

**DWAITH ADVISORY PRIVATE LIMITED**

**DISCLOSURE DOCUMENT**

**As required under Regulation 22 of Securities and Exchange Board of India  
(Portfolio Managers) Regulations, 2020**

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**I. Declaration:**

- a) The Disclosure Document (hereinafter referred as the **“Document”**) has been filed with the Securities and Exchange Board of India (**“SEBI”**) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (**“Regulations”**).
- b) The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging **“DWAITH ADVISORY PRIVATE LIMITED”** (hereinafter referred as the **“Portfolio Manager”**) as the portfolio manager.
- c) The Document contains the necessary information about the Portfolio Manager required by an investor before investing and the investor may also be advised to retain the Document for future reference.
- d) The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager is as follows:

<b>PRINCIPAL OFFICER</b>	<b>PORTFOLIO MANAGER</b>
<b>Name :</b> Mr. Harsha Venkatesh	<b>Name:</b> DWAITH ADVISORY PRIVATE LIMITED
<b>Phone :</b> +91 91089 92346	<b>Registered Address:</b> Ground Floor, Brigade MLR Center c/o Zepco Technologies Private Limited, No. 50, Vanivilas Road, Basavanagudi, Bengaluru – 560004
<b>E-Mail :</b> harsha.venkatesh@gmail.com	<b>Correspondence Address:</b> Same as Registration address

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### III. Contents:

#### 1.Disclaimer

- (a) Particulars of this Document have been prepared in accordance with the Regulations as amended till date and filed with SEBI.
- (b) This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

#### 2. Definitions

In this Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

- (a) **Agreement:** means the portfolio management services agreement entered between the Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.
- (b) **Applicable Laws:** means any applicable Indian statute, law, ordinance, regulation including the Regulations, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.
- (c) **Capital Contribution:** means the sum of money or Securities or combination thereof, contributed by the Client simultaneously upon execution of the Agreement or any time thereafter, subject to a minimum of INR 50,00,000 (Indian Rupees Fifty Lakhs) or such other higher amount as may be specified by the Portfolio Manager in compliance with Applicable Laws.
  - (1) **Chartered Accountant:** means a Chartered Accountant as defined in clause (b) of sub-section 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.
- (d) **Client / Investor:** means such person(s) whose money or portfolio is advised or directed or managed by Portfolio Manager and is specified in Schedule I of the Agreement.

- (e) **Custodian:** means one or more custodian appointed by the Portfolio Manager, from time to time, for maintaining custody of funds and/or Securities of the Client.
- (f) **Disclosure Document or Document:** means this document filed by the Portfolio Manager with SEBI and issued to the Client as required under the Regulations and as may be amended by the Portfolio Manager from time to time.
- (g) **Distributor:** means a Person empaneled by the Portfolio Manager which refers clients to the Portfolio Manager in lieu of commission/charges.
- (h) **Eligible Investor:** means individuals, company, body corporate, partnership firm, association of persons, limited liability partnership, trust, hindu undivided family and such other persons as may be deemed by the Portfolio Manager, to be eligible to avail of the services of the Portfolio Manager from time to time under the PMS.
- (i) **Exit Load:** means the withdrawal charge/s payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (j) **Investment Approach:** is a broad outlay of the type of securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and securities and includes any of the current investment approach or such investment approach that may be introduced by the Portfolio Manager, from time to time.
- (k) **Management Fee:** means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (l) **Performance Fee:** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (m) **Portfolio or Client Portfolio:** means the total holdings of Securities and goods belonging to the Client in accordance with the Agreement.
- (n) **“Portfolio Entity”** means companies, enterprises, bodies corporate, or any other entities in the Securities of which the monies from the Client Portfolio are invested subject to Applicable Laws.

