

**PORTFOLIO MANAGEMENT SERVICES**

**DISCLOSURE DOCUMENT**

**SOWILO INVESTMENT MANAGERS LLP (SEBI Registration No. INP000008127)**

**(As per the requirement of Regulation of SEBI (Portfolio Managers) Regulations, 2020)**

- (i) The document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with SEBI.
- (ii) The Document has been filed with the Board (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of SEBI (Portfolio Managers) Regulation 2020.
- (iii) The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.
- (iv) The document contains 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.

**Details of the Portfolio Manager**

<b>Name of Portfolio Manager</b>	:	Sowilo Investment Managers LLP
<b>SEBI Registration Number</b>	:	INP000008127
<b>Registered Office Address</b>	:	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063
<b>Phone No(s)</b>	:	02242570100
<b>E-mail address</b>	:	<a href="mailto:investor@sowilo.co.in">investor@sowilo.co.in</a>
<b>Website</b>	:	<a href="https://sowilo.co.in">https://sowilo.co.in</a>
<b>Branch Address</b>	:	A/608, Shilp Corporate Park, New Rajpath Club, Rajpath Rangoli Road, Sarkhej-Gandhinagar Highway, Ahmedabad, Gujarat – 380054  2A, Gaur Gadadhar Bhavan, Behind Narsimha Gift Shop, Gaurnagar, Mayapur, West Bengal - 741313

**Details of the Principal Officer**

<b>Name of Principal Officer</b>	:	Mr. Sandip Agarwal
<b>Corporate Office Address</b>	:	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063
<b>Phone No(s)</b>	:	02242570100
<b>E-mail address</b>	:	<a href="mailto:sandip.a@sowilo.co.in">sandip.a@sowilo.co.in</a>

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## Contents of Disclosure Document

### (1) **Disclaimer clause:**

The particulars given in this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations' 2020 as amended till date and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the document. You are requested to retain the document for future reference. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

Notwithstanding anything contained in the Disclosure Document, the provisions of SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time including circulars/guidelines issued from time to time shall be applicable.

This Disclosure Document along with certificate in Form C is required to be provided to the Client, at least two days prior to entering into an agreement with the Client.

### (2) **Definitions:**

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

- (i) **"Act"** means the Securities and Exchange Board of India, Act 1992 (15 of 1992) as amended from time to time.
- (ii) **"Agreement"** means agreement between Portfolio Manager and its Clients in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 and shall include all recitals, schedules, exhibits and Annexure attached thereto, and any amendments made to this Agreement by the Parties in writing.
- (iii) **"Applicable Laws"** means any applicable local or national statute, regulation, notification, circular, ordinance, requirement, directive, guidance, or announcement issued by any Authority.
- (iv) **"Application"** means the application made by the Client to the Portfolio Manager to place the monies and/or securities mentioned therein with the Portfolio Manager for Portfolio Management Services. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.
- (v) **"Assets"** means (i) the Portfolio and/or (ii) the Funds and includes all accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest, including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value), in relation to or arising out of Assets.
- (vi) **"Bank Account"** means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client or a pool account in the

- name of Portfolio Manager to keep the Funds of all clients.
- (vii) **“Board”** or **“SEBI”** means the Securities and Exchange Board of India established under subsection (1) of Section 3 of the Securities and Exchange Board of India Act, 1992 as amended from time to time.
- (viii) **“Business Day”** means days other than:
- Saturday and Sunday,
  - a day on which the Banks in Mumbai and/or RBI are closed for business/clearing,
  - a day on which the Bombay Stock Exchange and the National Stock Exchange are closed,
  - a day on which normal business could not be transacted due to storms, floods, bands, strikes etc.
- (ix) **“Client”** means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio/funds.
- (x) **“Custodian”** means an entity that has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996 appointed by the Portfolio Manager for maintaining the custody of funds and/or securities of the Client.
- (xi) **“Depository Account”** means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client or a pool account in the name of the Portfolio Manager to keep securities of Clients before they are transferred to individual Client's Depository Accounts, with any Depository or Depository Participant registered under the SEBI (Depositories and Participants) Regulations 1996.
- (xii) **“Discretionary Portfolio Management Services”** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in such Agreement, wherein the Portfolio Manager exercises any degree of discretion in investments or management of Assets of the Client;
- (xiii) **“Disclosure Document or Document”** means this document filed by the Portfolio Manager with SEBI as required under the Regulations and as may be amended by the Portfolio Manager from time to time.
- (xiv) **“Financial year”** means the year starting from 1st April and ending on 31st March of the following year.
- (xv) **“Funds”** means the monies placed by the Client with the Portfolio Manager and any accretions thereto.
- (xvi) **“High Water Mark”** means a value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year) and net of Portfolio Management Fees, for that year.
- (xvii) **“Hurdle Rate of Return”** shall mean a certain agreed level of return (as agreed with the Fee client) achieved in a Performance Fee Billing Period calculated on the relevant Performance Fee Billing Period's opening NAV.
- (xviii) **“Investment Advice”** means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the Client

- and shall include financial planning.
- (xix) **“Investment Management Fees”** shall have the meaning attributed thereto in Clause [11] of this Document under the head Fees & Services Charged.
  - (xx) **“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.
  - (xxi) **“Lock-in period”** shall mean the time period during which withdrawal of investment by the client from Portfolio Management Services shall be subject to penal charges in the form of 'exit load' being levied by the Portfolio Manager on such withdrawal. Such exit load would be mentioned in the Agreement and shall be levied in accordance with the terms agreed upon between the Client and the Portfolio Manager.
  - (xxii) **“Non-Discretionary Portfolio Management Services”** means the portfolio management services rendered to the client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager shall provide advice in relation to assets but does not exercise any discretion with respect to investments or management of the Assets of the Client, and invests and manage the Assets only after seeking and taking approval from the Client, entirely at the Client's risk.
  - (xxiii) **“Net Asset Value” (NAV)**: Net Asset Value is the market value of assets in a portfolio consisting of equity, derivative, debt, mutual funds units, cash, cash equivalents, accrued interest or benefits receivables, if any, etc. less payable, if any.
  - (xxiv) **“Parties”** means the Portfolio Manager and the Client, and “Party” shall be construed accordingly.
  - (xxv) **“Performance Fee”** shall mean a performance linked fee payable by the Client to the Portfolio Manager for the PMS Services, that will be payable if the Portfolio Manager achieves a rate of return that is greater than the Hurdle Rate of Return for the relevant Performance Fee Billing Period subject to the High-Water Mark for the relevant Performance Fee Billing Period.
  - (xxvi) **“Person”** includes any individual, partners in a partnership, limited liability partnership, central or state government, company, body corporate, cooperative society, corporation, trust, society, hindu undivided family or any other body of persons, whether incorporated or not.
  - (xxvii) **“Portfolio Manager”** means “Sowilo Investment Managers LLP.” who has obtained the certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 vide Registration No. INP000008127.
  - (xxviii) **“Plan/Product”** shall mean plans offered by the Portfolio Manager and accepted by the client for the purpose of investments.
  - (xxix) **“Portfolio”** means the Securities and/or funds managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes any Securities mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio

Manager.

- (xxx) **“Power of Attorney”** means the power of attorney to be executed by the Client in favor of the Portfolio Manager in the format specified by the Portfolio Manager, including any additional powers of attorney from time to time, in favor of the Portfolio Manager.
- (xxxi) **“Principal Officer”** means an individual who is responsible for the activities of portfolio management and has been designated as a Principal Officer by the Portfolio Manager.
- (xxxii) **“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time or any re-enactments.
- (xxxiii) **“Scheduled Commercial Bank”** means any bank included in the Second Schedule to the Reserve Bank of India Act, 1934(2 of 1934).
- (xxxiv) **“Securities”** shall mean and include “Securities” as defined under the Securities Contracts (Regulation) Act, 1956; Shares, scripts, stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and/or by any mutual funds, exchange traded funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and any other instruments or investments (including borrowing or lending of securities) as may be permitted by applicable law from time to time.

