediately, within reasonable period of time.

If not satisfied with our response, you may approach SEBI with your grievance through SEBI's web based centralized grievance redressal system (SCORES) on http://scores.gov.in or may also write to SEBI in physical form.

14 (ii) Dispute Redressal Mechanism

All disputes, differences, claims and questions, whatsoever, which shall arise either during the subsistence of the agreement with the Client or afterwards, with regard to the terms thereof or any clause or thing contained therein or otherwise in any way relating to or arising there from or the interpretation of any provisions therein shall be, at the first instance, settled by mutual discussions, failing which the same shall be referred settled in accordance with the provisions of The Arbitration and Conciliation Act, 1996 in the form existing at the point of time. Such arbitration proceedings will be held at Mumbai or any other place where the Portfolio Manager thinks fit and will be conducted in English.

The agreement with the Client shall be governed by, construed and enforced in accordance with the laws of India. Any action or suit involving the agreement with a Client or the performance of the agreement by either party of their obligations will be conducted exclusively in Courts located within the city of Mumbai in the State of Maharashtra, India.

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Addendum to the Risk Disclosure Document for the change in Benchmark Index

In accordance with the SEBI vide circular - SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172, dated December 16, 2022 (B&V Circular) specifies various modalities related to performance benchmarking, valuation of securities and reporting of performance by Portfolio Managers.

As mandated by SEBI, APMI prescribed a maximum of 3 benchmarks for each strategy i.e. (Equity, Debt, Hybrid and Multi-Asset) and the portfolio manager shall select one benchmark from those prescribed for that strategy to enable the investor to evaluate relative performance of the Portfolio Managers.

The Benchmark Index of below mentioned Portfolio Management Services (PMS) of Scient Capital Private Limited shall stand changed effective April 1, 2023:

Scheme Name	Strategy	Existing Index	New Index	Justification for new benchmark
Aries PMS	Mid Yield Debt	S&P BSE Corporate Bond Fund Index	Crisil – Aggressive Credit Debt Term Index	Change in benchmark due to SEBI and APMI new guidelines
Zen PMS	High Grade Debt	S&P BSE Corporate Bond Fund Index	Crisil Composite Bond Fund Index	Change in benchmark due to SEBI and APMI new guidelines
Scient Smart Beta PMS	Large and Mid-Cap Equity	BSE 200	MSEI SX 40	Change in benchmark due to SEBI and APMI new guidelines
Aquila PMS	Hybrid	Aquila Composite Benchmark Index (In-house)	Nifty NSE Multi- Asset Index 2	Change in benchmark due to SEBI and APMI new guidelines

This addendum forms an integral part of the Risk Disclosure Document and all the other terms and conditions of the Risk Disclosure Documents issued from time to time remains unchanged.

This addendum is dated 8th May, 2023

For Scient Capital Private Limited

(Investment Manager of Scient Capital Private Limited)

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Section 15:	GENERAL

The Portfolio Manager and the client can mutually agree to be bound by specified terms through a written two-way agreement between themselves in addition to the Portfolio Management Services Agreement for Portfolio Management Services.

Signature of the Directors

Sr.No.	Name of the Director	Signature	Place
1	SWAPNIL PAWAR	SWAPNIL VISHNU PAWAR Digitally signed by SWAPNIL VISHNU PAWAR Date: 2024.04.19 10:40:02 +05'30'	MUMBAI

Place: Mumbai
Date: 18th April, 2024

Annexure A

A. Discretionary Portfolio Management Services

1. Orion Portfolio

Introduction

Orion Portfolio is designed for investors seeking income and capital appreciation from their asset allocation to debt.

Investment Objective

The investment objective of the strategy is to generate long term capital appreciation and income through interest and trading (both in the short term and over the long term) of securities in the secondary markets. The portfolio will primarily consist of high yielding debt securities.

Investment Horizon and Risk Return Profile

Orion portfolio is recommended for investors seeking to hold a debt portfolio with moderate to high risk appetite expecting a moderate to high return over a long term horizon. The portfolio targets a significant spread in returns over government debt of similar maturity.

Asset Allocation

The portfolio will be predominantly invested in debt using the securities defined below. The portfolio manager may decide to hold cash/liquid funds if required.

Securities

Investments would be made in all types of debt securities including but not limited to debentures of any maturity (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked, real estate backed) which may be listed, unlisted, convertible (optional/compulsorily), non-convertible, secured, unsecured, rated or unrated, Securitised Debt, instruments having fixed income product features like cumulative preference shares, Pass Through Certificates, Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, Exchange Traded Funds, units of SEBI registered Alternative Investment Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements and the like as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.

Fees and Expenses: Defined in Section II below

Kindly refer Section III below for other features of this strategy.

2. Aries Portfolio

Introduction

Aries Portfolio is a strategy focusing on debt investments across maturities, credit quality and yields aiming to provide investors regular income and capital appreciation from their investments.

Investment Objective

The investment objective of the strategy is to generate long term capital appreciation and income through interest and trading of securities (both in the short term and over the long term) in the secondary markets.

