

Sanjeev O P Kapoor & Co.

Chartered Accountants

Office:

E-185, (Basement), Lajpat Nagar-1

New Delhi – 110 024

Tel. : +91-11-35008077,+91-9999633505

E-mail: sanjeev@kapoorsanjeev.com

Certificate

We hereby certify that:

- The contents of Disclosure Documents forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and the directives issued by the Board from time to time;
- The disclosures made in the Document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to Estee Advisors Private Limited (formerly Estee Fincap Private Limited) for investment in the Portfolio Management Scheme.

For Sanjeev O P Kapoor & Co.,
Chartered Accountants



CA Sanjeev Kapoor

FCA-091402

Proprietor



Date: 16th February, 2023

Place: New Delhi



Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited)

CIN: U65990GJ2019FTC115697

***Disclosure Document
of
Portfolio Management Services***

Registered and Dealing Office

PO5-01A, PO5-01B, PO5-01C, 5th Floor, Tower A,
WTC Gift City, Block 51, Road 5E, Zone 5,
Gift City, Gandhinagar, Gujarat – 382355

E-mail: pmshelpdesk@esteeadvisors.com

Grievances addressal: investorsgrievances@esteeadvisors.com

Corporate Office

8th Floor, Block-I, Vatika Business Park
Sector-49, Sohna Road, Gurgaon, Haryana-122001
Ph No: 0124-4637700, Fax No: 0124-4637701

E-mail: pmshelpdesk@esteeadvisors.com

Grievances addressal: investorsgrievances@esteeadvisors.com

For Estee Advisors Private Limited

Umesh Kumar
Director, DIN: 01111082

DISCLOSURE DOCUMENT

(As per the requirement of Fifth Schedule of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulation, 2020)

- i) The Disclosure Document has been filed with the Securities & Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
- ii) 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 informed decision for engaging Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited) as a Portfolio Manager.
- iii) The Disclosure Document contains the necessary information about the Portfolio Manager, required by an investor before investing, and hence, the investor may be advised to retain the document for future reference.
- iv) The following are the Details of the Portfolio Manager:

Name of the Portfolio Manager	Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited)
Name of the Portfolio Manager of EAPL (amalgamated entity) (person responsible for PMS portfolios)	Aniket Batra
SEBI Registration Number	INP000007720
Registered Office Address	PO5-01A, PO5-01B, PO5-01C, 5th Floor, Tower A, WTC Gift City, Block 51, Road 5E, Zone 5, Gift City, Gandhinagar, Gujarat – 382355
Phone	0124-4637700
Fax	0124-4637701
Website	https://esteadvisors.com

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

Name of the Principal Officer	Mr. Nikhil Dhingra
Phone	9535783718
Email	nikhil.dhingra@esteadvisors.com
Registered Office Address	PO5-01A, PO5-01B, PO5-01C, 5th Floor, Tower A, WTC Gift City, Block 51, Road 5E, Zone 5, Gift City, Gandhinagar, Gujarat – 382355

Date: 13.02.2023



For Estee Advisors Private Limited

Umesh Kumar
Director, DIN: 01111082

**Disclosure document in terms of Regulation 14 of the SEBI
(Portfolio Managers) Regulations, 2020**

This Disclosure document has been filed with SEBI along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 2020.

The purpose of this Disclosure document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making decisions for engaging a Portfolio Manager.

The necessary information about the Portfolio Manager required by an investor before investing is disclosed and the investor may be advised to carefully read this entire document before deciding and retain it for future reference.

All the intermediaries involved in the Strategy are registered with SEBI as on the date of the document.

PRINCIPAL OFFICER: Nikhil Dhingra



Nikhil Dhingra



E-mail: nikhil.dhingra@esteeadvisors.com



INDEX

S. No.	Particulars	Page No.
1	Form C	05
1.1	Disclaimer Clause	06
2	Definitions	06
3	Description	08
3.1	History, Present Business and Background of the Portfolio Manager	08
3.2	Promoters of the Portfolio Manager, Directors and their Background	09
3.3	Details of services being offered by the Portfolio Manager	10
3.4	Minimum Investment Amount	11
4	Penalties / Pending litigations etc.	11
5	Details of services / Strategies offered by the Portfolio Manager	12
6	Risk Factors	12
7	Client Representation	17
7.1	Disclosure in respect of transactions with related parties	17
8.	Financial performance of the Portfolio Manager (based on audited financial statement)	18
9.	Portfolio Management Performance	19
10.	Nature of Expenses	20
11.	Tax Implications	20
12.	Accounting Policies	21
13.	Investor Services	23
14.	Services Availed from Thirty Party	23
15.	Liability of Investors	23
16.	General	24



For Estee Advisors Private Limited

Umesh Kumar
Director, DIN: 01111082

FORM C

**SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS)
REGULATIONS, 2020 (Regulation 14)**

Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited)

Registered Office: PO5-01A, PO5-01B, PO5-01C, 5th Floor, Tower A, WTC Gift City, Block 51, Road 5E, Zone 5
Gift City, Gandhinagar, Gujarat – 382355

Tel: 0124-4637700 Fax: 0124-4637701 E-mail: pmshelpdesk@esteadvisors.com

Dear Investor,

We confirm that:

- I. The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- II. The disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us/investment in the Portfolio Management Strategy;
- III. The Disclosure Document has been duly certified by an independent Chartered Accountant, viz, Mr. Sanjeev Kapoor (M. No. 091402) of M/s. Sanjeev O P Kapoor & Co., E-185, Lajpat Nagar, New Delhi-110024 Tel :011-29818072 **3500 8077.**

For Estee Advisors Private Limited

Date : 13.02.2023
Place : Gurgaon

Name : **Umesh Kumar**
Designation : Director & Compliance Officer
Address : 8th Floor, Block-I, Vatika Business Park, Sector-49
Sohna Road, Gurgaon-122001, Ph.: 0124-4637700

Umesh Kumar
PAN: 09111082



M. DISCLAIMER

This disclosure document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and has been filed with the Securities and Exchange Board of India (SEBI). This document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of its contents.