#### INTERPRETATION:

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

### (3) Description about Portfolio Manager:

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

##### a) History of the Portfolio Manager:

The LLP was incorporated on 15<sup>th</sup> June, 2022 as “Sowilo Investment Managers LLP” under the Limited Liability Partnership Act 2008 and having its registered office at 57, Ground Floor, Virwani

Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063.

b) **Present Business and Background:**

“Sowilo Investment Managers LLP” is a SEBI Registered PMS. Founded by experienced financial consultants, the Portfolio Manager focuses on providing specialized Investment Advisory Services to diversified clientele including individuals, corporates, financial institutions, retirement benefit trust, family offices under Discretionary PMS and Advisory Model.

(ii) **Directors and Promoters of the Portfolio Manager:**

Mr. Sandip Agarwal, Mr. Arvind Chirania on behalf of Ramm Sharnam Consultants LLP, and Mr. Nitesh Dhandharia are the Promoters of Sowilo Investment Managers LLP

a) **Directors/ Partners:**

The Designated Partner of the LLP are as below:

- Mr. Sandip Agarwal
- Mr. Arvind Chirania
- Mr. Nitesh Dhandharia

b) **Director's background**

- Mr. Sandip Agarwal is a commerce graduate and a Chartered Accountant with over 22 years of experience in varied fields. His core expertise has been financial research and advisory and has served Mutual Funds/Pension Funds/Insurance Funds across India and globe in the technology, telecom and internet sector. Sandip has been ranked No 2 in Asia Money best technology analyst awards in 2020, Ranked No 1 in Asia Money best technology analyst awards in 2021 and Ranked No 2 in Asia Money best technology analyst awards in 2022. Last worked as Executive director (Investment Analyst – IT, Telecom & Internet) at Edelweiss Financial Services – since 2012. He has regularly been featured on financial channels like CNBC, Bloomberg and ET Now. He also has been covered by financial newspapers like Economic Times and Business Standard. Sandip is rank holder in CA Final and graduate from Bengal University. With his versatile experience, Sandip is the lead Fund Manager at Sowilo.
- Mr. Arvind Chirania is a commerce graduate and a Fellow Member of the ‘Institute of Chartered Accountant of India’ backed with over 22 years of post-qualification experience in varied consulting areas including handling investments, financial planning, taxation, transaction structuring, and regulatory advisory services. He is a seasoned professional with a qualitative approach towards delivery, and brings in inspiration to cope with challenges, and delivers unique ideas and tailor-made products suiting the needs of the clients. Over the past 10 years, he has gained profound knowledge in fundamental and technical analysis and has been successfully handling investments for self and at family



level. He has earlier served as Principal Officer of SEBI registered Investment Advisory Firm, Riddhi Siddhi Biz-Investment Advisers LLP (SEBI Reg. No. INA000016630).

- Mr. Nitesh Dhandharia is a commerce graduate and a Chartered Accountant with more than 22 years of experience in the field of financial services. Nitesh entered the wealth management industry in 1999 after completing his Chartered Accountancy. Over the years he expanded his experience to include financial planning and investment expertise to both domestic as well as Offshore markets. Nitesh continues to use his unique planning strategies and tax expertise to pursue the financial needs of the investors. He specializes in designing strategies that provide guidance to his high-net-worth families and corporate clients to pursue wealth, manage risk, minimize taxes, and protect their estates.

**(iii) Top 10 Group Companies under the same Management as per section 370(1B) of the Companies Act, 1956, of the Portfolio Manager in India):**

<b>Name of company /entity</b>	<b>Address / phone numbers</b>	<b>Type of activity handled</b>	<b>Nature / quantum of financial dealing</b>	<b>Nature of interest of promoter / director</b>	<b>Nature of interest of Applicant</b>
Riddhi Siddhi Biz-Investment Advisers LLP	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063 Telephone No: 02242570100 Email: riddhisiddhibizinvest@gmail.com	Consulting Services	No financial dealings with Portfolio Manager	Arvind Chirania is the common Designated Partner in both the entities	Portfolio Manager and Riddhi Siddhi Biz-Investment Advisers LLP has common ultimate beneficial owners through their immediate family member or holds Designated partners position
Sowilo Capital Advisors LLP	Unit No 514, Corporate Annex, Sonawala Road, Near Udyog Bhavan, Goregaon (East), Mumbai – 400 063 Telephone No: 02260600100 Email: info@sowilocapital.co.in	Merchant Banking	No financial dealings with Portfolio Manager except that Sowilo	Sandip Agarwal and Arvind Chirania are the common partners	Portfolio Manager and Sowilo Capital Advisors LLP has common

Name of company /entity	Address / phone numbers	Type of activity handled	Nature / quantum of financial dealing	Nature of interest of promoter / director	Nature of interest of Applicant
			Capital Advisors LLP is an client of Portfolio Manager (invested in PMS of the Portfolio Manager)	and Designated Partners in both the entities	ultimate beneficial owners directly or through their immediate family member or holds Designated partners position
3i Wealth LLP - MFD	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063 Telephone No: 02242570100 Email: nitesh@3iwealth.com	Engaged in the business of Mutual Fund Distribution	No financial dealings with Portfolio Manager except that 3i Wealth LLP - MFD is an client of Portfolio Manager (invested in PMS of the Portfolio Manager)	Nitesh Dhandharia, Designated Partner is a designated partner in this entity	Portfolio Manager and 3i Wealth LLP have common ultimate beneficial owners through their immediate family member or holds Designated partners position
Alka Corporate Services LLP	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063 Telephone No: 02242570100 Email: alkacorpllp@gmail.com	Engaged in the Business of Management Services	No financial dealings or transactions with the Portfolio Manager	Not directly related to Portfolio Manager	Portfolio Manager and Alka Corporate Services LLP has common ultimate beneficial owners through their immediate family

Name of company /entity	Address / phone numbers	Type of activity handled	Nature / quantum of financial dealing	Nature of interest of promoter / director	Nature of interest of Applicant
					member or holds Designated partners position
Kennis Global Solutions LLP	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063 Telephone No: 02242570100 Email: m.jain@kennis.in	Engaged in the Business KPO, and Management Services	No financial dealings or transactions with Portfolio Manager	Not directly related to Portfolio Manager	Portfolio Manager and Kennis Global Solutions has common ultimate beneficial owners through their immediate family member
Kennis Consultancy LLP	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063 Telephone No: 02242570100 Email: kenniscpl@gmail.com	Engaged in the business of Consultancy Services and Holding entity of Alka Corporate Services LLP	No financial dealings with Portfolio Manager except that Kennis Consultancy LLP is an client of Portfolio Manager (invested in PMS of the Portfolio Manager)	Not directly related to Portfolio Manager	Portfolio Manager and Kennis Consultancy LLP has common ultimate beneficial owners through their immediate family member or holds Designated partners position
Riddhi Siddhi Eduwise LLP	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063 Telephone No: 02242570100 Email: rsedullp@gmail.com	Engaged in the Business of Management Consultancy, and Financial Consultancy Services	No financial dealings or transactions with Portfolio Manager except that	Not directly related to Portfolio Manager	Portfolio Manager and Riddhi Siddhi Eduwise LLP has common

Name of company /entity	Address / phone numbers	Type of activity handled	Nature / quantum of financial dealing	Nature of interest of promoter / director	Nature of interest of Applicant
			Riddhi Siddhi Eduwise LLP is an client of Portfolio Manager (invested in PMS of the Portfolio Manager)		ultimate beneficial owners through their immediate family member or holds Designated partners position
Ramm Sharnam Consultants LLP	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063 Telephone No: 02242570100 Email: ac@kennis.in	Engaged in the business of Consultancy Services and Holding entity	No financial dealings or transactions with Portfolio Manager	Ramm Sharnam Consultants LLP holds partnership in a Portfolio Manager	Portfolio Manager and Ramm Sharnam Consultants LLP has common ultimate beneficial owners through their immediate family member or holds Designated partners position

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

Sr. No.	Particulars	Remarks
1	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder	None
2	The nature of the penalty/direction	None

3	Any pending material litigation / legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any:	None
4	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency:	None
5	Any inquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee under the Act or Rules or Regulations made thereunder.	None
6	Penalties imposed for any economic offense and/or violation of any securities laws	None

**(5) Details of Services Offered / Proposed to be Offered**

**i. Services offered:**

The Portfolio Manager offers Portfolio Management services under Discretionary, and Advisory categories to its prospective clients.