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Investment Horizon and Risk Return Profile

Aries portfolio is recommended for investors seeking to hold a debt portfolio with low to moderate risk appetite expecting a moderate spread of returns over government debt of similar maturity.

Asset Allocation

The portfolio will be predominantly invested in debt using the securities defined below. The portfolio manager may decide to hold cash/liquid funds if required.

Securities

Investments would be made in all types of debt securities including but not limited to debentures of any maturity (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked, real estate backed) which may be listed, unlisted, convertible (optional/compulsorily), non-convertible, secured, unsecured, rated or unrated, Securitised Debt, instruments having fixed income product features like cumulative preference shares, Pass Through Certificates, Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, Exchange Traded Funds, units of SEBI registered Alternative Investment Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements and the like as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.

Fees and Expenses: As defined in Section II below

Kindly refer Section III below for other features of this strategy.

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3. Pyxis Portfolio

Introduction

Pyxis Portfolio is designed for investors who seek long-term capital appreciation from their asset allocation to equities. The portfolio will invest in stocks across sectors, market capitalization categories and investment themes.

Investment Objective

The investment objective of the strategy is to generate growth of capital through a blend of value, growth and opportunistic investing.

Investment Horizon and Risk Return Profile

This Portfolio is recommended for investors seeking to hold a diversified equity portfolio with high risk appetite expecting a moderate to high return and moderate to high volatility over medium term horizon.

Asset Allocation

The Portfolio will seek to remain substantially invested in Equities or Equities related instruments at all times. Cash in the portfolio may be invested in Liquid schemes of Mutual Funds or Liquid Bees.

Securities

Investments will be made in various equity and equity related securities including but not limited to listed/unlisted shares, convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, Exchange Traded Funds and other eligible modes of investment as may permitted by the Regulations from time to time. Investments may be made in securities acquired through secondary market purchases, open market sales/auctions, Initial Public Offers (IPOs), other public offers, placements, rights, offers and the like.

The Portfolio will also use derivative instruments – Futures and Options – for hedging and rebalancing of the portfolio. Derivative Instruments shall, however, not be used in case of NRI investors.

Fees and Expenses: As defined in Section II below

Kindly refer Section III below for other features of this strategy.

4. Aquila Portfolio

Aquila Portfolio is designed for those investors who seek long-term capital appreciation from their asset allocation to equities, debt, gold and other asset classes which are available through either exchange traded products or through mutual funds.

Investment Objective

The investment objective of the Strategy is to generate long term capital appreciation of wealth through a portfolio of debt, equity, gold ETFs and other asset classes which are available through either exchange traded products or through mutual funds.

Investment Horizon and Risk Return Profile

This Portfolio is recommended for investors seeking to hold a diversified multi asset portfolio with moderate risk appetite expecting a moderate return over medium term horizon.

Asset Allocation

The portfolio will be invested in Equities, Debt, Gold ETFs and other asset classes in a proportion deemed appropriate for the investor and the in accordance with the market scenario.

Securities

Investments will be made in various equity and equity related securities including but not limited to stocks, convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, ETFs and other eligible modes of investment as may

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permitted by the Regulations from time to time. Investments may be made in securities acquired through secondary market purchases, open market sales/auctions, Initial Public Offers (IPOs), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc.

Investments would be made in all types of debt securities including but not limited to debentures of any maturity (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked, real estate backed) which may be listed, unlisted, convertible (optional/compulsorily), non-convertible, secured, unsecured, rated or unrated, Securitised Debt, instruments having fixed income product features like cumulative preference shares, Pass Through Certificates, Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, Exchange Traded Funds, units of SEBI registered Alternative Investment Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements and the like as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.

Investments will also be made in gold ETFs and other asset classes which are available through either exchange traded products or through mutual funds.

The Portfolio will also use derivative instruments – Futures and Options – for hedging and rebalancing of the portfolio. Derivative Instruments shall, however, not be used in case of NRI investors.

Fees and Expenses: As defined in Section II below

Kindly refer Section III below for other features of this strategy.

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Auriga Portfolio is designed for those investors who seek long-term capital appreciation through opportunistic trades taken in their portfolio having an allocation to equities, debt and other asset classes which are available through either exchange traded products or through mutual funds.

Investment Objective

The investment objective of the Strategy is to generate long term capital appreciation of wealth through a portfolio of debt, equity and other asset classes which are available through either exchange traded products or through mutual funds. Capital appreciation will be generated through opportunistic trades taken in securities.

Investment Horizon and Risk Return Profile

This Portfolio is recommended for investors seeking to hold a diversified portfolio with moderate risk appetite expecting a moderate return over medium term horizon.

Asset Allocation

The portfolio will be invested in Equities, Debt and other asset classes in a proportion deemed appropriate for the investor and the in accordance with the market scenario.

Securities

Investments will be made in various equity and equity related securities including but not limited to stocks, convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, ETFs and other eligible modes of investment as may permitted by the Regulations from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, open market sales/auctions and the like.