2. DEFINITIONS

In this Disclosure Document, unless the context otherwise requires:

'Act' means the Securities and Exchange Board of India Act, 1992 (15 of 1992).

'Application' means the application made by the Client to the Portfolio Manager to place its funds and/or securities 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

'Agreement' means the agreement executed between the portfolio manager and its clients in terms of regulation 14 and schedule IV of SEBI (Portfolio Managers) regulations, 2020 and SEBI (Portfolio Managers) Amendment Regulations, 2002 issued by the Securities and Exchange Board of India and as may be modified from time to time.

'Assets' means (i) the Portfolio and/or (ii) the Funds.

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

'Bank' means scheduled commercial bank, with which the Portfolio Manager will open and operate the Bank Accounts for the purposes of the Portfolio Management Services.

'Cash Account' or 'Bank Account' means one or more bank accounts opened, maintained and operated by the Portfolio Manager in the name of the clients or a pool account in the name of the Portfolio Manager to keep the funds of all clients, where the Funds of the clients will be separately identified in a sub-account for the portfolio management services to be provided by the Portfolio Manager.

'Client' or 'Investor' means any person who registers with the Portfolio Manager for availing the Services of Portfolio Management.

'Custodian(s)' means Custodian(s)/Depository Participant(s) as may be appointed by the Portfolio Manager, from time to time, for Custody of Securities of the Client and to perform such other functions like keeping track of corporate benefits associated with the securities etc.

'Chartered Accountant' means a Chartered Accountant as defined in Clause (b) of Sub-section (1) of Section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under Sub-section (1) of Section 6 of that Act.

'Depository' means Depository as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

'Depository Account' means the pool account styled as "Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited) PMS Strategy A/C" for all its clients for all and/or some of their Strategies / products and/or individual pool accounts for each of their Strategies / products or individual accounts of clients or a combination of all or any of these at the sole discretion of the Portfolio Manager and opened, maintained and operated by the Portfolio Manager on behalf of the Client with Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited), India or any other entity, being a Depository Participant, for the purpose of providing the Portfolio Management Services.

'Disclosure Document' means this disclosure document issued by the Portfolio Manager for offering Portfolio Management Services, prepared in terms of Regulation 14 and Schedule V of the SEBI (Portfolio Managers) Regulations, 2020.

'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 exercises its sole and absolute discretion with respect to investments or management of the Assets of the Client, entirely at the Client's risk, in such manner as the Portfolio Manager may deem fit.

'Financial year' means the year starting from 1 "April and ending on 31" March the following year.

'Funds' means the moneys placed by the Client with the Portfolio Manager and any accretions thereto.

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

'Initial Corpus' means the value of the funds and the market value of readily realizable investments brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.

'Non-Discretionary Portfolio Management Services' means the Portfolio Management Services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing, for an agreed fee structure and for a definite described period, invests in respect of the Client's account in any type of security entirely at the Client's risk and to ensure that all benefits accrue to the Client's Portfolio.

'Advisory Services' means the investment advisory services provided to a Client in relation to the Investment Products that the Portfolio Manager may recommend to the Client and such Investment Products as the Portfolio Manager reasonably believes to be suitable for the Client and which are in accordance with the Customer's investment objectives, as stated in the Profiling Document completed by the client.

'NRI' means a non – resident Indian as defined under the Foreign Exchange Management Act, 1999.

'Portfolio' means the total holdings of all investments, securities and funds belonging to the client.

'Portfolio Manager' means Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited), a company incorporated under the Companies Act, 1956 and having its registered office at PO5-01A, PO5-01B, PO5-01C, 5th Floor, Tower A, WTC Gift City, Block 51, Road 5E, Zone 5, Gift City, Gandhinagar, Gujarat – 382355.

'Portfolio Management Fees' means fees payable by the Client to the Portfolio Manager as specified in the Agreement for the Portfolio Management Services.

'Principal Officer' means an employee of the portfolio manager who has been designated as such by the portfolio manager.
"Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

'Rules' unless the context indicates otherwise, means all rules prescribed by SEBI including without limitation Securities and Exchange Board of India (Portfolio Managers) Rules, 2020, as may be amended from time to time and other relevant authorities and all other rules made under the relevant laws governing the same.

'Strategy' means any investment Strategy launched by the Portfolio Manager from time to time for managing the Portfolio of its Clients.

"Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and shall also mean to refer to Regulation 18 of Chapter III of SEBI (Investment Advisers) Regulations, 2013 where applicable.

'SEBI' means the Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992

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 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

3.1 History, present business and background of the Portfolio Manager.

Previously registered Portfolio Member, PMS reg no. INP000007720, Estee Advisors Private Limited, was incorporated under the Companies Act, 1956 on May 7, 2008. The aforesaid company ran PMS activities successfully from January 2009 till May 2021. It got amalgamated with group company Estee Advisors Private Limited (formerly Estee Fincap Private Limited) as per NCLT orders dated 3rd May 2021.

Estee Advisors Private Limited (formerly Estee Fincap Private Limited) is a private limited company incorporated under the Companies Act, 2013 on July 16, 2019 with the Registrar of Companies, NCT of Delhi and Haryana and has its corporate identity number as U65990GJ2019FTC115697. Thereafter, the registered office was shifted from the State of Haryana to the State of Gujarat and a revised certificate of registration dated August 21, 2020 was issued to this effect. The company is having its registered office at PO5-01A, PO5-01B, PO5-01C, 5th Floor, Tower A, WTC GIFT City, Block 51, Road 5E, Zone 5, GIFT City, Gandhinagar, Gujarat – 382355. Estee Advisors Private Limited (formerly Estee Fincap Private Limited) has been incorporated with an objective to carry on the business of providing portfolio management services, execution and brokerage services and proprietary trading.