**a) Discretionary Portfolio Management:**

Under the Discretionary Portfolio Management Services, the Portfolio Manager will have the sole and absolute discretion with regard to the selection of the type of securities traded on behalf of the Client and held in the portfolio, based on the executed agreement. The Portfolio Manager has the discretion as regards the choice and timing of the investment decisions, to make changes in the investment and to invest some or all of the funds of the Client in such manner and in such industries/sectors/securities at the Portfolio manager discretion. The Securities invested/disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Clients' funds is absolute and final and cannot be called in question or be open for review at any time during the course of the Agreement or any time thereafter except on the ground of malafide intent, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager will be exercised strictly in accordance with the relevant acts, rules, regulations, guidelines, and notifications in force from time to time.

**b) Non-discretionary Portfolio Management:**

In the case of non-discretionary services, the investment objectives, and the securities to be invested would be entirely decided by the Client. The same could vary widely from client to client. However, the execution would be carried out only after getting approval from the Client.

Under the Non-Discretionary category, the investment decisions of the Portfolio Manager are guided by the instructions received from the client. The deployment of funds is the sole discretion of the client and is to be exercised by the portfolio manager in a manner strictly complies with the client's instruction. The decision of the client in the deployment of funds and the handling of his / her / its portfolio is absolute and final. The role of the Portfolio Manager apart from adhering to investments

or divestments upon instructions of the client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the client to take appropriate investment decisions. For the purpose of acting on the client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed such as email, fax, telephone or suitable and secured message and may include managing, renewing and reshuffling the portfolio, buying and selling of securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights, etc. so that all benefits accrue to the client's portfolio, for an agreed fee structure and for a definite described period, entirely at the client's risk.

c) **Advisory Portfolio Management:**

Under these services, the Portfolio Manager only suggests the investment ideas. The decision as well as the execution of the investment advice rest solely with the investor.

ii. **Investment Objective:**

The funds of the Clients shall be invested in such capital and money market instruments, including securities as defined under the Securities Contract (Regulation) Act, 1956, and shall include any securities, derivatives and other instruments which are tradable on any of Exchanges as well as such units of Unit Trust of India and / or other mutual funds (whether listed or unlisted), government securities, debt instruments, negotiable instruments, unlisted securities, certificates of deposit, participation certificates, commercial paper, securitized debt instruments, investments in company deposits, bank deposits, treasury bills and such other eligible modes of investment and/or forms of deployment within the meaning of the Regulation issued by SEBI as amended from time to time.

The Portfolio Manager may, however, enter into futures contracts, options in securities, options on indices and other similar types of investment, which may result in the Client having to provide initial margin payments. The Portfolio Manager shall observe a high standard of integrity and fair dealing in all transactions involving the Client's Account. The investment in the securities mentioned in the above point will be in accordance with the objectives as given in the agreement and also any of the product/plan categories accepted by the client.

The investment objectives would be one or more of the following or combination thereof:

- a. To provide investment flexibility to the client across various market segments
- b. To generate better returns on investments
- c. To generate short term and/ or long-term capital appreciation

The Portfolio Manager offers various investment strategies-based portfolios to allow for standardized customization in sync with investor profile and customized portfolio as per suitability and specific requirements of the Client. The general objective is to formulate and devise an investment philosophy to achieve long term growth of capital.

The objective of the Derivative Exposure: The objective to use derivatives is purely to protect the portfolio in

case of a severe market correction. We seek to use derivatives purely to protect the client's portfolio in case of sharp drawdowns of the aggregate market. The Derivatives will only be used for hedging and/or portfolio rebalancing.

### iii. Types of Securities

The Portfolio Manager/Fund Manager shall invest in all such types of securities as defined in above (Please refer to definitions) and in all such securities as permissible from time to time.

Consistent with the investment objective and subject to Regulations, the corpus will be invested in any of (but not exclusively) the following securities:

- a) Equity and equity-related securities including convertible bonds (including equity-linked debentures) and debentures and warrants carrying the right to obtain equity shares;
- b) Securities issued/guaranteed by the Central, State Governments and local Governments (including but not limited to coupon bearing bonds, zero coupon bonds, and treasury bills);
- c) Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds;
- d) Money Market instruments permitted by SEBI/RBI;
- e) REIT, INVIT, Commodity, Exchange Traded Commodity Derivatives, etc.
- f) Certificate of Deposits (CDs);
- g) Commercial Paper (CPs);
- h) Mutual Fund units, Fixed Deposits, Bonds, debentures etc.;
- i) Units of venture funds;
- j) Securitization instruments;
- k) Foreign securities as permissible by Regulations from time to time;
- l) Any other securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted (only to the extent permitted under the Regulations), privately placed, secured, unsecured, rated, or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals as may be allowed under the Regulations.

### iv. Minimum Investment Amount

The Portfolio Manager will not accept an initial corpus of less than Rs. 50.00 lacs or such minimum amount as specified by SEBI from time to time. The client may on one or more instances or on a continual basis, make further placements of funds/securities under the services. The requirement of minimum capital contribution shall not apply to accredited investors.

### v. Details of Investment Approaches offered/proposed to be offer for Discretionary, Non-Discretionary and Advisory Services: As per Schedule 1

Investments in securities issued by associates/group companies - We shall not invest in any security issued by group/ associate group companies or in securities issued by companies of Related Parties. However, if the amount is invested in securities of related parties in future, the same would not exceed the limit and the manner as may be specified under the Regulations and the same would be updated in the Disclosure Document.

**(6) Risk Factors:**

- (i) Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments in securities will be achieved. These investments may not be suited to all categories of investors.
- (ii) The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of securities, market closure, the relatively small number of scripts accounting for the large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- (iii) The Portfolio Manager has limited previous experience/track record in the management of portfolio. However, in any event, the past performance of the Portfolio Manager is not indicative of future performance. Investors are not being offered any guaranteed or indicative returns.
- (iv) The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting, and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and Demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
- (v) Investment decisions made by the Portfolio Manager may not always be profitable.
- (vi) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy, and asset allocation.
- (vii) All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- (viii) Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.
- (ix) Equity and Equity Related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
- (x) Macro-Economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have a direct or indirect impact on the investments, and consequently the growth of the Portfolio.
- (xi) Liquidity Risk: Liquidity of investments in equity and equity-related securities are often restricted by



factors such as trading volumes, settlement periods and transfer procedures. If particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid securities and finding a buyer for such securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the plan are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.

- (xii) **Credit Risk:** Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the creditworthiness of the issuer and general market risk.
- (xiii) **Interest Rate Risk:** Is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when the interest rate rises, the value of a portfolio of fixed income securities can be expected to decline.
- (xiv) **Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance** are extraneous factors which can impact the Portfolio.
- (xv) **The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include default or non-performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.**
- (xvi) **Reinvestment Risk:** This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
- (xvii) **Non-Diversification Risk:** This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of industry/instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.

- (xviii) **Mutual Fund Risk:** This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including the performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like a change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect the performance of the investment in mutual fund units.
- (xix) Prospective clients should review / study the Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their Portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.
- (xx) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
- (xxi) Clients are not being offered any guaranteed/assured returns.
- (xxii) The investments under the Portfolio may be concentrated towards equity/equity related instruments of companies primarily belonging to a single or a few sectors and hence shall be affected by risks associated with those sectors.
- (xxiii) In the event of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.
- (xxiv) 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 Clients may suffer opportunity loss.
- (xxv) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights, or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
- (xxvi) In case of early termination of the Agreement, where Client securities are reverted to the Client, additional rights available while the securities were held as part of the Portfolio that was negotiated

by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.

**(xxvii)** Changes in Applicable Law may impact the performance of the Portfolio.

**(xxviii)** Risks pertaining to stock lending: In the case of stock lending, risks related to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, the inadequacy of the collateral and settlement risks.