- (o) **Portfolio Investments:** means investments in Securities of one or more Portfolio Entity/ies made by the Portfolio Manager on behalf of the Client under the PMS from time to time.
- (p) **Portfolio Manager:** means DWAITH ADVISORY PRIVATE LIMITED, a company incorporated under the provisions of Companies Act, 2013 and having its registered office at Ground Floor, Brigade MLR Center c/o Zepco Technologies Private Limited, No. 50, Vanivilas Road, Basavanagudi, Bengaluru – 560004, which pursuant to a contract or arrangement with a Client/Investor, advises or directs or undertakes on behalf of the Client/Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the Client/Investor, as the case may be.
- (q) **Principal Officer:** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
- (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the funds of the Client, as the case may be; and
  - (ii) all other operations of the Portfolio Manager.
- (r) **PMS:** means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement, this Document and subject to Applicable Laws.
- (s) **PML Laws:** means the Prevention of Money Laundering Act, 2002, Prevention of Money- laundering (Maintenance of Records) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.
- (t) **Regulations:** means the SEBI (Portfolio Managers) Regulations, 2020 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.
- (u) **Securities:** shall mean and include securities/instruments of Portfolio Entities, all marketable securities including equity shares, quasi equity shares, preference shares, debentures (whether convertible or non-convertible and whether secured or unsecured and whether listed or unlisted), convertible securities, depository receipts, bonds, secured premium notes, government securities, pass-through

certificates, treasury bills, units, derivatives, equity linked products, debt, hybrid debt products, mortgage-backed securities, commercial debt papers, notes, units of a trust and any other instrument falling within the definition of 'security' under section 2(h) of the Securities Contract (Regulation) Act, 1956.

- (v) “**SEBI**” shall mean 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.
- (w) **Term:** means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.

Any term used in this Document but not defined herein (but defined in the Regulations) shall have the same meaning as assigned to them in the Regulations.

### 3. Description

#### (i) History, Present Business and Background of the Portfolio Manager

The Portfolio Manager is an entity (date of incorporation: November 19, 2018) incorporated under the provisions of Companies Act, 2013, having its registered office at Ground Floor, Brigade MLR Center c/o Zepco Technologies Private Limited, No. 50, Vanivilas Road, Basavanagudi, Bengaluru – 560004. It is SEBI registered portfolio manager bearing registration number INP000008561.

Dwaith Advisory Private Limited (Dwaith) was started in 2018 as an investment arm to manage and develop family investments. The founding Directors of Dwaith Advisory Private Limited envisioned growth of business in the advisory segment of financial markets as India grows. Dwaith currently manages approximately Rs. 6 Crores of promoters funds and has invested in various securities in the secondary market. The promoters of the company have been investing in the securities markets in India for over 20 years and have formed the company with the express purpose of investing and advisory services.

It seeks to provide discretionary portfolio management services, non-discretionary portfolio management services and advisory services to High-Net-worth Individuals (HNIs), institutional clients, corporates and other permissible class of investors.

The Portfolio Manager is also registered with SEBI as an Investment Advisor (SEBI

registration number INA000017329) to provide investment advisory services to High-Net-worth Individuals (HNIs), institutional clients, corporates and other permissible class of investors.

**(ii) Promoters of the Portfolio Manager, Designated Partners and their background**

**1. Promoters and Designated Partners of the Portfolio Manager**

**(a) Mr. Harsha Venkatesh**

Mr. Harsha Venkatesh holds a Post Graduate Diploma from NITIE, Mumbai, and boasts extensive expertise in stock markets. During the period from 2010 to 2014, he resided in Germany, followed by a stay in the USA from 2014 to 2018. Throughout this time, he actively engaged in business, research analysis, and played a pivotal role in recommending companies for mergers and acquisitions, contributing significantly to business growth.

As a dedicated value investor, he places a strong emphasis on risk management and is a steadfast practitioner of diversified asset allocation strategies, showcasing proven success over the past two decades. Mr. Venkatesh is passionate about research-backed investing, emphasizing the identification of sustainable businesses at reasonable valuations.