Pursuant to a Scheme of amalgamation between Estee Advisors Private Limited (Transferor Company) and Estee Advisors Private Limited (formerly Estee Fincap Private Limited) (Transferee Company) and their respective shareholders under section 230-232 of the Companies Act 2013, approved by Hon'le NCLT in their order dated 3rd May 2021, all the assets, liabilities, licenses, properties, rights, obligations, title, relationships, agreements & interest, stand transferred to Estee Advisors Private Limited (formerly Estee Fincap Private Limited) (Transferee Company).

Hence now Estee Advisors Private Limited (formerly Estee Fincap Private Limited) has become a trading member with the National Stock Exchange, Bombay Stock Exchange, Multi Commodity Exchange, Metropolitan Stock Exchange on successful re-registrations & enablement of the new entity. EAPL (formerly EFPL) is doing Proprietary trading, Investment Advisory & providing stock broking & clearing services to several clients. It has obtained new Portfolio Manager registration with the Securities and Exchange Board of India with number INP000007720.

The group is headed by Mr. Sandeep Tyagi. The Company follows a centralized system of Accounting. They also have an excellent Risk Management System in place, which identifies and restrains any undesirable trades. The Surveillance Systems generates alerts against any excessive exposures or internal violations. They also ensure that all compliances related issues of the Stock Exchanges and SEBI are adhered to and diligently followed on a regular basis. The Risk Management Cell, through software developed in-house, controls the entire back office operations and some (like fund accounting) have been outsourced depending on the specific needs.

The Group has launched automated platform for identifying investment opportunities. Centralized Help desk has been set up for efficient execution of trades and resolving client queries. The Group has V-Sat network/Lease Line Network/Co-location network, facilitating trading on multiple segments and exchanges.

The entire MIS is net browser based software, by which a client can download monthly performance report online.

Brief details of the Risk Management Process are as follows:

The group maintains a sophisticated computer based risk management system. Each trade is checked for availability of appropriate funds, limits, exposure to limits to particular securities among other checks. Each trade is checked against the funds available in the client accounts before execution. At no point can the net exposure in the client account exceed the total funds available in the account.



The software monitors the marked-to-market Loss and margin requirement on a real-time basis and can take appropriate action at a right time. Upfront margin is allocated in cash & F&O Segment.

Limit Setting and Monitoring: Each trade is checked against the total funds available in the clients' accounts before execution. At no point can the net exposure exceed the total funds available in the account.

Scrip wise Limit Setting: Scrip wise limits within an overall group wise limit is inbuilt into the systems, i.e.

For each Strategy, viz I-Alpha, I Bond, I-Stat & I-Systematic and each client a trading limit is maintained. In addition, we maintain absolute net exposure limits (typically 10% of the any client portfolio) to any single underlying security.

Strategy wise Limit Setting: Each Strategy has a limit set based on the total funds invested by the Clients who have subscribed to that Strategy. Each trade is checked against the funds available in the Strategy before execution. At no point can the net exposure in the Strategy exceed the total funds available in the account. At the end of the day, the trades done in a Strategy are fully allocated to each Client account at the average price of the day. If the allocation results in a fractional share, it is held in a Fractional Share Account.

Method of Monitoring Client risk: The risk monitoring cell monitors the following parameters of all clients: Overexposure, Mark to market of collaterals, Volume manipulation and Price rigging. To enable monitoring the above, we have developed in house software to monitor scrip-wise client-wise position as well as usage of limits.

Further, to exercise overall control, before the start of trades for a day, a file is uploaded into our trading systems. This file represents the Strategy and client wise overall limits, which are set based on their free collaterals, arrived at after the trades of the previous day.

Authorization Framework

Limit Setting: Done by VP of Finance and Compliance.

Limit Monitoring: Done by a risk manager using sophisticated software system. In case of breach of limits which is unresolved by the end of the day is escalated to VP of Compliance.

A report is generated every day and circulated to the management. The offline risk management team monitors the overall risk on an online real-time basis by using in-house software, which extracts all relevant information from the financial ledgers, non-cash collaterals from the client is holding statements together with the latest exposure positions for intra-day trades. The designated director, daily, handles the entire risk management.

3.2

Promoters and Directors of the Portfolio Manager and their background in brief

Promoters and their holding details

Sr. No	Name	Number of Shares		Face Value	Amount	% Holding	
		Equity	CCPS			Equity	CCPS
1	Estee Holding INC	1,427,959	0	10	14,279,590	100%	0.00%
2	Sandeep Tyagi	1	37,307,163	10	373,071,630	0.00%	74.51%
	Total	1,427,960	37,307,163			100.00%	74.51%

For Estee Advisors Private Limited

Umesh Kumar
Director, DIN: 01111082



Sr. No	Name of Director & Address	Qualification & Experience	Directorship in other Cos.	Shareholding in Estee Advisors Pvt. Ltd (Erstwhile Estee Fincap Private Limited).
1.	Sandeep Tyagi 15019 Pendio DR. Montverde, FL, 34756 3615	B.Tech (CS), IITD, MBA (Columbia University) 23 Years (Market Experience)	1. Estee Financial Services Pvt. Ltd 2. Estee Capital LLC 3. Axtia Inc 4. SpectraMD USA Inc 5. Kirusa Inc 6. Estee IFSC Pvt. Limited 7. Estee Holdings INC	74.51% Equity :1, CCPS: 3,73,07,163
2.	Umesh Kumar H-10/12, Malviya Nagar New Delhi – 110017	B.Com, FCA 29 years (Market Experience)	1. Estee IFSC Private Limited 2. Estee Financial Services Private Limited	----
3.	Shalabh Rakyan S-237, Ground Floor, Panchseel Park, New Delhi, - 110017	MBA, 6 years' experience	1. SDJJ Enterprises LLP 2. Estee IFSC Pvt. Limited 3. New Leaf Jewels Pvt. Ltd 4. Estee Financial Services Private Limited.	----
4.	Shailendra Kumar Sahu 630/1, In front of Kambal Mill, Nagariya Colony, Jhansi, Uttar Pradesh, 284001	MBA, 9 years (Market Experience)	----	-----