**(xxix)** Risk arising out of non-diversification, if any.

**(xxx)** Tax Risk

Investors are subject to a number of risks related to taxes. In particular, the tax laws relevant to the portfolio are subject to change, and tax liabilities would be incurred by the investors as a result of such a change. The Central and State Governments of India and other local authorities impose various taxes, duties and other levies that may impact the performance of the portfolio entities. Alternative tax positions adopted by the income tax authorities could also give rise to incremental tax liabilities in addition to the tax amount already paid by the Investors. An increase in these taxes, duties or levies or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the client portfolios' profitability.

**(xxxi)** Specific Risk Disclosures associated with investments in Securitized Debt Instruments.

- a) Presently, the secondary market for such securitized papers is not very liquid. This could limit the ability of the portfolio manager to resell them. Even if sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
- b) Securitized transactions are normally backed by a pool of receivables and credit enhancement as stipulated by the rating agency, which differs from issue to issue. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.

**(xxxii)** Specific risk and disclosures associated with investment in Structured Products like Index Linked Debentures.

- The Structured Products like Index linked - Non-Convertible Debentures may lead to a portion of the funds being deployed in the derivatives markets including in the purchase of options. These investments are high risk, high return as they may be highly leveraged. A small movement in the underlying index could have a large impact on their value and may result in a loss.
- The Issuer of Equity index-linked debentures or any of its Agents, from time to time may have long or short positions or make markets including indices, futures, and options. The value of these Debentures invested into on behalf of clients could be adversely impacted by a price movement in the above securities.
- The structured products, even after being listed, may not have a market at all;
- The returns on the structured products, including those linked may be lower than prevailing market interest rates or even zero or negative depending entirely on the movement in the

underlying index and futures values as also that over the life of the Debentures. Consequently, the Debenture holder may receive no income/return at all or negative income/return on the Debentures or less income/return than the Debenture holder may have expected, or obtained by investing elsewhere or in similar investments.

- In the case of Equity Index-Linked Debentures, in the event of any discretions need to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach may be at the discretion of the by the issuer and may include the use of estimates and approximations.
- At any time during the life of such structured products, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Issuer goes down;
- The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products.
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**(7) Client Representation:**

**(i) Details of client's accounts: As on 31<sup>st</sup> March 2025**

Sr. No.	Category of clients	No. of clients	Funds managed (amt in Rs. cr)	Discretionary/ Non-Discretionary (if available)
1	<b>Associates/group companies/ Related Parties</b>			
	FY 2024-25	12	43.90	Discretionary
	FY 2023-24	7	31.69	Discretionary
2	<b>Others</b>			
	FY 2024-25	121	111.01	Discretionary
	FY 2023-24	53	59.19	Discretionary

The Portfolio Manager received license as on 5<sup>th</sup> June 2023 and hence data for FY 2023-24 consists of period from 5<sup>th</sup> June 2023 until 31<sup>st</sup> March 2024.

- (ii) Complete Disclosure in respect of transactions with related parties as per the Accounting standards specified by the Institute of Chartered Accountants of India: Please refer below for related parties with whom transactions have taken place during the year 2023-24 (audited).**

Particulars	For the year ended 31 <sup>st</sup> March 2024 (Rs. IN Lakhs)	For the year ended 31 <sup>st</sup> March 2024 (Rs. IN Lakhs)
<b><u>Revenue/ Credit</u></b>		
Income from sale of services	Nil	Nil
<b><u>Expenses / Debit</u></b>		
Professional fees paid including reimbursement	9.21	0.62
Rent	1.17	Nil

**(8) The Financial Performance of Portfolio Manager:**

LLP was incorporated on 15<sup>th</sup> June 2022 and received registration from SEBI on 5<sup>th</sup> June 2023.

**a) Capital Structure (Rs. in Crore)**

Particulars	As on 31-Mar-2022	As on 31-Mar-2023	As on 31- March-2024
a) Paid-up capital	NA	1.00	1.00
b) Free reserves (excluding re- valuationreserves)	NA	4.55	5.66
c) Current Liabilities	NA	0.02	0.38
<b>c) Total (a) + (b) + (c)</b>	<b>NA</b>	<b>5.57</b>	<b>7.05</b>

**b) Deployment of Resources (Rs. in Crore)**

Particulars	As on 31-Mar-2022	As on 31-Mar-2023	As on 31- Mar-2024
(a) Fixed Assets	NA	NA	NA
(b) Plant & Machinery & Office Equipment's	NA	0.01	0.03
(c) Investments	NA	5.13	6.75
(d) Others	NA	0.43	0.27
<b>Total</b>		<b>5.57</b>	<b>7.05</b>

## c) Major Sources of Income: (Rs. in Crore)

Particulars	As on 31-Mar-2022	As on 31-Mar-2023	As on 31- Mar-2024
(a) Income from Advisory Fee	NA	Nil	0.14
(b) Other Income and Gains	NA	0.09	1.65
(b) Expenses	NA	0.03	0.46
(c) Profit Before Tax	NA	0.07	1.33
(d) Tax	NA	0.02	0.24
(e) Profit After tax	NA	0.05	1.09

Not Applicable as LLP was incorporated on 15<sup>th</sup> June 2022 and received registration from SEBI on 5th June 2023.

## (9) Audit Observation for last 3 preceding years:

In connection with the audit of the Financial Statements of the Firm which is examined by the statutory auditor, proper books of accounts are maintained as required by law and complied with the Accounting Standards specified under the act. Based on the audit report given by the statutory auditor it is concluded that the true and fair view on the financial statements of the Firm during the last financial year(s).

## (10) Performance of the Portfolio Manager for the last 3 years (Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020):

Investment Approach – Equity	AUM (in INR Cr)	Returns (%)	Benchmark Return – Nifty Fifty TRI
<b><u>Sowilo Multicap Fund</u></b>			
FY 2023-24 (Inception date is 26 <sup>th</sup> June 2023)	54.27	27.32%	27.10%
FY 2024-25	101.43	10.62%	5.96%
<b><u>Sowilo Target Return Aggressive Scheme</u></b>			
FY 2023-24 (Inception date is 23 <sup>rd</sup> June 2023)	36.61	21.55%	26.10%
FY 2024-25	53.49	14.41%	5.96%

**(11) Fees and Services Charged (To be based on actual):**

(i) **Investment Management Fee i.e.,** Fixed Fees charged as agreed with the client wide terms and conditions mentioned in the Agreement relating to the Portfolio Management Services offered to the Clients.

(ii) **Performance Management Fee i.e.,** A performance fee based on profit slabs provided in the portfolio agreement is charged as agreed with the client wide terms and conditions mentioned in the agreement. Performance fees will be charged on the performance over the hurdle rate, management fee and any costs of trading. It shall be computed based on the high-water mark principle over the life of the investment for charging of performance/profit sharing fees.

**High Water Mark Principle:** High Water Mark shall be the highest value that the portfolio/account has reached. The value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For charging performance fee, the frequency shall not be less than quarterly.

The portfolio manager shall charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark.

(iii) The fees charged to the client for PMS Service falls under “fees for technical services” under Section 194J of the Income Tax Act 1961. This section calls for withholding tax on the fees that the client pays to the portfolio manager if he or she falls under

- An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.
- Any other person including firm, corporate, trust, etc.

(iv) **Custodian fee / Depository Charges & Fund Accounting Charges:** Charges relating to custody and transfer of shares, bonds and units, opening and operation of demat account, dematerialization and rematerialization, and/or any other charges in respect of the investment etc. The actual fees levied by the custodian for custody, demat charges and fund accounting shall be charged to the client as mentioned in the Agreement with the Client and as agreed between the Portfolio Manager and the Custodian from time to time. These charges are expected to be in the range of 5 to 15 BPS per annum.

(v) **Registration and transfer agents' fees:** Fees payable for the Registrars and Transfer Agents in connection with effecting the transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps, and courier charges.

(vi) **Brokerage, transaction costs, and other services:** The brokerage and other charges like stamp duty, transaction cost and statutory levies such as GST, securities transaction tax, turnover fees, and such other levies as may be imposed upon from time to time.

(vii) **Fees and charges in respect of investment in mutual funds:** Mutual Funds shall be recovering expenses or management fees and other incidental expenses, and such fees and charges shall be paid to the Asset Management Company of the Mutual Funds on behalf of the Client. Such fees and charges are in addition to the portfolio Management fees described above.