With a leadership style that combines experience, knowledge, and independent thinking, he is a valuable asset to the Dwaith family. In his role as the Principal Officer within the investment advisory division of Dwaith Advisory Private Limited, he shoulders responsibilities with a fiduciary and ownership attitude.

Having navigated equity investments field for over two decades, Mr. Harsha's wealth of experience is a cornerstone for the investment team of the Portfolio Manager. The team aims to leverage his guidance, ethos, and leadership to generate superior risk-adjusted returns for clients.

**(b) Ms. Kruthi Harsha**

Ms. Kruthi, with a Bachelor of Engineering degree, serves as the Research Analyst in the investment advisory division of Dwaith Advisory Private Limited. She had an exposure of working in multiple geographies i.e. Germany, USA, India over the past two decades, thereby adding credible experience.

Leveraging her extensive research experience, she has successfully identified

long-term wealth creators. The team endeavors to harness her guidance, ethos, and leadership to deliver superior risk-adjusted returns for clients.

**(c) Mr. VenkateshaMurthy**

**Mr. VenkateshaMurthy** is a graduate having more than 30 years of experience in accounting and auditing. Since last five years he is effectively shouldering the responsibility of Compliance officer for Dwaith Advisory Private Limited.

The team endeavors to harness his **extensive experience in audit, accounts and compliance** to ensure the compliance of all the applicable regulatory provisions with respect to PMS activities of Dwaith Advisory Private Limited.

**(iii) Key Personnel of Portfolio Manager and their background**

**(a) Mr. Mr. Harsha Venkatesh**

*<Kindly refer to 1 (a) above.>*

**(b) Ms. Kruthi Harsha**

*<Kindly refer to 1 (b) above.>*

**(c) Mr. VenkateshaMurthy**

*<Kindly refer to 1 (c) above.>*

**(iv) Top 10 Group companies/firms of the Portfolio Manager on turnover basis (latest audited financial statements may be used for this purpose)**

The Portfolio Manager has no Group companies/firms

**(v) Details of the services being offered: Discretionary, Non-Discretionary and Advisory**

The Portfolio Manager proposes to primarily carry-on discretionary portfolio management services and if opportunity arises thereafter, then it also proposes to render non-discretionary portfolio management services and advisory services.

DWAITH ADVISORY PRIVATE LIMITED shall provide the above services to the following category of clients:



Client Category	Nature of services
Indian resident individuals, non – resident Indians, bodies corporate, partnership firms, trust, societies, association of persons, limited liability partnership and such other persons as may be deemed by the Portfolio Manager to be eligible to avail the services of the Portfolio Manager	Discretionary/ Non- discretionary/ Advisory
Foreign Portfolio Investors and their sub - accounts	Discretionary/ Non- discretionary/ Advisory

The key features of all the said services are provided as follows:

**(a) Discretionary Services:**

Under the discretionary PMS, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Securities invested/divested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager’s decision (taken in good faith) in deployment of the Client’s account is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time except on the ground of fraud, malafide intent, conflict of interest (other than those already disclosed in the Agreement) or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws. Periodical statements in respect of the Client’s assets under management shall be sent to the respective Clients in accordance with the Agreement and the Regulations.

**(b) Non - Discretionary Services:**

Under the non-discretionary PMS, the assets of the Client are managed in consultation with the Client. Under this service, the assets are managed as per the requirements of the Client after due consultation with the Client. The Client has complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager, *inter alia*, manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the

Client.

**(c) Advisory Services:**

The Portfolio Manager may provide investment advisory services, in terms of the Regulations, which shall include the responsibility of advising on the Portfolio Investment Approach and investment and divestment of individual securities on the Client Portfolio, for an agreed fee structure and for a defined period, entirely at the Client's risk; to all eligible categories of Investors. The Portfolio Manager shall be solely acting as an advisor to the Client Portfolio and shall not be responsible for the investment/divestment of Securities and/or any administrative activities on the Client Portfolio. The Portfolio Manager shall provide advisory services in accordance with such guidelines and/or directives issued by the regulatory authorities and/or the Client, from time to time, in this regard.