3.3 Details of services being offered by the Portfolio Manager

The Portfolio Manager broadly offers services under the Discretionary category, Non-Discretionary Category and the Advisory category.

Discretionary Portfolio Management Services.

Under the Discretionary Portfolio Management Services, the Portfolio Manager shall deploy the Assets brought in by a Client by investing or disinvesting suitably in the capital markets as per the Act and Regulations.

The Portfolio Manager shall be acting in a fiduciary capacity, both, as an agent as well as a trustee, about the Client's account consisting of investments, 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).

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

The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the client in any type of security as per executed Agreement and make such changes in the investments and invest some or all the Funds in such manner and in such markets as it deems



fit. The Portfolio Manager's decision (taken in good faith) in deployment of the client's funds is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. The right of portfolio Manager will be exercised strictly in accordance with the relevant acts, rules, regulations, guidelines and notification in force from time to time. Periodical statements in respect Client's Portfolio shall be sent to the respective Client.

The Portfolio Manager currently offers two Strategies viz I-Alpha & I-Systematic.

Non-Discretionary Portfolio Management Services.

Under this service, the portfolio manager only suggests the investment ideas. The choice as well as the timings of the investment decisions rest solely with the investor. However, the execution of the trade will be done by the portfolio manager.

The Portfolio Manager currently offers one Strategy I-Bond.

Advisory Portfolio Management Services.

Advisory management services allow individuals to retain full control over their portfolios and make their own investment decisions; the investment advisor's role is solely to offer an informed opinion.

The Portfolio Manager currently offers one Strategy I-Stat.

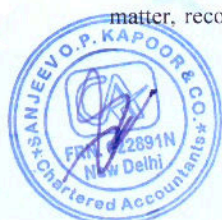
3.4 Minimum Investment Amount

The Minimum amount to be invested under the portfolio is INR 50,00,000/- (INR Fifty lacs only).

1. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS ETC.

1.	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under.	NIL
2.	The nature of the penalty/direction.	N.A.
3.	Penalties imposed for any economic offence and/ or for violation of any securities laws.	NIL
4.	Any pending material litigation/legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any.	NIL
5.	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency	NIL
6.	Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made there under.	NIL

Note: The Board conducted an inspection on Estee Advisors Private Limited (amalgamated entity) PMS operations for the period April 01, 2013 to April 30 2014 and issued a show cause notice (SCN) dated December 04 2015 alleging violations of provisions of Regulations 15(1), 15(2A) and 15(4) of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020. Estee Advisors submitted a consent application for settlement under SEBI Regulations 2014 on March 09 2016 which was reviewed by the High Powered Advisory Committee (HPAC) on December 20, 2017. The HPAC, after considering the facts and circumstances of the matter, recommended a settlement amount of INR 1,445,000. This was approved by the panel of Whole Time Members of SEBI and



accordingly, Estee Advisors Pvt Ltd (amalgamated entity) paid the aforesaid sum on February 09, 2018. A settlement order was passed by SEBI on February 23, 2018 which disposed off the aforesaid adjudication proceedings against Estee Advisors Pvt Ltd (amalgamated entity).

5 SERVICES OFFERED

5.1 Investment Objective

The portfolio manager provides various investment products/ services based on the consent of the Client and subject to the scope of investment as per the agreements between client and portfolio manager. The investment objectives would be one or more of following or combination of thereof;

- a) To generate regular return on investments in debt and money market instruments.
- b) To generate capital appreciation/ regular return by investing in equities/derivatives.
- c) Investing in mix of fixed income and equity derivatives instruments in such manner so as to secure certain percentage of investment while attempting to enhance returns by use of derivatives.
- d) To earn regular return by dealing in derivatives.
- e) To generate regular return by investing in gilt securities issued by central/state government.
- f) To generate regular return by identifying pricing differences within different markets and trading in hedged manner.

5.2 Types of services offered

Under the discretionary services, following Strategies are offered to investors.

I-Alpha identifies mispricing between various market instruments. For example, we may notice that an instrument is trading at a higher price (adjusted for carry and dividends) in the futures market compared to its value in spot market. In such a case, we take a hedged position (e.g. long in spot and short in future market) to capture the pricing difference. Our positions are hedged using equivalent risks (e.g. index futures against its components). In most cases, we can create a perfect hedge however, in certain cases we are not able to create a perfect hedge as the equivalent instruments may not have the liquidity or listed products to take the required positions. In such cases, we construct the hedge with equivalent securities with as close a hedge as possible. We do not take directional positions under this Strategy except for very short durations during the execution of various parts of a trade. Since we do not take directional positions we do not have typical market risk and price movement typically has minimal impact on our portfolio. We have nearly zero market exposure and the underlying risk is typically expected to be the same, but there may be marginal price / venue risk as different sides of the arbitrage trade could be taken in different exchanges / markets. We do have significant execution related risks.

The strategy will take exposure in Shariah compliant & Non-Shariah compliant scrips and index.