- (viii) **Certification charges or professional charges:** The charges are payable to professional services like accounting, taxation, certification, and any other legal services, etc.
  - (ix) **Securities lending and borrowing charges:** The charges pertaining to the lending of securities, costs of borrowings and costs associated with the transfer of securities connected with the lending and borrowing transfer operations.
  - (x) **Stamp Duty:** As may be applicable at actuals.
  - (xi) **Goods & Services Tax:** As applicable from time to time.
  - (xii) Any incidental and ancillary out of pocket expenses: All incidental and ancillary expenses not recovered above but incurred by the Portfolio Manager on behalf of the Client shall be charged to the Client.
  - (xiii) The Portfolio Manager shall deduct directly from the cash account of the client all the fees/costs specified above. Other expenses, which could be attributable to the Portfolio Management, would also be directly deducted and the Client would be sent a statement about the same.
  - (xiv) The fee so charged may be a fixed fee or performance-based fee or a combination of both as agreed in the Agreement.
  - (xv) Portfolio Manager shall not charge any entry/setup fees to Clients at the time of onboarding except the specific charges applicable for execution of the Agreement and related documents for account opening. These will be capped at INR 2,500 or such other amount as may be specified by SEBI from time to time.
  - (xvi) Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).
  - (xvii) We shall provide an option to clients to be on-boarded directly, without intermediation of persons engaged in distribution services. At the time of on-boarding of clients directly, no charges except statutory charges shall be levied.
- (12) Taxation:**
- The following summary of the relevant tax provisions of the Income-tax Act, 1961 as amended by the Finance Act, 2024 (No. 2) and is based on the law in force in India at the date hereof. This information is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does constitute tax or legal advice. This information is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. Investors / Clients should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. 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. In view of the individual nature of the tax consequences, each investor /client is advised to consult his/ her/its own professional tax advisor. The information/data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should



not be construed as investment advice.

### A. Applicable Tax Rates

Maximum tax rates applicable to different assessee are as under (for income other than special tax rates such as capital gains etc):

Resident Individual & HUF, AOP/BOI (Note 1)	30% + applicable surcharge & 4% cess
Partnership Firms & Indian Companies (other than specified companies below)	30% + applicable surcharge & 4% cess
Companies with Annual Turnover upto INR 4000 Million during the specified Financial Year	25% + applicable surcharge & 4% cess
Company opting for section 115BAA – without claiming certain deductions and exemptions	22% + 10% surcharge & 4% cess
Company opting for section 115BAB – new companies engaged in manufacturing, etc.	15% + 10% surcharge & 4% cess
Non-resident Indians* (Note 1)	30% + applicable surcharge & 4% cess
Foreign Company	35% + applicable surcharge & 4% cess

#### Applicable Surcharge

Individual/ HUF/ AOP/ BOI (resident and non-resident)	Income Rs. =>50 lacs <1 Cr	Income Rs. =>1 Cr <2 Cr	Income Rs. =>2 Cr < 5 Cr	Income Rs. =>5 Cr
Surcharge % (on the income-tax) under old regime	10%	15%	25%	37%
Surcharge % (on the income-tax) under new regime	10%	15%	25%	25%

Investor Type	Surcharge % (on the income-tax)	
	Income Rs. =>1 Cr <10 Cr	Income Rs. =>10 Cr
Firm, LLP	12%	12%
Domestic Company	7%	12%
Foreign Company	2%	5%

Surcharge is restricted to 15% for all assessee in respect of income chargeable to tax as STT paid short-term capital gains (section 111A), STT paid long-term capital gains (section 112/ 112A) and dividend income.

#### Note 1:

A new tax regime has been introduced without allowing certain deductions and exemptions with a maximum marginal rate being 30% plus applicable surcharge and cess. The tax rates under the old regime and new regime (which has been made default unless old regime is opted by the assessee) from Financial Year 2023-24 (Assessment Year 2024-25).

Tax Rates under existing old regime (surcharge as above)

Tax Rate (%)	Income Range (Rs.) applicable to		
	Resident senior aged =>60<80	Resident senior aged =>80	Other Individuals
0	0 - 3 Lacs	0 -5 Lacs	0 -2.5 Lacs
5	3 lacs – 5 lacs	-	2.5 lacs – 5 lacs
20	5 lacs – 10 lacs	5 lacs – 10 lacs	5 lacs – 10 lacs
30	Above 10 lacs	Above 10 lacs	Above 10 lacs

Tax rates under New Regime (surcharge as above)

Tax Rate (%)	Existing Income Range (Rs.) applicable upto AY 2024-25	New Income Range (Rs.) applicable from AY 2025-26
0	0 to Rs 3 lacs	0 to Rs 3 lacs
5	3 Lacs to 6 lacs	3 Lacs to 7 lacs
10	6 Lacs to 9 lacs	7 Lacs to 10 lacs
15	9 Lacs to 12 lacs	10 Lacs to 12 lacs
20	12 lacs to Rs 15 lacs	12 lacs to Rs 15 lacs
30	Above Rs 15 lacs above	Above Rs 15 lacs above

## B. TDS/ tax withholding

If any tax is required to be withheld on account of any future legislation, the Portfolio Managers shall be obliged to act in accordance with the regulatory requirements in this regard. Interest would be subject to tax as per prevailing provisions of the Income Tax Act, 1961.

Any income payable to Non-residents shall be subject to tax withholding by Custodian/ Broker or Portfolio Manager as may be applicable. Such Non-resident can claim credit of taxes withheld while filing return of income in India.

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 condition is relaxed in case of certain Non-resident assessee having valid Tax Residency Certificate from the jurisdiction authorities of country of residence.

The fees charged to the client for PMS come under the ambit of "fees for technical services" under Section 194J of the Income Tax Act, 1961 ("the Act"). As the section calls for withholding tax, the client is required to

withhold tax @2 % excluding GST, on the fees that the client pays to the Portfolio Manager if he/she falls under the following two categories:

- a) An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.
- b) Any person other than the above including firm, corporate, trust, etc.

This implies the Client (as mentioned in point 'a' and 'b' above) while making payment of the fees would deduct tax at Source. The taxes payable on any transactions entered into or undertaken by the Portfolio Manager on behalf of the client, whether by way of deduction withholding, payment or other, shall be fully borne by the client. Payment of the tax shall be the personal responsibility and liability of the client. In case the client deducts and pay the withholding tax, the client shall provide Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of filing return or due date of filing TDS Return for the quarter whichever is earlier. The Portfolio Manager is not by law, contract or otherwise required to discharge any obligation on behalf of the client to pay any taxes payable by the client.

#### **C. Advance Tax Obligations**

It shall be the client's responsibility to meet the advance tax obligations payable on the due dates as per the Income Tax Act, 1961.

The provisions of the Income-tax Act, 1961 change frequently and are also based on the status of the client, thus the client is advised to consult his/her tax consultant for appropriate advice on the tax treatment of income indicated herein.

#### **D. Taxation of investors**

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

##### **(a) Dividend**

The Finance Act, 2020 has abolished the provisions related to Dividend Distribution Tax ("DDT") and hence the dividends distributed by an Indian company are taxable in hands of the shareholders/unit holders at the rates applicable to the respective assesses.

Further, The Finance Act, 2020 has amended Section 57 of the IT Act, in respect of deduction from the dividend income. The said amendment governs that no deduction shall be allowed from dividend income other than interest expense to the extent of 20% of the dividend income. Also w.e.f. 1st April 2020 mutual fund / RTA shall be required to deduct TDS at 10 percent only on dividend payment (Above Rs 5000); No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gain.

##### **(b) Interest**

Interests on Investment are taxable in the hands of the shareholders/ unit holders at the rates applicable to the respective assesses except in certain specified cases where it is exempt from tax under the Income Tax Act 1961.

## (c) Capital Gains

Capital assets are classified as long-term assets ("LTCA") or short-term assets ("STCA"), based on the period of holding of these assets from the date of acquisition.

From AY 2025-26, all securities or units of mutual funds if sold within one-year, the resultant gains or losses are termed as short-term capital gains or losses. Short term gains arising out of transfer of equity shares and on which securities transaction tax has been paid and units of equity oriented mutual funds are taxed at a concessional rate of 20% (as increased by surcharge plus education cess). Short Term Capital Gains in other cases would be taxed at the slab rate applicable to the respective PMS client type.