**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 SEBI or the directions issued by SEBI under the SEBI Act or rules or regulations made thereunder.**

None.

- ii. The nature of the penalty/direction.**

None.

- iii. Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.**

None.

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

None.

- v. Any deficiency in the systems and operations of the Portfolio Manager observed by the SEBI or any regulatory agency.**

None.

- vi. Any enquiry/ adjudication proceedings initiated by SEBI against the Portfolio Manager or its partners, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its partners, principal officer or employee, under the SEBI Act or rules or regulations made thereunder.**

None.

**5. Services Offered**

- (i) **The present investment objectives and policies including the types of securities in which it generally invests shall be clearly and concisely stated in the Document for easy understanding of the potential investor.**

#### Investment Objective

The investment objective of the Portfolio Manager is to endeavor to deliver superior risk adjusted returns for the Client.

The Portfolio Manager seeks to deliver superior portfolio performance without taking undue risk thereby benefiting the Clients and helping them achieve their goals. Keeping the Clients' interests before its own, the Portfolio Manager intends to focus on best business practices of the fund management industry.

- (ii) **Investment Approach of the Portfolio Manager**

Please refer to **Annexure I** for more details

- (iii) **The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.**

The Portfolio Manager will not be making investments on behalf of the Client in its associates/group companies.

- (iv) **Distributors:** The Portfolio Manager may (i) appoint channel partners/distributors to on-board the Client (ii) On-board the Client directly without intermediation of any channel partners/distributors.

## **6. Risk factors**

The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

- I. Risks associated with investment in equity instruments using Quantitative Analysis/ Quant Model: Some of the Risks attached with Quantitative Analysis are: (i) Market Risk: Like any other equity investments, these are subject to market risk. (ii) Modelling Error: Quant models are subject to price and volume inputs. It is possible that some of these inputs are entered incorrectly either by in-house staff or third-party data providers whose data platforms are used by the portfolio manager. The quant model selected by the Portfolio Manager may not perform as tested; such a scenario is entirely possible and would result in a loss (iii) Deviation from theoretical model: A quant model is theoretical in nature, however at times the market may act unexpectedly resulting in a loss, the quant model cannot account for any such market behavior. The quant model may initiate a sell signal; however, the stock may not have adequate liquidity at that moment forcing the portfolio manager to further drive down the stock price.
- II. Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
- III. As with any investment in Securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
- IV. The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- V. The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
- VI. The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the marketplace and industry specific and macro-economic factors. The investment approaches are given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.
- VII. Investments in debt instruments and other fixed income securities are subject

to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.

- VIII. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
- IX. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.
- X. Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
- XI. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
- XII. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with

underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

- XIII. Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- XIV. There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.
- XV. The Net Asset Value may be affected by changes in settlement periods and transfer procedures.
- XVI. Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.
- XVII. In case of investments in mutual fund, the Client bear the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.
- XVIII. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss.

- XIX. Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned: (i) The promoter may choose not to accept the discovered prices (ii) Regulatory hurdles may delay any specific corporate action.
- XX. Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.
- XXI. Risk factors associated with Derivatives: Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the Investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. The risks associated with the use of Derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Trading in derivatives has the following risks: (i) An exposure to Derivatives in excess of the hedging requirements can lead to losses. (ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction. (iii) Derivatives carry the risk of adverse changes in the market price. (iv) Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.
- XXII. The risks of investing in equity instruments include share price falls, receiving

no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable.