I-Systematic Strategy Long Alpha is a directional strategy that aims to consistently outperform the benchmark equity index while maintaining low volatility. It is a quantitatively managed fund that implements a systematic rule-based trading model to remove human subjectivity. The strategy takes data from the market as input and identifies investible businesses from S&P BSE 500 universe using a combination of technical and fundamental factors based on which the position is built in the top ranked stocks. The capital is always invested in our equity portfolio optimized for risk rated returns. The portfolio is regularly re-evaluated and rebalanced. This product has equity index (e.g. Nifty50) kind of risk with a much superior expectation of returns..

The strategy will take exposure in Shariah compliant & Non-Shariah compliant scrips and index.

Under the non- discretionary, following Strategy is offered to investors.



I-Bond It is an open-ended strategy that delivers interest income and capital gains by managing high quality debt. The fund invests in eligible securities under section 11(5) of the Income Tax Act, 1961 and is restricted to trusts, societies and NGOs.

Under advisory services, following Strategy is offered to investors.

I-Stat It is a high expected return product with high volatility which trades on the basis of statistical relationships between baskets of correlated and co-integrated stock futures that are identified and tested using proprietary models. This is based on the premise that relationships between stock returns in a homogenous group are driven by common risk exposures and correlations are mean reverting over time. The portfolio is constructed in a manner that it is delta neutral and diversified across sectors.

We intend to develop additional Strategies in the future.

6. RISK FACTORS

- Investments in Securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- The past performance of the Portfolio Manager in any Portfolio is not indicative of the future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.
- The performance of the Portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- The performance in the equity portfolios may be adversely affected by the performance of individual companies, changes in the market place, company specific and industry specific and macroeconomic and regulatory factors.
- The performance of the assets of the Client may be adversely affected by the performance of individual securities, changes in the market place and industry specific and macroeconomic factors.
- The debt investments and other fixed income Securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
- The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities which may expose the Client's Portfolio to liquidity risks.
- Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/ counter party.
- Portfolio services using derivatives, futures and options are affected by risk different from those associated with stock and bonds. Such investments are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives and futures and options. Some of the risks relate to mis-pricing on the improper valuation of derivatives and futures and options and the inability to correlate the positions with underlying assets, rates and indices. Additionally, the derivatives and future and options market is nascent in India.
- The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the portfolio management services. All Portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.



- Investment decisions made by the Portfolio Manager may not always be profitable.
- Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
- The arrangement of pooling of funds from various clients and investing them in Securities could be construed as an 'Association of Persons' ("AOP") in India under the provisions of the Income-Tax Act 1961 and taxed accordingly.
- In case of investments in schemes of mutual funds, alternative investment funds and venture capital funds, the Client shall bear the recurring expenses and performance fee, if any, of the portfolio management services in addition to the expenses of the underlying schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying schemes in the same proportions.
- After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situations, the Clients may suffer opportunity loss.
- The Portfolio Manager has no previous experience or track record as a portfolio manager.
- The investment objectives of one or more of the investment profiles could result in concentration of a specific asset/asset class/sector/issuer etc., which could expose the Clients' Portfolio to risks arising out of non-diversification, including improper and/or undesired concentration of investment risks.

Specific Risk Factors:

- **Market Risk:** The Value of the Portfolio will react to the securities market movements. The investor could lose money due to fluctuation in the value of Portfolio in response to factors such as economic and political developments, changes in interest rates and perceived trends in securities market movements and over longer periods during market downturns.
- **Market Trading Risks - Absence of Active Market:** Although Securities are listed on the exchange(s), there can be no assurance that an active secondary market will develop or be maintained.
- **Lack of Market Liquidity:** Trading in Securities on the exchange(s) may be halted because of market conditions or for reasons that in the view of the exchange Authorities or SEBI, trading in a particular Security is not advisable. In addition, trading in Securities is subject to trading halts caused by extra ordinary market volatility and pursuant to exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the market necessary to maintain the listing of Securities will continue to be met or will remain unchanged. ETF may trade at prices other than NAV: ETF may trade above or below their NAV. The NAV or ETF will fluctuate with changes in the market value of Scheme's holdings of the underlying stocks. The trading prices of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand of ETF. However, given that ETF can be created and redeemed only in creation units directly with the mutual fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to availability of arbitrage possibility.
- **Regulatory Risk:** Any changes in trading regulations by the exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV for ETFs. In the event of a halt of trading in market the Portfolio may not be able to achieve the stated objective.
- **Asset Class Risk:** The returns from the types of Securities in which the Portfolio Manager invest may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison of the general securities markets.
- **Performance Risk:** Frequent rebalancing of Portfolio will result in higher brokerage/ transaction cost. Also, as the allocation to other Securities can vary from 0% to 100%, there can be vast difference between the performance of the investments and returns generated by underlying securities.



- **Interest Rate Risk:** Changes in interest rates may affect the returns/ NAV of the liquid/debt scheme of mutual fund in which the Portfolio Manager may invest from time to time. Normally the NAV of the liquid scheme increases with the fall in the interest rate and vice versa. Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the NAV of the units of the liquid/ debt funds.
- **Credit Risk:** Credit risk refers to the risk that an issuer of fixed income security may default or may be unable to make timely payments of principal and interest. NAV of units of the liquid scheme is also affected because of the perceived level of credit risk as well as actual event of default.
- **Model Risk:** Investments in the Market Linked Debentures (MLDs) are also subject to model risk. The MLDs are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the Securities selected for hedging may significantly differ from the returns predicted by the mathematical models.
- **Investments in Derivative Instruments:** As and when the investments are done in derivative market, there are risk factors and issues concerning the use of derivatives that the investors should understand. Derivative products are specialized instrument that require investment technique and risk analysis different from those associated with stocks. The use of derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivative requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "Counter Party") to comply with the terms of the derivative contract. Other risks in using derivatives include but are not limited to:
 - a. **Credit Risk:** This occurs when a counterparty defaults on a transaction before settlement and therefore it involves negotiation with another counter party, at the then prevailing (possibly unfavourable) market price, in order to maintain the validity of the hedge. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement but one takes the performance risk on the exchange.
 - b. **Market Liquidity:** This risk is where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.
 - c. **Model Risk:** This is the risk of mis-pricing or improper valuation of derivatives.
 - d. **Basis Risk:** This risk arises when the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets. The risk of loss associated with futures contracts is potentially unlimited due to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a derivative contract may result in an immediate and substantial loss or gain. However, the Portfolio Manager will not use derivative instruments, options or swap agreements for speculative purposes or to leverage its net assets and will comply with applicable SEBI Regulations. There may be a cost attached to buying derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling physical shares. The possible lack of a liquid secondary market for a derivatives contract may result in inability to close the derivatives positions prior to their maturity date.