In case the securities are sold after one year from the date of purchase, the resultant gains or losses are termed as long-term capital gains or losses. The gains arising out of transfer of listed securities and on which securities transaction tax has been paid and units of equity oriented mutual funds would be taxed at 12.5% (as increased by surcharge plus education cess)

From A.Y. 2025-26, an exemption of Rs. 1.25 lakh is provided of Long-term capital gain on listed securities (where STT is paid).

Note:

**"Listed Securities"** as defined under the explanation to section 112(1) of Income Tax Act, means the securities as defined in clause 2(h) of Securities Contract (Regulations) Act, 1956 and listed on any recognized stock exchange in India.

**"Unlisted Securities"** means securities other than listed securities.

**"Units"** shall have the meaning assigned to it in clause (b) of explanation to section 115AB of Income Tax Act, 1961.

The above rates shall be further increased by applicable surcharge and cess for the particular asset, client type and Assessment Year.

## (d) Proceeds on buy-back of shares by company:

As per the Section 10(34A) of the IT Act, gains arising on buy-back of shares are exempt in the hands of investors. However, as per section 115QA of the IT Act, a distribution tax at the rate of 23.296% 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 prescribed manner. *Buy back tax has been withdrawn w.e.f. 1<sup>st</sup> October 2024 and now the investor has to pay tax on the buyback amount as dividend income.*

## (e) Deemed income on investment in shares / securities of unlisted companies in India:

- Section 56(2)(x) provides that any assessee receives any property (including shares, debentures etc.)

without consideration or for inadequate consideration in excess of Rs. 50,000 as compared to the FMV shall be taxable in the hands of the recipient as Income from Other Sources.

- The CBDT has issued rules with revised mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act.
- Accordingly, such Other Income would be chargeable to tax at applicable slab rates.

(f) Provisions related to dividend and bonus stripping:

- As per section 94(7) of the IT Act, losses arising from the sale/ transfer of any securities/units (including redemption) purchased up to 3 months prior to the record date and sold within 3 months (in case of units - 9 months) after such date, will not be allowed to the extent of dividend / income distribution (excluding redemptions) on such securities/units claimed as tax exempt by the shareholder/unit holder. However, dividend has been made taxable in the hands of shareholders and hence, this provision may not have any current implications.
- Further, section 94(8) of the IT Act provides that any person who buys or acquires any units within a period of 3 months prior to the record date and such person is allotted additional units without consideration (bonus units) based on the original holding, any subsequent loss on sale of original units within a period of 9 months from the record date, will be ignored for computing the income chargeable to tax. The loss so ignored will be deemed to be the cost of purchase or acquisition of Bonus units (held at such time) when these Bonus units are subsequently sold.

#### E. 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.

#### Tax Treaty Benefits

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 (“**Tax Treaty**”) between India and the country of residence of the offshore investor to the extent of availability of Tax Treaty benefits to the offshore investors. However, no assurance can be provided that the Tax Treaty benefits would be available to the offshore investor, or the terms of the Tax Treaty would not be subject to amendment or reinterpretation in the future.

#### Tax Residency Certificate (“**TRC**”)

Section 90(4) of the IT Act provides that in order to claim Tax Treaty benefits, the offshore investor has to obtain a TRC as issued by the foreign tax authorities. Further, the offshore investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013, amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC.

The taxability of income of the offshore investor, in the absence of Tax Treaty benefits or from a country with which India has no Tax Treaty, would be as per the provisions of IT Act as discussed above.

### **F. 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.
- Further, an amendment was proposed which states that the levy of STT @0.125% on sale of an option in securities where option is exercised, would be limited to only the intrinsic value of options i.e. the difference between the settlement price and the strike price, with effect from 1 September 2019.

### **G. Minimum Alternate Tax**

- The IT Act provides for levy of Minimum Alternate Tax (“MAT”) on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Vide the Taxation Laws (Amendment) Act, the MAT rate of 18.5% has been substituted for 15% with effect from 1st April, 2020, relevant to financial year 2020-21 and assessment year 2021-22. Corporate assessee’s operating in International Financial Services Centre (‘IFSC’) shall be charged MAT at the concessional rate of 9%.
- The Finance Act, 2020 has provided that all the domestic companies opting for lower tax regime u/s 115BAA or 115BAB will not be required to pay minimum alternate tax (MAT) under section 115JB of the Act.
- If MAT is held to be applicable to the Client, then income receivable by such Client from their investment in the Fund shall also be included to determine the MAT.

The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

#### **H. Alternate Minimum Tax**

- The IT Act provides for levy of Alternate Minimum Tax ('AMT') under Section 115JC, on non-corporate assessee's having adjusted total income exceeding INR 20 lac. If the tax payable as per Section 115JC at 18.5% of the adjusted total income exceeds the regular income-tax payable, then the assessee is liable to pay AMT. Further, non-corporate assessee's operating in International Financial Services Centre ('IFSC') shall be charged AMT at the concessional rate of 9%.
- The Finance Act, 2020 has provided that assessee's opting for lower tax regime u/s 115BAC will not be required to pay AMT. Further, the provisions regarding AMT credit will also not apply to assessee's opting for this section.

#### **I. 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.

#### **J. General Anti Avoidance Rule ("GAAR")**

GAAR provisions have been introduced in chapter X-A of the IT Act (effective from Financial Year beginning on April 1, 2017), which provides that an arrangement whose main purpose is to obtain tax benefit, and which also satisfies at least one of the four specified tests as mentioned below, can be declared as an 'impermissible avoidance arrangement'.

- Arrangement creates rights or obligations, which are not ordinarily created between persons dealing at arm's length price;
- Arrangement directly or indirectly results in the misuse or abuse of the provisions of the IT Act;
- Arrangement lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- Arrangement is entered into, or carried out, by means, or in a manner, which are not ordinarily employed by bonafide purposes.

The GAAR provisions would override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply have been enumerated in Rules 10U to 10UC of the IT Rules. The IT Rules provide that GAAR should not be invoked if the tax benefit in the relevant year does not exceed INR 30 million.

On January 27, 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause ('LOB') in a Tax Treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 30 million cannot be read in respect of a single taxpayer only.

#### **K. GST**

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 to the Company.

#### **(13) Accounting Policies:**

##### **1) Basis of accounting**

- a. Books and Records for each product is separately maintained in the Back-office software (with Fund Accountant) in the name of the client to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided by the SEBI (Portfolio Management) Regulations, 2020, as amended from time to time.
- b. Accounting under the respective portfolios is done in accordance with Generally Accepted Accounting Principles except with Point (a) of Income/Expenses at Serial No. 2 below.
- c. Transactions for purchase and sale of investments are recognized as of the trade date. In determining the holding cost of investments and the gain or loss on sale of investment, the first-in-first-out method is followed. The same is done at the product level. The cost of the investments acquired or purchased would include brokerage, stamp charges, and any charges customarily included in the broker's contract note or levy by any statute except STT (Securities Transaction Tax). Securities Transaction Tax incurred on buying and selling of securities is charged to revenue account.
- d. Realized Gains/Losses are calculated by applying the First in/ First Out method.
- e. Where eligible securities have been received from the client towards corpus, the closing market value of the previous day of activation of account/receipt of securities (in case of the additional corpus) is considered as a capital contribution and deemed to be the cost of investments for the



purpose of tracking performance.

- f. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- g. Unrealized gains/losses are the differences between the current market values/NAV and the historical cost of the securities.

## 2) Income/expenses

- a. All investment income and Expenses are accounted on accrual basis except Custodian, Fund Accounting, audit fees & Depository charges which are accounted on cash basis.
- b. The dividend is accrued on the Ex-date of the securities and the same is reflected in the clients' books on the ex-date.
- c. Similarly, bonus shares are accrued on the ex-date of the securities and the same are reflected in the clients' books on ex-date.
- d. In case of fixed income instruments, purchased/sold at Cum-interest rates, the interest component up to the date of purchase/sale is taken to interest receivable/payable account.
- e. Further, Mutual Fund dividend shall be accounted on receipt basis.