- XXIII. Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio.
- XXIV. Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.
- XXV. Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

## **7. Client Representation:**

- (i) The Portfolio Manager has no previous experience/track record in the field of portfolio management services and has obtained a certificate of registration to function as a portfolio manager only on 5 Feb, 2024 and therefore has no record of representing any persons/entities in the capacity of a portfolio manager.
- (ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India-
- a) Names of Persons / enterprises by whom significant influence is exercised:
- |                     |   |          |
|---------------------|---|----------|
| 1. Harsha Venkatesh | – | Director |
| 2. Kruthi Harsha    | - | Director |
| 3. Venkateshamurthy | - | Director |
- b) The Company has no related party transactions apart from unsecured loans from



Directors as on March 31, 2023 mentioned as below:

1. Harsha Venkatesh	–	Rs. 16,94,800/-
2. Kruthi Harsha	-	40,000
3. Venkateshamurthy	-	Rs. 2,00,000/-

**8. The Financial Performance of Portfolio Manager (based on audited financial statements)**

	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023
<b>Net Profit</b>	-14,42,083	-24,600	-39,43,400

The company meets and exceeds SEBI networth requirements of Rs. 5 Cr.

**9. Performance of the Portfolio Manager**

The Portfolio Manager has no previous experience/track record in the field of portfolio management services. Accordingly, the same is not applicable.

**10. Audit Observations for preceding three years**

No audit observations in the last three financial years.

**11. Nature of expenses**

(i)	Investment management and advisory fees	<b>Section “Expense Structure”</b>
(ii)	Custodian fee	<b>At actuals (Approximate &lt;50 BPS)</b>
(iii)	Registrar and transfer agent fee	<b>At actuals (Approximate &lt;50 BPS)</b>
(iv)	Brokerage and transaction cost	<b>At actuals (Approximate &lt;50 BPS)</b>

**EXPENSE STRUCTURE**

Entry Load	Management Fee (p.a.)	Exit Load (If redeemed within 1 year from the date of the agreement)	Activation Charge	Custody And Transaction Charge	STT, Brokerage and Service Tax
Nil	No management fee. Performance fee: 25% above 6% hurdle <sup>1</sup> upon inception	<b>Redemption:</b> 0% <sup>2</sup> on the redemption amount	Actuals <sup>2</sup> (one time)	As applicable	As applicable

<sup>1</sup> No management fee is charged, any fees incurred out of pocket will be charged at actuals to the client.

<sup>2</sup> Activation charges, if any will be charged at actuals.

Profit structure is subject to change on a prospective basis with the written consent of the client.

**SHARE OF PROFIT STRUCTURE**

<b>Return Generated</b>	<b>Particulars</b>
Initial Return up to 6 % p. a. on the Capital Contribution	0%
Return in excess of 6 % p. a. on the Capital Contribution	25% (over 6% hurdle)

Expense structure is subject to change on a prospective basis with the written consent of the client.

**EXPENSE STRUCTURE - ILLUSTRATIONS**

The following computation is for illustrative purpose only. These illustrations are provided to enable the Investors to understand the levy of various applicable charges on the investment in the Portfolio on a sample of Rs. 10 Lakhs considering that the frequency of computing all the fees are on annual/actual basis.

<b>Nature of Fees</b>	<b>Amount in `</b>
Capital Contribution	1000000.00
Less : Entry Load (Actuals: book keeping, account opening, etc)	1000.00
Less : Account Opening Charges	0.00
Less : Management Fees (@ 0 % p.a.)	0.00
Assets Under Management	999000.00
Add : Profit on Investment say 20% on AUM	199800.00
Gross Value of the Portfolio at the end of the year	1198800.00
Less : Brokerage/ DP/ Transaction /Custody / STT ( Note 1 )	1000.00
Less : Service tax as applicable on Charges (Note - 2)	500.00
Net value of Portfolio at the year end	1197300.00

Calculation of Share of Profit:	Amount in (Rs.)
Gross Profit	197300
<u>Less</u> : Expenses ( all )	1000
Net Profit	196300
<u>Less</u> : 6% return of the Capital Contribution (10,00,000)	60000
Balance available for sharing	<u>136300</u>
Management fee: share of profit ( <u>25%</u> of 136300 )	34075
<b>Calculation of Return and net value for the next year</b>	
Capital Contribution	<b>1000000.00</b>
Net return for the year	162225.00
% of Return	16.22%
Share of Profit	34075
Carried forward for the next year	<b>1162225.00</b>