(xi) Illiquidity Risk: The corporate debt market is relatively illiquid vis-a-vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Further, liquidity may occur only in specific lot sizes. Liquidity in a Security can therefore suffer. Even though the Government securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. Trading in specified debt securities on the Exchange may be halted because of market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in the specified debt security is not advisable. There can be no assurance that the requirements of the securities market necessary to maintain the listing of specified debt security will continue to be met or will remain unchanged. In such a situation, the Portfolio Manager at his sole discretion will return the Securities to the Client.

(xii) Zero Return Risk: Returns on investments undertaken in structured securities would depend on occurrence /non-occurrence of the specified event. Thus, returns may or may not accrue to an investor depending on the occurrence/non-occurrence of the specified event.



(xiii) **Redemption Risk:** The payoffs as envisaged in structured securities are such that the Client may lose a part/entire amount invested.

(xiv) **Risk of Real Estate investment:** Investment in Securities of companies investing in real estate is subject to risk of fluctuations in real estate prices. Portfolio returns are dependent on real estate market. Investor could lose money if real estate prices go down at the time of maturity.

(xv) **Identification of Appropriate Investments:** The success of the Investment strategy of EAPL (formerly Estee Fincap Private Limited) would depend on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where EAPL (formerly Estee Fincap Private Limited) may invest, and other factors outside the control of the EAPL (formerly Estee Fincap Private Limited). Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, EAPL (formerly Estee Fincap Private Limited).

(xvi) Specific Risk factors and Disclosures pertinent to Structured Notes & Securitised debt instruments:

- a. Presently, secondary market for such securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such Securities. This could limit the ability of the investments to resell them. Even if a secondary market develops and 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. Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The credit enhancement stipulated represents a limited loss cover to the Investors. These certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the issuer or the seller or the originator, or the parent or any affiliate of the seller, issuer and originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the credit enhancement and thereby the Investor pay outs may get affected if the amount available in the credit enhancement facility is not enough to cover the shortfall. On persistent default of an obligor to repay his obligation, the Seller may repossess and sell the underlying asset. However, many factors may affect, delay or prevent the repossession of such asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that obligor.
- c. The structured notes like the index linked securities, in which funds are proposed to be invested in, are high risk instruments. A small movement in returns generated by the underlying index could have a large impact on their value and may also result in a loss.
- d. The issuer of equity index linked securities or any of its agents, from time to time may have long or short positions or make markets including in NIFTY indices, futures and options (hereinafter referred to as "Reference Assets") (and other similar assets), they may act as an underwriter or distributor of similar instruments, the returns on which or performance of which, may be at variance with or asymmetrical to those on the securities, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets). The foregoing activities of 'the issuer of index linked securities' or any of its agents and related markets (such as the foreign exchange market) may affect the value of the Securities. In particular, the value of the securities could be adversely impacted by a movement in the Reference Assets, or activities in related markets, including by any acts or inactions of 'The Issuer of index linked securities' or any of its Agents;
- e. The equity Index linked securities, even after being listed, may not be marketable or may not have a market at all;
- f. The returns on the structured securities, primarily are linked to the S&P CNX Nifty Index and/or any other equity benchmark as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the securities (including the amount if any, payable on maturity, redemption, sale or disposition of the Securities) the security holder may receive no income/return at all or negative income/return on the Security, or less income/return than the Security-holder may have expected, or obtained by investing elsewhere or in similar investments.
- g. The return on investment in Securities would depend on the prevailing market conditions, both domestically as well as internationally. The returns mentioned in the term sheets are indicative and may or may not accrue to an investor accordingly.
- h. In equity index linked securities, in the event of any discretions 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 if 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 shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the investor, and no liability there for will attach to the issuer of equity index linked securities /asset management company;



- i. There is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such equity index linked securities over the life and/or part thereof or upon maturity, of the securities.
- j. At any time during the life of such Securities, the value of the Securities may be substantially less than its redemption value. Further, the price of the Securities may go down in case the credit rating of the Company or issuer goes down.
- k. The Securities and the return and/or maturity proceeds hereon, are not guaranteed or insured in any manner by the Issuer of equity index linked securities.
- l. The Issuer of equity index linked securities or any person acting on behalf of the Issuer of equity index linked securities, may have an interest/position as regards the Portfolio Manager and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind.
- m. The Issuer of equity index linked securities or any of its agents, have the legal ability to invest in the units offered herein and such investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the investor, and/or its assets.