Investments would be made in all types of debt securities including but not limited to debentures of any maturity (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked, real estate backed) which may be listed, unlisted, convertible (optional/compulsorily), non-convertible, secured, unsecured, rated or unrated, Securitised Debt, instruments having fixed income product

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features like cumulative preference shares, Pass Through Certificates, Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, Exchange Traded Funds, units of SEBI registered Alternative Investment Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements and the like as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.

Investments will also be made in other asset classes which are available through either exchange traded products or through mutual funds.

The Portfolio will also use derivative instruments – Futures and Options – for hedging and rebalancing of the portfolio. Derivative Instruments shall, however, not be used in case of NRI investors.

Fees and Expenses: As defined in Section II below

Kindly refer Section III below for other features of this strategy.

5. Delphi Portfolio

Delphi Portfolio is designed for those investors who seek long-term capital appreciation primarily through Private Investment in Public Equity. The portfolio may consist of investments in Equity & debt.

Investment Objective

The investment objective of the Strategy is to generate long term capital appreciation of wealth through Private Investment in Public Equity. Investments may be done in the form of Equity or debt. Investments will also be made in the primary market.

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Investment Horizon and Risk Return Profile

This Portfolio is recommended for investors seeking to hold a diversified portfolio of mid-cap and small-cap equity stock with high risk appetite expecting a high return with high volatility over medium term horizon.

Asset Allocation

The portfolio will be invested primarily in Equities & Debt. Allocation will be decided on the availability of opportunities and as deemed appropriate for the investor.

Securities

Investments will be made in various equity and equity related securities including but not limited to stocks, convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, ETFs and other eligible modes of investment as may permitted by the Regulations from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, open market sales/auctions and the like.

Investments would be made in all types of debt securities including but not limited to debentures of any maturity (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked, real estate backed) which may be listed, unlisted, convertible (optional/compulsorily), non-convertible, secured, unsecured, rated or unrated, Securitised Debt, instruments having fixed income product features like cumulative preference shares, Pass Through Certificates, Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, Exchange Traded Funds, units of SEBI registered Alternative Investment Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements and the like as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.

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Investments will also be made in other asset classes which are available through either exchange traded products or through mutual funds.

The Portfolio will also use derivative instruments – Futures and Options – for hedging and rebalancing of the portfolio. Derivative Instruments shall, however, not be used in case of NRI investors.

Fees and Expenses: As defined in Section II below

Kindly refer Section III below for other features of this strategy.

7. Lynx Portfolio

Lynx Portfolio is designed for those investors who seek long-term capital appreciation primarily through early stage Investments in Companies. The portfolio may consist of investments in Equity & debt.

Investment Objective

The investment objective of the Strategy is to generate long term capital appreciation of wealth through Early stage Investment in Companies. Investments may be done in the form of Equity or debt. Investments will also be made in the primary market.

Investment Horizon and Risk Return Profile

This Portfolio is recommended for investors seeking to hold a diversified portfolio of predominantly unlisted securities with very high risk appetite expecting a high to very high return with high to very high volatility over medium term horizon. This portfolio may carry a higher risk than a listed equity stock portfolio.

Asset Allocation

The portfolio will be invested primarily in Equities & Debt. Allocation will be decided on the availability of opportunities and as deemed appropriate for the investor.

Securities

Investments will be made in various equity and equity related securities including but not limited to unlisted/listed shares, convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, ETFs and other eligible modes of investment as may be permitted by the Regulations from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, open market sales/auctions and the like.

Investments would be made in all types of debt securities including but not limited to debentures of any maturity (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked, real estate backed) which may be listed, unlisted, convertible (optional/compulsorily), non-convertible, secured, unsecured, rated or unrated, Securitised Debt, Instruments having fixed income product features like cumulative preference shares, Pass Through Certificates, Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, Exchange Traded Funds, units of SEBI registered Alternative Investment Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements and the like as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.

Fees and Expenses: As defined in Section II below

Kindly refer Section III below for other features of this strategy.

8. Black Swan Portfolio

Black Swan Portfolio is designed for those investors who seek long-term capital appreciation from investment in multiple asset classes. Investments could include allocation to equities, debt, gold and other asset classes which are available through either exchange traded products or through mutual funds.

Investment Objective

The investment objective of the Strategy is to generate long term capital appreciation of wealth through a portfolio of debt, equity, gold ETFs and other asset classes which are available through either exchange traded products or through mutual funds. The portfolio may make opportunistic investments for investors.

The portfolio manager may have one or multiple external Advisors advising on the portfolio.

Investment Horizon and Risk Return Profile

This Portfolio is recommended for investors seeking to hold a diversified multi asset portfolio with moderate risk appetite expecting a moderate return over medium term horizon.

Asset Allocation

The portfolio will be invested in Equities, Debt, Gold ETFs and other asset classes in a proportion deemed appropriate for the investor and the in accordance with the market scenario.