**Note 1:** Adhoc Value taken for understanding purpose only.

**Note 2:** Service tax will be charged on taxable services. The Adhoc value taken for understanding purpose only.

## 12. Taxation

It may be noted that the information given hereinafter is only for general information purposes and is based on the Portfolio Manager's understanding regarding the Tax laws and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change or it may not be acceptable to the tax authorities. As is the case with any interpretation of any law, there can be no assurance that the tax position or the proposed tax position prevailing at the time of an investment will be accepted by the tax authorities or will continue to be accepted by them indefinitely. In view of the individual nature of tax consequences, each client is advised to consult his/her/its tax advisor with respect to the specific tax consequences to him/her/it of participation in the product. The portfolio manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations. For complete details on taxation clients are urged to visit <https://www.incometaxindia.gov.in/Pages/default.aspx>

**Income Tax:** Under the portfolio management service, responsibility of the income tax payment on the income earned from PMS activities is on the investors. The Portfolio Manager will provide adequate statements required for the accounting purpose.

**Securities Transaction Tax:** Securities Transaction Tax (STT) at the rate of 0.10% is applicable on delivery- based trade in equity shares or units of an equity oriented fund

entered into in a recognized stock exchange. STT paid is eligible for income tax benefit under the provisions of the Income Tax Act, subject to such conditions prescribed therein.

**Short Term Capital Gain Tax:** Short-Term Capital Gain Tax is the tax that is levied on the proceeds earned through the sale of shares within one year of the purchase date for assets being shares in a company or any other security listed on a recognized stock exchange in India i.e. equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero-coupon bonds.

**Long Term Capital Gain Tax:** Long-Term Capital Gain Tax is the tax that is levied on the proceeds earned through the sale of shares after one year of purchase date for assets being shares in a company or any other security listed on a recognized stock exchange in India i.e. equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero-coupon bonds.

**Goods and Service Tax (GST):** will be applicable on services provided by the Portfolio Manager to Clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee, Audit Fees, Custodian Fees, Fund Accounting Fees, etc.

**Dividend Distribution tax (DDT):** Effective 1 April 2020 the Dividend received on the shares and units of Mutual Funds held in the Portfolio Management Services are subject to tax in the hands of investor at the applicable slab rates.

**TDS on Sale Proceeds for Non-Resident Individuals:** In respect to short-term capital gains from units of equity-oriented schemes, tax is required to be deducted at the rate of 15% for both corporate and non- corporate non-resident unit holders. Long term capital gains from equity-oriented schemes & listed equity shares are liable to be withhold @10% if the capital gain exceed Rs 1 Lakh during the financial year starting from April 1, 2018 subject to Grandfathering Clause.

### 13. Accounting policies

Following key accounting policies shall be followed:

- All investments will be marked to market.
- In determining the holding cost of investments and the gains or loss on sale of investments, the 'first in first out' method shall be followed.

- The cost of investments acquired or purchased would include brokerage, stamp charges and any charge customarily included in the broker's contract note.
- Accounting norms prevalent in the portfolio management services industry and as may be prescribed/applicable from time to time.

**14. Custody of Securities**

- i) Custody of all Securities of the Client shall be with the Custodian who shall be appointed, from time to time, at the discretion of the Portfolio Manager.
- ii) The Custodian shall act on instructions of the Portfolio Manager.
- iii) All such custodian fees, charged by the Custodian shall be payable by the Client.
- iv) The Portfolio Manager shall not be liable for any act of the Custodian, done with or without the instruction of the Portfolio Manager, which may cause or is likely to cause any loss or damage to the Client.