7. CLIENT REPRESENTATION

Amalgamated Entity, Estee Advisors Private Limited

Category of Clients	No of Clients	Fund Managed (Cr)	Discretionary/Non-Discretionary (If available)
Associate/ Group Companies	0	0	Discretionary
Last 3 years	111	313.969	Discretionary
Other as on 31 Dec, 2022	0	0.00	Non-Discretionary
Total	111	313.969	

Merged Entity, Estee Advisors Private Limited (formerly Estee Fincap Private Limited)

Category of Clients	No of Clients	Fund Managed (Cr)	Discretionary/Non-Discretionary (If available)
Associate/ Group Companies	0	0	Discretionary
Last 3 years	0	0	Discretionary
Other as on 31 Dec, 2022	0	0.00	Non-Discretionary
Total	0	0	

7.1 Complete disclosure in respect of transactions with related parties as on 31st March 2022 as per the standards specified by the Institute of Chartered Accountants of India.

S. No.	Related Party Disclosure	Relationship	remarks
1	Mr. Sandeep Tyagi	Key Management Personnel	
2	Mr. Umesh Kumar		
3	Mr. Shalabh Rakyan		
4	Mr. Shailendra Kumar Sahu.		
6	Estee Financial Services Private Limited (Formerly Estee Commodities Pvt. Ltd	Subsidiary Company	
7	Estee IFSC Private Limited		
8	Estee Capital LLC	Associated Enterprise	
9	Estee India Fund		



	Nature of transaction	March 31, 2022 Rs. in Thousand
Subsidiary Company:		
Estee Financial Services Private Limited	Business support charges	0
	Interest on loan from subsidiary company	5,323
	Investment in equity shares	0
Estee IFSC Private Limited	Interest on loan from subsidiary company	347
	Technical services charged	3
Key Management Personnel		
Umesh Kumar	Remuneration	7747
Murlidhara Kadaba	Director sitting fee	90
Rakesh Kumar Kaul	Director sitting fee	90
Shalabh Rakyan	Remuneration	7,328
Shailendra Kumar Sahu	Remuneration	5,470
Sagar Kishin Lakhati	Remuneration	289
Jignesh Patel	Remuneration	83
Fellow Subsidiary		
Estee Capital LLC	Technical services charged	8,046
	Advisory fees paid	51,589
	IT Expense reimbursement and Cost allocation	20,546
Associate Enterprise		
Estee India Fund	Brokerage fee charged	4,061
Companies with common director		
Moonbeam Advisory Private Limited	Advisory services	2,000
Magic Capital Services Private Limited	Legal and professional fee	817

Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited) is registered as a Portfolio Manager (the Registration number is <yet to be provided>) registered under the SEBI (Portfolio Managers) Regulations 2020.

Portfolio management division of Estee Advisors Pvt. Ltd (Erstwhile Estee Fincap Private Limited). is availing the services of its own Broking Division as we acquired memberships in NSE, BSE and MCX-SX, MCX Membership vide SEBI registration INZ000300737 in the name of **Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited)** for various services for a consideration. As part of related parties' disclosure, we disclose that we manage money of our Directors and their relatives as well.

Estee Advisors Private Limited (Erstwhile Estee Fincap Private Limited) is registered with SEBI for NSE, BSE ,MSEI and MCX vide SEBI Registration INZ000300737

8. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

The following exhibits, captures of the key financial data pertaining to the Portfolio Manager as per the audited financial statements. Summarized Financial Statements (as per audited annual reports)

Balance sheet



For Estee Advisors Private Limited

Umesh Kumar
Director, DIN: 01111082

	31-Mar- 22 Rs in Thousand	31-Mar- 21 Rs in Thousand	31-Mar- 20 Rs in Thousand
Sources of Funds			
Shareholders Fund	762,702	458,397	33,056
Share Application pending Allotment	0	500,669	0
Non-Current Liabilities	24,054	26,214	0
Application of funds	786,756	985,280	33,056
Non-Current Assets	154,789	115,665	0
Current Assets	1,429,752	2,105,764	108,139
Less: Current Liabilities and Provisions	797,784	1,236,149	75,083
Net Current Assets	631,968	869,615	33,056
Income Statement			
Total Income	700,741	1,103,226	31,025
Total Expenditure	602,666	517,566	5,965
Profit before Depreciation	98,075	585,660	25,061
Depreciation	18,020	15,695	0
Profit Before Tax	80,054	569,965	25,061
Provision for Tax	29,523	144,624	6,230
Profit after Tax	50,531	425,341	18,830

9. **Portfolio Management performance** of the portfolio manager for the last three years, and in case of discretionary Portfolio Manager disclosure of performance Indicators calculated using weighted average method in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 2020.

Amalgamated Entity, Estee Advisors Private Limited

% Return												
	JAN	FEB	MAR	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
2019	0.80%	0.68%	0.70%	1.29%	0.79%	0.38%	2.04%	0.95%	0.84%	0.79%	0.81%	0.76%
2020	1.36%	1.09%	0.83%	1.38%	1.09%	0.47%	1.17%	0.95%	0.72%	0.60%	0.77%	0.60%
2021	0.77%	1.09%	0.56%	0.83%	0.83%	0.55%	0.89%	0.62%	0.50%	0.99%	0.70%	0.88%
2022	0.21%	-0.46%	1.12%	0.78%	-0.19%	-0.37%	1.33%	0.89%	-0.07%	1.00%	1.18%	-0.17%

Merged Entity, Estee Advisors Private Limited (formerly Estee Fincap Private Limited)

% Return												
	JAN	FEB	MAR	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
2022	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: Variable performance linked fee and Portfolio Management fee are charged by Estee on a quarterly basis.



For Estee Advisors Private Limited

Umesh Kumar
Director, DIN: 01111082

10. NATURE OF EXPENSES

The following are indicative types of costs and expenses for clients availing the Portfolio Management services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements.

- a. **Investment management and advisory fees/Portfolio Management Fees:** The fee may be a percentage of the quantum of funds managed or may be linked to the portfolio returns achieved or a combination of any of these. Profit/performance shall be computed on the basis of 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. 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 the purpose of 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.