Securities

Investments will be made in various equity and equity related securities including but not limited to stocks, convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, ETFs and other eligible modes of investment as may permitted by the Regulations from time to time. Investments may be made in securities acquired through secondary market purchases, open market sales/auctions, Initial Public Offers (IPOs), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc.

Investments would be made in all types of debt securities including but not limited to debentures of any maturity (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked, real

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estate backed) which may be listed, unlisted, convertible (optional/compulsorily), non-convertible, secured, unsecured, rated or unrated, Securitised Debt, instruments having fixed income product features like cumulative preference shares, Pass Through Certificates, Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, Exchange Traded Funds, units of SEBI registered Alternative Investment Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements and the like as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.

Investments will also be made in gold ETFs and other asset classes which are available through either exchange traded products or through mutual funds.

The Portfolio will also use derivative instruments – Futures and Options – for hedging and rebalancing of the portfolio. Derivative Instruments shall, however, not be used in case of NRI investors.

Fees and Expenses: As defined in Section II below

Kindly refer Section III below for other features of this strategy.

9. Zen Portfolio

Zen Portfolio is a strategy focusing on debt investments across maturities, higher grade credit quality and yields aiming to provide investors regular income and capital appreciation from their investments.

Investment Objective

The investment objective of the Strategy is to generate long term capital appreciation and income through interest and trading of securities (both in the short term and over the long term) in the secondary markets.

Investment Horizon and Risk Return Profile

Zen Portfolio is recommended for investors seeking to hold a debt portfolio with low credit risk appetite expecting a small spread of returns over government debt of similar maturity.

Asset Allocation

The portfolio will be predominantly invested in debt using the securities defined below. The portfolio manager may decide to hold cash/liquid funds if required.

Securities

Investments would be in all types of debt securities including but not limited to convertible of any maturity (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked, real estate backed) which may be listed, unlisted, non-convertible, secured, unsecured, rated or unrated, Securitised Debt, instruments having fixed income product features like cumulative preference shares, Pass Through Certificates, Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, Exchange Traded Funds, units of SEBI registered Alternative Investment Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements and the like as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time. These securities may be acquired through primary market issuances such as subscription to Initial public offers, Follow on Public offers, Rights Issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.

10. Smart Beta Portfolio

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Introduction

Scient Smart beta strategy is an enhanced indexing strategy that seeks to exploit factors from broad categories of Value, Growth, and Momentum in an attempt to outperform a benchmark index. The strategy takes into account the recommendations from the proprietary artificial intelligence (AI) quant model that runs numerous simulations to arrive at the target portfolio with the best risk adjusted returns.

Investment Objective

Scient Smart Beta Strategy is a quant-driven large & midcap equity strategy targeting excess annualized returns of 2%-4% over a benchmark (BSE Top 200). The strategy aims to lower risk and volatility, for a superior risk-adjusted return.

Investment Horizon and Risk-Return Profile

Scient Smart Beta Strategy is recommended for investors seeking to hold an equity portfolio for a duration of 3 - 5 Years with a lower-risk appetite.

Asset Allocation

The portfolio will be invested in listed equity securities. The portfolio manager can invest in cash and liquid funds if needed.

Securities

Investments would be made in equity securities listed under the universe of BSE 200 but not limited to any specific sector/sub-sector/ company or business group.

Fees and Expenses: As defined in Section II below

Kindly refer Section III below for other features of this strategy.

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For all strategies mentioned above, the Portfolio Manager shall be entitled to issue one or more series of the strategy. The portfolio manager may also decide to make periodic payouts to investors.
SECTION II: FEES AND EXPENSES PERTAINING TO THE PORTFOLIO STRATEGIES

11. YieldX Portfolio

Section 1: Introduction to Investment Strategy

YieldX is a strategy focusing on fixed-income investments across maturities, credit quality, and yields aiming to provide investors with regular income and capital appreciation from their investments.

- **Investment Objective:** Generate long-term capital appreciation and income through interest and trading of fixed-income securities (both in the short term and over the long term) in the primary/secondary markets

- **Investment Horizon and Risk-Return Profile: YieldX** portfolio is recommended for investors seeking to hold a fixed-income portfolio with a moderate risk profile and to earn a spread over Government securities.

- **Asset Allocation:** The portfolio will predominantly invest in fixed-income instruments using the securities defined below. The portfolio manager may decide to hold cash/liquid funds if required:
    - Investments would be made in all types of Listed and rated fixed-income securities including but not limited to debentures of any maturity (fixed, floating, Variable Coupon, and), Securitized Debt Instruments (SDIs) having fixed income product features like Pass Through Certificates (PTCs), Bonds, Government securities issued or guaranteed by Central or State Government, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments like Liquid Mutual Fund. These securities may be acquired through primary market issuances such as a subscription to Initial public offers, Follow-on Public offers, Rights issues and private placements of securities, secondary market purchases, auctions held by the Reserve Bank of India, open market sales of securities conducted by Reserve Bank of India and the like.