**15. Investor services**

The Portfolio Manager seeks to provide the Clients a high standard of service. The Portfolio Manager is committed to put in place and upgrade continuously the systems and procedures that will enable effective servicing through the use of technology. The Client servicing essentially involves:

- (a) Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- (b) Attending to and addressing any client query with least lead time;
- (c) Ensuring portfolio reviews at predefined frequency.

**Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints:**

Name	Mr. VenkateshaMurthy
Designation	Compliance Officer
Address	Ground Floor, Brigade MLR Center c/o Zepco Technologies Private Limited, No. 50, Vanivilas Road, Basavanagudi, Bengaluru – 560004
Telephone No	+919449927662
Email id	ven.venkatesh@gmail.com

**Grievance redressal and dispute settlement mechanism:**

The aforesaid personnel of the Portfolio Manager shall attend to and address any Client query/concern/grievance at the earliest. The Portfolio Manager will ensure that

this official is vested with the necessary authority and independence to handle Client complaints. The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the Client. Effective grievance management would be an essential element of the Portfolio Manager’s portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously:

1. **Quick action-** As soon as any grievance comes to the knowledge of the aforesaid personnel, it would be identified and resolved. This will lower the detrimental effects of the grievance.
2. **Acknowledging grievance-** The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.
3. **Gathering facts-** The aforesaid official shall gather appropriate and sufficient facts explaining the grievance’s nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.
4. **Examining the causes of grievance-** The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.
5. **Decision making** - After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analysed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
6. **Review** - After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Grievances/concerns, if any, which may not be resolved/satisfactorily addressed in aforesaid manner shall be redressed through the administrative mechanism by the designated Compliance Officer, namely Mr. VenkateshaMurthy and subject to the Regulations. The Compliance Officer will endeavor to address such grievance in a reasonable manner and time. The coordinates of the Compliance Officer are:

Name	Mr. VenkateshaMurthy
Designation	Compliance Officer
Address	Ground Floor, Brigade MLR Center c/o Zepco Technologies Private Limited, No. 50, Vanivilas Road, Basavanagudi, Bengaluru – 560004
Telephone No	+919449927662
Email id	ven.venkatesh@gmail.com

If the Client still remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, the Client and the Portfolio Manager shall abide by the following mechanisms:

Any dispute unresolved by the above internal grievance redressal mechanism of the Portfolio Manager, can be submitted to arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be before three arbitrators, with each party entitled to appoint an arbitrator and the third arbitrator being the presiding arbitrator appointed by the two arbitrators. Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. Further, the cost of appointing the presiding arbitrator will be borne equally by both the parties. Such arbitration proceedings shall be held at New Delhi and the language of the arbitration shall be English. The courts of New Delhi shall have the exclusive jurisdiction to adjudicate upon the claims of the parties.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System), post which SEBI may forward the complaint to the Portfolio Manager and the Portfolio Manager will suitably address the same. SCORES is available at <http://scores.gov.in>.

## **16. General**

### **Prevention of Money Laundering**

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and the investor is duly entitled to invest the said funds.

To ensure appropriate identification of the Client(s) under its Know Your Client (KYC) policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek information, record investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall



provide an undertaking that the Client, holding the funds/securities in his name, is legally authorised/entitled to invest the said funds/securities through the services of the Portfolio Manager, for the benefit of the beneficiaries.

The Portfolio Manager will not seek fresh KYC from the Clients who are already KYC Registration Agency (KRA) compliant except the information required under any new KYC requirement. The Clients who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded.

The Portfolio Manager, and its directors, shareholders, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client's account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with the provisions of the PML Laws and KYC policy. If the Portfolio Manager believes that transaction is suspicious in nature within the purview of the PML Laws, then it will report the same to FIU-IND.

Notwithstanding anything contained in this Document, the provisions of the Regulations, PML Laws and the guidelines there under shall be applicable. Clients/Investors are advised to read the Document carefully before entering into an Agreement with the Portfolio Manager.