## 3) Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.

## 4. Audit

- a. The Portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be given to the client.
- b. The client may appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such a chartered accountant in course of the audit.

**The Accounting Policies and Standards as outlined above are subject to changes made from time to time by the Portfolio Manager. However, such changes would be in conformity with the Regulations.**

## (14) Investor Services:

The Portfolio Manager shall ensure timely and prompt redressal of any grievances or dispute with the client.

- (i) The details of the Investor Relation Officer who shall attend to the investor queries and complaints are mentioned here below:

Name of the person	Mr. Arvind Chirania
Designation	Compliance Officer
Address	57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063
Email	arvind.c@sowilo.co.in

Investor Grievance Email ID	investor@sowilo.co.in
Telephone	02242570100

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

(ii) Grievance redressal and Dispute settlement mechanism.

Grievances, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of the court in Mumbai only and are governed by Indian laws.

The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor, and the Portfolio Manager shall abide by the following mechanisms: -

Clients with grievance or complaints regarding services provided by Portfolio Manager may submit their concerns through the following channels:

**1. Offline Mode:**

- For prompt resolution and efficient handling of Client complaints, Client can contact the Compliance Officer of the Portfolio Manager. The Compliance Officer ensures that all grievances are addressed in a timely and effective manner, prioritizing Client satisfaction and compliance with regulatory requirements. Clients can submit their concerns or complaints by reaching out to the Investor Relation Officer on the details provided above.

**2. Electronic Mode:**

**Email:**

- The Portfolio Manager has designated dedicated email IDs for Client grievance redressal. Clients can send concerns/complaints to investor@sowilo.co.in

**SCORES 2.0 (SEBI Complaints Redress System):**

- Clients can lodge complaints on SEBI's SCORES portal within one year from the date of the cause of action at <https://scores.sebi.gov.in/>

**Online Dispute Resolution (ODR) Portal:**

If a client remains unsatisfied after utilizing the above-mentioned complaint procedures, they may escalate their complaint through the SMART ODR platform at: [\[https://smartodr.in/login\]](https://smartodr.in/login)

**(15) Details of investments in the securities of related parties of the portfolio manager**

As mentioned in the Disclosure Document above, the Portfolio Manager does not make any investment in any security issued by any associate or group company or any Related Party.

Sr. No.	Investment Approach, if any	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter	Value of investment as on last day of the previous calendar	percentage of total AUM as on last day of the previous
NIL					

**(16) Details of diversification policy:**

This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. The Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk as may be feasible within the overall objective of the investment strategy.

[Add the process for portfolio diversification for portfolio risk management / Alternatively this can also be added as a part of the risk factors identified [risk from lack of portfolio diversification or risk arising from concentration of portfolio]

**(17) General Provision**

The Prevention of Money Laundering Act, 2002 (PMLA Act) came into force with effect from July 1, 2005, forming the core of the legal framework to combat money laundering. As per the provisions of the PMLA Act, Intermediaries, including portfolio managers, have certain obligations regarding verification of the identity of their clients, maintaining records and furnishing information to the Financial Intelligence Unit-India (FIU-IND). SEBI vide its various circulars issued has directed all Intermediaries, including portfolio managers to formulate and implement policies and procedures for dealing with money laundering and adoption of 'Know Your Customer' (KYC) Policy. The client should ensure that the amount invested in the Portfolio Management Service is through legitimate sources only and does not involve and is not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of the PMLA Act, the Prevention of Money Laundering Rules, 2005, Income Tax Act, Anti Money Laundering Guidelines, Prevention of Corruption Act, Act or any other applicable laws enacted by the Government of India from time to time.

The Portfolio Manager reserves the right to take all steps and actions, including recording clients telephonic calls and/or obtaining and retaining all documentation for establishing the identity of the Client, proof of residence, source of funds etc. in accordance applicable law from the client and/or the custodian as may be required to ensure appropriate identification/verification and re-verification of the Client, the course of fund etc. under its KYC policy as may be amended and updated from time to time. If at any time the Portfolio Manager believes that the transaction is suspicious in nature in accordance with applicable law, the Portfolio Manager shall have the absolute discretion to report the transaction to FIU-IND and/or any other statutory body that the Portfolio Manager is bound to report to from time to time. The Portfolio manager can also reject any application, freeze the account, compulsorily close the Client account and pay out the proceeds to the Client, at its option. The Portfolio

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

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street=B607 GALA LUXURIA NR SAIFAL  
PARISARAHMEDABADSOUTH BCPAL 380058,  
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serialNumber=c6de55c6d7bfcac486a129615c02e  
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pseudonym=cb112aac5e5426816b359ef67c7dbd  
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email=AGARWAL.SANDIP@GMAIL.COM,  
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Arvind Dinesh  
Chirania

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## Schedule 1

Details of Investment Approaches offered/proposed to be offered for Discretionary, Non-Discretionary and Advisory Services

### Investment Philosophy

- To create a platform which provides investment opportunity across asset class via equity as a superior proxy through knowledge, experience, and ethics.
- Help our clients invest in the most efficient businesses within the country and be a part of the value creation process through the framework of scale, returns, technology, leadership, and governance.
- In developing countries like India the effort required to scale up business is substantially higher than developed economies due to:
  - a) hyper-competition
  - b) demographic distribution
  - c) complex regulations
  - d) huge unorganized sector
  - e) socio-political conditions
- Based on our investment philosophy, we invest in businesses which are scalable, generate higher returns, have technological edge, are market leaders and have strong and ethical management team with good governance.
- We perceive buying of equities as a medium to buy great businesses. We don't invest in business which don't qualify the rigorous test of scale, returns, technical edge, leadership, and governance.
- Equity portfolio construction will be based on framework of investible ideas (which has passed through our rigorous test), market cap agnostic, enables diversification, offers appropriate sizing and liquidity to contain volatility / beta.
- Debt, equity, and securities portfolios will be constructed based on fundamental research, within broad framework of market caps, position sizing, sector exposure, risk etc.
- Portfolio construction will always follow the guiding principle of capital protection, and endeavour to generate superior, absolute returns for its investors over the long term. Portfolio construction will be long-only in nature and will not be hedged with short positions. Rather, hedging will be done by taking long-only positions in sectors and/or companies that are inversely co-related, to avoid portfolio-wide erosion in times of market or economic distress.
- Price movements of individual stocks/securities will be diligently monitored, and redemptions will be made (either in part or in full) whenever target prices are reached, or when the fundamentals of individual stock/securities can no longer justify their size and/or presence in the portfolio.
- The Portfolio Manager fully understands the fiduciary responsibility it has been entrusted with and, in general, the need to protect the principal of the clients will take precedence over generation of returns. The Portfolio Manager will not recklessly pursue profits at the expense of capital erosion.
- Consistent with the investment objective and subject to Regulations, the corpus will be invested in any of (but not exclusively) the following securities:
  - Equity and equity-related securities including convertible bonds (including equity-linked debentures) and debentures and warrants carrying the right to obtain equity shares;
  - Securities issued/guaranteed by the Central, State Governments and local Governments (including but not limited to coupon bearing bonds, zero coupon bonds, and treasury bills);
  - Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds;
  - Money Market instruments permitted by SEBI/RBI;
  - REIT, INVIT, Commodity, Exchange Traded Commodity Derivatives, etc.
  - Certificate of Deposits (CDs);
  - Commercial Paper (CPs);
  - Mutual Fund units, Fixed Deposits, Bonds, debentures etc.;
  - Units of venture funds;
  - Securitization instruments;

- Foreign securities as permissible by Regulations from time to time;
- Any other securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted (only to the extent permitted under the Regulations), privately placed, secured, unsecured, rated, or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals as may be allowed under the Regulations.

### **Strategy Equity - Investment Approaches**

#### **A. Sowilo Multi Cap Fund**

##### **i. Investment Objective:**

Long term capital appreciation by primarily investing in businesses through equity and equity related instruments across market capitalization. The fund will be investing in a balanced mix of large cap, mid cap, and small cap companies.

##### **ii. Types of Securities**

The fund primarily invests in:

- Equity and equity-related instruments (both listed and unlisted, as applicable).
- Convertible instruments, subject to investment suitability.