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Section 2: Fees and expenses pertaining to portfolio strategies

- Upfront Fee: An upfront fee not exceeding 2.0% on the investment will be charged over and above the Fixed Management Fee and Performance fee as defined below. The upfront fee, if charged, shall be deducted from the client's corpus both initially and at the time of making a fresh infusion. This upfront fee, if charged, may be paid out to the distributor, only if the investment came through a distributor.
- The Portfolio Manager shall charge audit fees, custodial/ AMC charges, fund accounting charges, and other charges/costs, attributable to the Portfolio Management Services at actual
- The Client will also have to bear brokerage charges not exceeding @ 1.50% of the transaction value and other incidental charges/fees/duties and taxes including Securities Transaction Tax (STT) at actuals.

- There are two investment options to choose from:

Investment Options	Strategy
Income	• Monthly/quarterly payout • Regular cash flow for investor
Growth	• No payout; Reinvestment of the cashflow • Higher compounding returns • Long term wealth appreciation

Clients have the following fee options:

Option 1: Fixed management fee up to 2.0%

- Fixed fee for both strategies above (without profit sharing) charged by the Portfolio Manager will not exceed 2.0% p.a. at the time of infusion of the investment fund on the Net Asset Value of the Portfolio (inclusive of all securities and cash/bank balance) or the outstanding capital as detailed in the agreement between the client and the portfolio manager. The portfolio manager may charge the management fee for the first year on an upfront basis at the time of investment

- The following charges shall be payable by the client upon withdrawal from all strategies above under Option 1:

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Withdrawal when made	Charges payable by Client
Upto 6 months (Lock-in period)	• Upfront fixed management fee of up to 2% p.a. • Exit is not allowed in the lock-in period
6 to 12 months	• Upfront fixed management fee up to 2% p.a. • Exit load of 1% on the total investment amount
12- 18 months	• Upfront fixed management fee up to 2.0% p.a. • Exit load of 0.75% on the total investment amount
Post 18 months	• Upfront fixed management fee up to 2.0% p.a. • No exit load

Option 2: Fixed management fee up to 1% and performance fees of 15% over 7% (without catchup)

- **Fixed management fee:** The Fixed fee for all strategies above (without profit sharing) charged by the Portfolio Manager will not exceed 1% p.a. at the time of infusion of the investment fund on the Net Asset Value of the Portfolio (inclusive of all securities and cash/bank balance) or the outstanding capital as detailed in the agreement between the client and the portfolio manager. The portfolio manager may charge the management fee for the first year on an upfront basis at the time of investment.
- **PERFORMANCE FEE:** The Performance fee in this option will not exceed 15% of incremental gains beyond the annualised hurdle rate of 7% based on High Water Mark Principle over the life of the investment. The performance fee will be charged every year in arrears or as agreed with the investor.

- The following charges shall be payable by the client upon withdrawal from all strategies above under Option 1:

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Withdrawal when made	Charges payable by Client
Up to 6 months (Lock in period)	• Upfront fixed management fee up to 1% p.a. • The Performance fee in this option will not exceed 15% of incremental gains beyond the annualised hurdle rate of 7% based on High Water Mark Principle over the life of the investment. • Exit is not allowed in the lock-in period
6 to 12 months	• Upfront fixed management fee up to 1% p.a. • The Performance fee in this option will not exceed 15% of incremental gains beyond the annualised hurdle rate of 7% based on High Water Mark Principle over the life of the investment. • Exit load of 1.5% on the total Investment amount
12 to 18 months	• Upfront fixed management fee up to 1% p.a. • The Performance fee in this option will not exceed 15% of incremental gains beyond the annualised hurdle rate of 7% based on High Water Mark Principle over the life of the investment. • Exit load of 1.0% on the total investment amount
Post 18 months	• Upfront fixed management fee up to 1% p.a. • The Performance fee in this option will not exceed 15% of incremental gains beyond the annualised hurdle rate of 7% based on High Water Mark Principle over the life of the investment. • No exit load

<u>**Section 3: Other features**</u>

- The minimum investment amount is Rs. 50 Lakhs, or, as stipulated by SEBI, from time to time.
- The liability of a client shall not exceed the client's investment with the portfolio manager
- The Portfolio Manager shall charge audit fees, custodial/ AMC charges, fund accounting fees, and other charges/costs, attributable to the Portfolio Management Services on actual

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- Any charges payable for outsourced professional services like accounting, taxation, auditing, and any legal services, notarizations, etc., incurred on behalf of the Client by the Portfolio Manager, will be charged from the client on actual
- The Client may withdraw whole or part of the funds or securities from the portfolio account by giving advance notice of 2 months, post the end of the lock-in period, and the Portfolio Manager will endeavour to liquidate the securities held in the strategy and return the funds or securities of the strategy, as the case may be, to the client. In case the Portfolio Manager is for any reason unable to sell the securities, the Client shall be obliged to accept the securities in the portfolio
- The Portfolio Manager will provide periodical reports via email as required under the regulations at the email ID provided by the client at the time of account opening
- The portfolio account will be audited by the Independent Chartered Accountant every year and a copy of the Certificate issued by the Chartered Accountant will be given to the Client

<u>Accounting Policies</u>

The following is the accounting policy followed by the Portfolio Manager while accounting for the portfolio investments of the clients.