**For and on behalf of DWAITH ADVISORY PRIVATE LIMITED**

<b>Mr. Harsha Venkatesh</b> DPIN: 08282348 Director	:	
<b>Mr. VenkateshaMurthy</b> DPIN: 08282350 Director	:	

Place: Bangalore

Date: Feb 12, 2024



**Annexure I**  
**Investment Approach**

**Concentrated Growth Portfolio: Actively managed portfolio of listed equities**

**Investment Objective** - To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.

**Description of Securities** - Client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

**Basis of Selection of type of security** - The investment approach is based on generating returns by investing in participating instruments of companies which have a proven track record of steady growth in revenues **alongside** the ability to consistently deliver a return on capital employed in excess of the cost of capital. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

**Allocation of portfolio across types of securities**

<b>Type of security</b>	<b>Allocation in portfolio</b>
Equity and equity linked instruments	Typically, 80% or more (can vary depending on opportunity)
Money market funds / Liquid funds / Bank balance	Typically, 20% or less

**Appropriate Benchmark to compare performance** – BSE 500 TRI Index

**Strategy-** Equity

**Basis for choice of benchmark** - Most of the portfolio companies fall in small, mid and large-cap category based on market capitalisation. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay-out of dividend. Hence, Sensex Index has been selected as the benchmark for comparing performance.

**Minimum investment** - The minimum value of Funds/investments which will be **accepted** towards initial corpus would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets

may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment.

**Indicative tenure or investment horizon** - 3 years – 20 years

**Minimum tenure** – 1 year under this investment approach. Redemptions will be **allowed** at the starting of the year in month of January until January 31<sup>st</sup> of every year.

**Lock-in period** – DPMS Investments managed under this Investment **Approach** shall have a lock-in until the month of January every year.

**Exit loads** - There shall be no levy of exit load on withdrawal of monies being **managed** under this approach.

**Redemptions / Partial withdrawals** - Partial withdrawal shall be **allowed** only to such extent that portfolio value after recovery of fees, charges and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of this schedule.

**Use of derivatives** - The Portfolio Manager might transact in derivatives in case it **deems** it necessary to protect the value of client's portfolios in periods of market instability.

**Risks associated with the investment approach** – Please refer the clause 6 of Risk factor

## FORM C

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

<b>Name</b>	DWAITH ADVISORY PRIVATE LIMITED
<b>Address</b>	Registered office address: Ground Floor, Brigade MLR Center c/o Zepco Technologies Private Limited, No. 50, Vanivilas Road, Basavanagudi, Bengaluru – 560004  Correspondence address: Ground Floor, Brigade MLR Center c/o Zepco Technologies Private Limited, No. 50, Vanivilas Road, Basavanagudi,
<b>Phone</b>	+91 9108992346
<b>Fax Number</b>	Not Applicable
<b>Email</b>	harsha.venkatesh@gmail.com

We confirm that:

- (i) the Disclosure Document forwarded to SEBI is following the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time;
- (ii) 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 through the Portfolio Manager;
- (iii) the Disclosure Document has been duly certified by an independent Chartered Accountant, as of date. The details of the Chartered Accountants are as follows:

Name of the Firm : [●]  
Registration Number : [●]  
Proprietor : [●]  
Membership Number : [●]  
Address: : [●]  
Telephone Number : [●]

(enclosed is a copy of the Chartered Accountant's certificate to the effect that the disclosures made in the Document are true, fair, and adequate to enable the investors to make a well-informed decision).

**For and on behalf of DWAITH ADVISORY PRIVATE LIMITED**



  
(Harsha Venkatesh)  
Director  
DIN: 08282348

Date: 12 Feb, 2024

Place: Bengaluru

Signature of the Principal Officer

**Mr. Harsha Venkatesh**

Address: Ground Floor, Brigade MLR

Center c/o Zepto Technologies

Private Limited, No. 50, Vanivilas

Road, Basavanagudi, Bengaluru –

560004