##### **iii. Portfolio Allocation**

The portfolio is designed to maintain a diversified allocation across:

- Large-cap stocks – Established market leaders.
- Mid-cap stocks – High-growth potential companies.
- Small-cap stocks – Emerging businesses with scalability.

Allocation is dynamically adjusted based on market opportunities and risk assessment.

##### **iv. Basis of selection of Investee Companies:**

Based on our in-house proprietary research in accordance with investment objective of the portfolio investing in businesses which qualifies test of scale, returns, technology, leadership, and governance. Investment purely based on bottom-up research, defining investible universe which qualify the above rigorous test.

##### **v. Benchmark and basis for choice of benchmark:**

Benchmark: S&P BSE 500 TRI

- Portfolio strategy is long term, multi-sector, and multi-cap fund.
- S&P BSE 500 TRI is the most resemble index vis-à-vis model portfolio.

##### **vi. Indicative Investment Horizon:**

The ideal investment horizon for any equity investment should be long term in nature for compounding and wealth creation of the investor. The minimum horizon expected is 3 years.

##### **vii. Key Investment Themes:**

The fund follows a diversified investment strategy to manage risks and maximize returns. The approximate allocation follows:

- 50% – Structural themes (long-term growth sectors).
- 30% – Sectoral themes (cyclical or industry-specific opportunities).
- 15% – Alpha generation (high-conviction ideas).
- 5% – Opportunistic investments (flexible allocation as required).

viii. Risk associated with the investment approach:

Investors should be aware of the following risks:

- Company Risk – Uncertainty due to business performance.
- Valuation Risk – Investments may be affected by overvaluation.
- Market Risk – Price fluctuations due to market conditions.
- Concentration Risk – Potential exposure to specific sectors or companies.
- Analysis Risk – Incorrect assessment leading to suboptimal investments.

Further details on risks can be found in Clause 6 of the Disclosure Document.

B. Sowilo Target Return Aggressive Scheme

i. Investment Objective:

This scheme is for high-risk investors who by nature are long-term but are dynamic in their approach. They have a higher appetite for both risk and return and obsess for higher IRR on a small portion of their overall capital. This scheme gives an opportunity to otherwise conversant investors to test their hypothesis, play cycles, sectors, and macro & micro events.

This scheme is recommended for the informed investors who understand the basic premise of financial markets where risk and returns move in tandem, and we assume the investor understands and is capable of choosing a point on isoquant curve (risk reward graph).

ii. Types of Securities

The scheme primarily invests in:

- Equity and equity-related instruments, with a focus on mispriced stocks.
- Listed securities, including mid-cap and small-cap stocks with potential for price correction.
- Large-cap stocks, used as a temporary allocation while waiting for mispricing opportunities.

iii. Portfolio Allocation

The portfolio follows a multi-cap strategy, with a focus on mid-cap and small-cap stocks that present mispricing opportunities. The allocation approach includes:

- Majority allocation to mispriced stocks in the mid- and small-cap segment.
- Large-cap stocks as quasi-cash holdings, to be redeployed as new opportunities arise.
- Exit strategy based on either time horizon or target return achievement.

iv. Basis of selection of Investee Companies:

The philosophy revolves around identifying mispriced stocks triggered by business cycles, sudden regulatory changes, collateral damage, temporary setback in global socio-political environment, any kind of short-term disruption and several other factors.

v. Benchmark and basis for choice of benchmark:

Benchmark: S&P BSE 500 TRI

- Portfolio strategy is multi-sector and multi-cap fund.
- S&P BSE 500 TRI is the most resemble index vis-à-vis investment approach.

vi. Indicative Investment Horizon:

The ideal investment horizon for any equity investment is long term but since in this scheme we are playing market mispricing and inefficiencies it would be unwise to think that market forces won't react and bring them to equilibrium in the long run. Hence, while we expect our clients to be long term (invest for longer period) and informed, our approach will be short to medium term when it comes to generating returns, ideas, and execution. We believe mispricing is an ongoing activity due to uncertain micro, macro, natural calamities, and socio- political developments, the instruments keep changing in short to medium term. The minimum horizon expected is 3 years.

vii. Key Investment Themes:

The scheme is structured as a multi-cap fund with the following allocation approach:

- Maximum allocation to mispriced stocks in mid- and small-cap segments.
- Large-cap holdings serving as quasi-cash, awaiting the right market entry points.
- Exit decisions based on either time-bound strategy or achieving predefined target returns.

viii. Risk associated with the investment approach:

The risks associated with the investment are highlighted in Clause 6 of this Disclosure Document. Being aggressive in nature, the upside risk and return under this scheme will be higher as compared with our core Multi Cap scheme.



## SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020 (Regulation 22)

**57, Ground Floor, Virwani Industrial Estate, Off. Western Express Highway,  
Goregaon East, Goregaon East, Mumbai, Maharashtra, Pin Code: 400063**  
SEBI Registration Number: **INP000008127**

(i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and Guidelines issued by SEBI dated February 13, 2020.

(ii) the disclosures made in the Disclosure 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 Product(s).

(iii) the Disclosure Document has been duly certified by Sanjay Shah & CO LLP, independent Chartered Accountant, April 29, 2025 (enclosed with a copy of the chartered accountants' certificate to the effect that the disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make a well-informed decision).

SANDIP  
KUMAR  
AGARWAL

Digitally signed by SANDIP KUMAR AGARWAL  
DN: cn=IN, postalCode=380058, st=GUJARAT,  
street=8607 GALA LUXURIA NR SAFAL  
PARISARMHEDNABAD SOUTH BOPAL 380058,  
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serialNumber=c6de553c6d7bcfa4286a129615e  
02060e04a205d72cf8ba19729aa4d08e1338,  
pseudonym=b122a2cae4540611bbc359ef6972  
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email=AGARWAL\_SANDIP@GMAIL.COM,  
cn=SANDIP KUMAR AGARWAL  
Date: 2025.04.29 17:31:56 +05'30'

Date: 29<sup>th</sup> April 2025

**CERTIFICATE**

To,  
The Managing Partners,  
Sowilo Investment Managers LLP,  
57, Ground Floor,  
Virwani Industrial Estate,  
Off. Western Express Highway,  
Goregaon East, Mumbai,  
Maharashtra, Pin Code: 400063

1. You have requested to us to provide a certificate on the Disclosure document for Portfolio Management Services ("the Disclosure Document") of Sowilo Investment Managers LLP ("the Firm"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India ("the SEBI")
2. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and guidelines issued by SEBI from time to time is the responsibility of the management of the Firm. Our responsibility is to report in accordance with the Guidance note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statement taken as a whole. We have not conducted an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.
3. In respect of the information given in the Disclosure document, we state that
  - i. The Promoters and partners, Key managerial personnel qualification, experience and ownership details are as confirmed by the Firm and have been accepted without further verification.
  - ii. We have relied on the representations given by the management of the Firm about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document
  - iii. With regard to TWRR calculation method, we have been informed by the management that the TWRR has been calculated by their software as per



the logic specified by SEBI.

- iv. Our certification is based on the audited Balance sheet of the Firm for the year ending March 31, 2024, audited by Statutory Auditors, Firm's Chartered Accountants and examination of other records, data made available, and information & explanations provided to us.
4. Read with above and on the basis of our examination of the books of accounts, records, statements produced before us and to the best of our knowledge and according to the information, explanations and representations given to us, we certify that the disclosure made in the Disclosure Document dated April 29, 2025 are true and fair in accordance with the disclosure requirements laid down in Regulation 30 (2) read with Schedule V to the SEBI Regulations.
5. This certificate is intended solely for the use of the management of the Firm for the purpose as specified in paragraph 1 above.

**For Sanjay Shah & CO LLP**  
**Chartered Accountants**

SANJAY  
KUMAR  
SHAH

Digitally signed by  
SANJAY KUMAR  
SHAH  
Date: 2025.04.29  
11:42:42 +05'30'

**Sanjay Shah**  
**Partner**

Membership No. 118586

Firm Registration Number: W101007

UDIN No: 25118586BMKOCC4410

Place: Mumbai

Date: 29th April 2025