- In the case of Mutual Funds, Investments in Mutual Funds shall be valued at the latest available NAV of the respective scheme.
- Valuation will be carried out under SEBI regulations wherein a valuation agency approved by APMI (Association of Portfolio Managers of India), under the direction of SEBI, is appointed to undertake valuation of the securities, as per the approved methodology of SEBI.
- For the calculation of performance and fee, the pre-tax valuation of all instruments will be considered. In case the valuation for the instrument is not available, the same may be obtained either by an external valuation agent or the issuer periodically and/or as required by the portfolio manager.
- Realised gains/losses will be calculated based on a First in First out (FIFO) basis
- The transaction date will be the trade date and not the settlement or auction date
- Unrealized gain/losses mean the profit/loss not yet booked and the same will be the difference of the current market price or NAV minus the actual purchase price (or) the historical cost of the securities
- All income will be accounted on an accrual or receipt basis, whichever is earlier. All expenses will be accounted on a due or payment basis, whichever is earlier
- Purchase and sale transactions are accounted for on a contract-date basis
- Cost of purchase and sale includes consideration for scrip and brokerage but excludes Securities Transaction Tax, GST & other charges paid on purchase/sale of securities. Other expenses like Custodian charges (Safekeeping charges, Transaction charges, Fund Accounting charges, out of Pocket expenses) are accounted for as & when debited by the Custodian
- Any interest on fixed-income instruments shall be accounted on an accrual basis
- Tax deducted at source on interest on interest is considered as withdrawal of corpus and debited accordingly
- The Client may contact the Portfolio Manager to clarify or elaborate on any of the above.

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The fee portion below is common for all strategies mentioned in Annexure A

UPFRONT FEE: A upfront fee not exceeding 5.00% on the investment will be charged over and above the Fixed Management Fee and Performance fee as defined below. The upfront fee, if charged, shall be deducted from client's corpus both initially and at time of making fresh infusion. This upfront fee, if charged, will be paid out to the distributor.

The Portfolio Manager shall charge audit fees, custodial/ AMC charges, fund accounting charges and other charges/costs, attributable to the Portfolio Management Services at actual.

The Client will also have to bear brokerage charges not exceeding @2.50% of the transaction value and other incidental charges/fees/duties and taxes including Securities Transaction Tax at actual.

Clients have the following fee options:

Option 1: Fixed Management Fee up to 5.00% p.a.

FIXED MANAGEMENT FEE: The Fixed fee for all strategies above (without profit sharing) charged by the Portfolio Manager will not exceed 5.00% p.a. charged up to 1.25% at the beginning of every quarter on the Net Asset Value of the Portfolio (inclusive of all securities and cash/bank balance) or the outstanding capital as detailed in the agreement between the client and the portfolio manager. The portfolio manager may charge the management fee for the first year on an upfront basis at the time of investment.

Following charges shall be payable by the client upon withdrawal from all strategies above under Option 1:

Withdrawal when made	**Charges payable by Client**
In case of withdrawal before 60 months of date from which client account is activated	a) Fixed Management Fee up to 5% p.a. and b) Exit fees up to 5%
When exiting, after completing a period of 60 months of date from which client account is activated	Fixed management fee up to 5% p.a. till the day client exits the strategy.

Option 2: Fixed Management Fee NIL & Performance fees up to 30% on all gains

_PERFORMANCE FEE: The Performance fee in this option will not exceed 30% of incremental gains beyond annualized hurdle rate not exceeding 0% on the basis of High Water Mark Principle over the life of the investment. The performance fee will be charged on yearly basis in arrears or as agreed with the investor.

Following charges shall be payable by the client upon withdrawal from all strategies above under Option 2:

Withdrawal when made	Charges payable by Client
In case of withdrawal before 60 months of date from which client account is activated	a) Performance fee up to 30% of incremental gains beyond annualized hurdle rate not exceeding 0% will be charged (Performance fee payable will be calculated on the NAV on the day of exit) and b) Exit fees up to 5%
When exiting, after completing a period of 60 months of date from which client account is activated	Performance Fee up to 30% of incremental gains beyond annualized hurdle rate not exceeding 0% on the basis of High Water Mark Principle based on the NAV of the day of exit.

Option 3: Fixed Management Fee up to 5% p.a. & Performance fees up to 30%

FIXED MANAGEMENT FEE: The Fixed fee for all strategies above (without profit sharing) will not exceed 5.00% p.a. which is up to 1.25% at the beginning of every quarter on the Net Asset Value of the Portfolio (inclusive of all securities and cash/bank balance) or the outstanding capital as detailed in the agreement between the client and the portfolio manager. The portfolio manager may charge the management fee for the first year on an upfront basis at the time of investment.

PERFORMANCE FEE: The Performance fee in this option will not exceed 30% of incremental gains beyond annualized hurdle rate not exceeding 15% (or a specific benchmark pre-decided with the client) on the basis of High Water Mark Principle over the life of the investment. The performance fee will be charged on yearly basis in arrears or as agreed with the investor.

Following charges shall be payable by the client upon withdrawal from all strategies above under Option 3:

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Withdrawal when made	Charges payable by Client
In case of withdrawal before 60 months of date from which client account is activated	a) Fixed management fee payable up to 5.00% p.a. and b) Performance fee payable up to 30% of incremental gains beyond annualized hurdle rate not exceeding 15% (or a specific benchmark pre-decided with the client) will be charged (Performance fee payable will be calculated on the NAV on the day of exit) and c) Exit fees up to 5%
When exiting, after completing a period of 60 months of date from which client account is activated	a) Fixed Management fee up to 3% p.a. and b) Performance Fee up to 30% of incremental gains beyond annualized hurdle rate not exceeding 15% (or a specific benchmark pre-decided with the client) on the basis of High Water Mark Principle based on the NAV of the day of exit.

The final fee structure may vary with every client and would be pre decided between the portfolio manager and the client.

SECTION III: COMMON FEATURES OF THE PORTFOLIO STRATEGIES (common features applicable to all strategies)

Minimum investment amount is Rs. 50 Lakhs.

Liability of a client shall not exceed client's investment with the portfolio manager.

The Portfolio Manager shall charge audit fees, custodial/ AMC charges, fund accounting fee and other charges/costs, attributable to the Portfolio Management Services on actual.

Any charges payable for outsourced professional services like accounting, taxation, auditing, and any legal services, notarizations, etc., incurred on behalf of the Client by the Portfolio Manager, will be charged from the client on actual.

The Client may withdraw whole or part of the funds or securities from the portfolio account by giving advance notice and the Portfolio Manager will endeavor to liquidate the securities held in the strategy and return the funds or securities of the strategy, as the case may be, to the client within reasonable time. In case the Portfolio Manager is for any reason unable to sell the securities, the Client shall be obliged to accept the securities in the portfolio.

The Portfolio Manager will provide periodical reports as required under the regulations at the communication address provided by the client at time of account opening. In case Portfolio Manager is unable to provide the periodic reports in physical copy, the same shall be provided to clients via email at the email id registered by clients at time of account opening.

The portfolio account will be audited by the Independent Chartered Accountant every year and copy of the Certificate issued by the Chartered Accountant will be given to the Client.

Accounting Policy:

The following is the accounting policy followed by Portfolio Manager while accounting for the portfolio investments of the clients.

Investment in equities will be valued on the closing price of that equity at NSE. In case of any investments done in any equity listed on BSE only, the same will be valued based on the closing price of that equity in BSE. In case the prices are not available from NSE or BSE exchange, then any other stock exchange shall be considered. These shall include the Equity shares including Indian Depository Receipts and other instruments, as the case may be. In case a share is not traded on a valuation date, latest closing price of either principal / secondary or any other stock exchange would be used.

Equity shares which are not listed on stock exchanges are included in portfolio valuation at fair/cost value. In case an Equity share is suspended/non-traded/ awaiting Corporate Actions, then the Valuation of such Equity share shall be done on the basis of good faith relying upon prevailing practices elsewhere.

In case of the warrants been traded separately they would be valued as an equity share and valued accordingly. In case of the non-traded warrants, the warrants will be valued at the value of the share which would be obtained on exercise of the warrant less the amount payable on exercise of the warrant. On exercise of warrant, the warrants would be transferred to the normal equity and valued accordingly.

For valuation of the derivatives contract, the open positions, as on the date of valuation, shall be valued as per the last traded prices available from the relevant stock exchange, and will be valued on the mark to market method.

In case of Mutual Fund (both Equity & debt), Investments in Mutual Funds shall be valued at the latest available NAV of the respective scheme. Investment in Exchange listed (ETF) shall be valued at the closing price on the relevant exchange. If on a valuation date Exchange Traded Funds (ETF) is not traded either on the primary or secondary stock exchange, ETF shall be valued at the latest available NAVs of the ETF Scheme.

Investment in listed debt instruments will be valued at the market value of the debt instrument as on cut off date (or) the latest available price on the relevant exchange.

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For illiquid securities (including closed ended Mutual Funds), the valuation will depend on the underlying instrument. In case of instruments like debentures and bonds, the instruments will be priced at fair value after considering the impact of discounts, premium, redemption premium etc. For closed ended mutual funds, an internal valuation policy (after discussion with a CA/auditor/fund accounting team) may be agreed upon.

The method of valuation for internal transfers during portfolio rebalancing may be different from the valuation adopted for external trading.

For the calculation of performance and fee, the pre tax valuation of all instruments will be considered. In case the valuation for the instrument is not available, the same may be obtained either by an external valuation agent or the issuer on a periodic basis and/or as required by the portfolio manager.

Realised gains/losses will be calculated on the basis of First in First out (**FIFO**) basis.

Transaction date will be the trade date and not the settlement or auction date.

For derivatives transactions (if any), the unrealized gains/losses on open position will be calculated on the mark to market method.

Unrealized gain/losses means the profit/loss not yet booked and the same will be the difference of the current market price or NAV minus the actual purchase price (or) the historical cost of the securities.

All income will be accounted on accrual or receipt basis, whichever is earlier. All expenses will be accounted on due or payment basis, whichever is earlier.

Purchase and sale transactions are accounted for on contract date basis.

Cost of purchase and sale includes consideration for scrip and brokerage but excludes Securities Transaction Tax, GST & other charges paid on purchase/sale of securities. Other expenses like Custodian charges (Safe keeping charges, Transaction charges, Fund Accounting charges, Out of Pocket expenses) are accounted for as & when debited by the Custodian.

Any corporate benefits like dividend on shares, Mutual Fund units, interest on debt instruments, stock lending fees etc. shall be accounted on accrual basis except interim dividend which would be accounted on receipt basis.

Bonus shares are recorded on the ex-benefit date (ex-date). Dividend income is recorded on the ex-dividend date (ex-date)

Tax deducted at source on interest on Fixed Deposits/Dividend is considered as withdrawal of corpus and debited accordingly.

Portfolio Manager and the Client, on case to case basis, can mutually agree to any specific norms or methodology for valuation of investment and/or accounting

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The Client may contact the Portfolio Manager for the purpose of clarifying or elaborating on any of the above.

Non – Discretionary Portfolio Management Services

The following are illustrative, but not exhaustive, investment strategies which would be available for client availing Non-Discretionary Portfolio Management Services.

1. Equity oriented strategies

   These strategies would include equity focused strategies with the flexibility to invest across Equity instruments available and across market capitalizations. The strategy may invest in non convertible debentures with performance linked to an equity instrument. Specific details of the portfolio would depend on the requirement of the client.

2. Debt Focused strategies

   These strategies would include debt focused strategies with the flexibility to invest across Debt instruments available including mutual funds, bonds and non convertible debentures. The strategy may also invest in debentures providing capital protection and offering debt like returns which may have an equity index, basket of stocks or commodities as the underlying. Specific details of the portfolio would depend on the requirement of the client.

3. Multi Asset strategies

   These strategies would include investments across Equity, debt, gold and other asset classes which may be available through exchange traded products or mutual funds. Non convertible debentures (other than equity or debt) will also be included here. Specific details of the portfolio would depend on the requirement of the client.

The term "Strategy" or "Strategies" referred in this document is not prima facie the strategy(s) devised to organize investment portfolios, rather these are various investment categories/ frameworks on the basis of which investment portfolio of a subscriber can be tailored. Reference to the term "Strategy" or "Strategies" however helps in defining and communicating fee structure to a subscriber in a simple and transparent manner.

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GLOSSARY OF TERMS USED IN THE RISK DISCLOSURE DOCUMENT AND ANNEXURE A

Discretionary portfolio: A portfolio where the funds of each client are managed individually and independently by the strategy manager in accordance with the needs of the client.

Non discretionary Portfolio: A portfolio where the funds are managed by the strategy manager in accordance with the directions of the client.

Hurdle rate: The rate over which profit sharing / performance related fees are usually charged by portfolio managers. This is not a fixed number and would be specified in the agreement signed with the client.

High Water Mark Principle: As defined by SEBI, High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. The portfolio manager shall charge performance based fee only on increase in portfolio value in excess of the previously achieved high water mark

Asset allocation: Asset allocation is an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investors risk tolerance, goals and investment time frame.

Asset Classes: A group of securities that exhibit similar characteristics, behave similarly in the marketplace, and are subject to the same laws and regulations. Asset classes include but are not limited to Equities, fixed-income and cash equivalents.

Non convertible debentures: A debenture is a document that either creates a debt or acknowledges it, and it is a debt without collateral (hence, unsecured debt). Non-convertible debentures are regular debentures which cannot be converted into equity shares of the liable company.

Investment vehicles: An investment vehicle is a product used by investors with the intention of having positive returns. Investment vehicles can be low-risk, such as certificates of deposit (CDs) or bonds, or can carry a greater degree of risk such as with stocks, options and futures.

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Alternate asset classes: Alternate asset class is a newer type of asset that was not traditionally considered to be a part of an investment portfolio. These include but would not be limited to Derivative instruments, Real Estate, Commodities (including Gold) etc.

Structured Products: A market linked investment, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, commodities, debt issuance etc.

Over the counter products: OTC or off-exchange products are those where trading is done directly between two parties, without any supervision of an exchange. These are used primarily where customized products are required.

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ANNEXURE A

Signature of the Directors

Sr. No.	Name of the Director	Signature	Place
1	SWAPNIL PAWAR	SWAPNIL VISHNU PAWAR Digitally signed by SWAPNIL VISHNU PAWAR Date: 2024.04.18 10:35:43 +05'30'	MUMBAI

Place: Mumbai
Date: 18^{TH} April, 2024