- b. **Custodian/Depository Fees**

The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, de-materialization, re-materialization and other charges about the operation and management of the depository accounts.

- c. **Registrar and transfer agent Fees**

Charges payable to registrars and transfer agents about effecting transfer of securities and bonds including stamp charges cost of affidavits, notary charges, postage stamp and courier charges.

- d. **Brokerage and transaction costs**

The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.

- e. **Certification and professional charges**

Charges payable for outsourced professional services like fund accounting, performance audit, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory authorities.

- f. **Incidental Expenses**

Charges about the courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank accounts etc.

- g. **Audit Fees**

Fees paid to auditors appointed by the Portfolio Manager with respect to the periodic audit of the Client's accounts maintained by the Portfolio Manager.

- h. **Fund accounting charges:** The charges depend on the Average Investments and Investment strategies.

Kindly note that Portfolio Manager does not charge any upfront fees, directly or indirectly, to its clients. Any modification in the existing terms, shall be intimated to the client by written communication.

11. TAX IMPLICATIONS ON CLIENT

11.1 General

It may be noted that the information given hereinafter is only for general information purposes and is based on the advice received by the Portfolio Manager regarding the law and practice currently in force in India and the investors should be aware that the relevant fiscal rules or their interpretation may change or it may not be acceptable to the tax authorities. As is the case with any interpretation of any law, there can be no assurance that the tax position or the proposed prevailing tax position prevailing at the time of an investment in the strategy/plan/option will be accepted by the tax authorities or will continue to be accepted by them indefinitely.



Further statements regarding tax benefits mentioned herein below are mere expressions of opinion and are not representations of Portfolio manager to induce any investor to invest whether directly from the Portfolio Manager or indirectly from any other persons by the secondary market operations. In view of the individual nature of tax consequences, each Client is advised to consult his/her tax advisor with respect to the specific tax consequences to him/her of participation in the Strategies. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations.

11.2 Securities Transaction Tax (STT)

STT is the tax leviable on the taxable securities transactions i.e. transaction of:

- a) Purchase or sale of an equity share of a listed company (whether delivery based or non-delivery based) or a derivative or a unit of an equity oriented fund, entered in a recognized stock exchange; or
- b) Sale of a unit of an Equity oriented fund to the Unit Trust of India or Mutual Fund.

11.3 Tax deduction at source

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

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

11.4 Advance tax installment obligations

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

12. ACCOUNTING POLICIES

- The following Accounting policy followed by Portfolio Manager while accounting for the portfolio investments of the clients.
- Investment in equity will be valued on the closing price of that equity at NSE. In case of any investments done in any equity listed on BSE only, the same will be valued based on the closing price of that equity at BSE.
- For valuation of the Derivatives contract, the open positions, as on the date of valuation, will be valued on the mark to market method.
- In case of Mutual Fund, the valuation will be done on the repurchase. Net Asset Value (NAV) declared for the relevant plan, on the date of valuation of portfolio (or) date of the report (or) any cut-off date.
- Investment in Debt Securities will be valued at the market value of the debt instrument as on cut-off date (or) the latest available price on the relevant exchange or the most recent NAV will be reckoned.
- Realized gains and losses will be calculated based on First in First Out (FIFO) basis. The Portfolio Manager and the client can adopt any specific norms or methodology for valuation of investment or accounting the same as may be mutually agreed between them on a case specific basis.



- Transaction date will be the trade date and not the settlement or auction date.
- Unrealized gains/losses mean the profit/loss not yet booked and the same will be the difference of the current market price or NAV minus the actual price (or) the historical cost of the securities.
- All Income will be accounted on accrual or receipt basis, whichever is earlier.
- All expenses will be accounted on due or payment basis, whichever is earlier.
- Purchase and sale transactions are accounted for on contract date basis.
- Cost of purchase and sale includes consideration for scrip and brokerage but excludes Securities Transaction tax, Goods and Services Tax & Other charges paid on purchase/sale of securities. Other expenses like Custodian charges (safe keeping charges, Transaction charges, Fund Accounting charges, out of pocket expenses) are accounted for as & when debited by the Custodian.
- Any corporate benefits like dividend on shares, MF units, interest on debt instruments, stock lending fees etc. shall be accounted on accrual basis except interim dividend which would be accounted on receipt basis.
- Bonus shares are recorded on the ex-benefit date (ex-date)
- Tax deducted at source on interest on Fixed Deposits/Dividend is considered as specific norms or methodology for valuation of investment and/or accounting.
- Portfolio Manager and the Client, on case to case basis, can manually agree to any specific norms or methodology for valuation of investment and/or accounting.
- The client may contact the Portfolio Manager for clarifying or elaborating on any of the above.
- Securities Transaction Tax (STT) is recognized on the trade day when the securities are accounted for on which such STT is levied.
- Dividend income earned by the Portfolio shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on the stock exchange, dividend income would be recognized on the date of declaration of dividend.
- Investments in Equities, Mutual Funds and Debt instruments will be valued at the closing market prices of the exchanges (BSE or NSE) or the Repurchase Net Asset Value declared for the relevant Strategy on the date of the report or any cutoff date or the market value of the debt instrument at the cutoff date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned.
- In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase should not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale must not be treated as an addition to sale value but shall be credited to Interest Recoverable Account
- Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a fiscal year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisition through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the portfolio obtains an enforceable obligation to pay the price or, in the event of a sale, when the portfolio obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.



- The investor may contact the customer services official of the Portfolio Manager for clarifying or elaborating on any of the above policy issues.

13. **INVESTOR SERVICES**

13.1 **Contact Information**

Name, address and telephone number of the investor relations officer who shall attend to the investor queries and complaints.

Name : Vaibhav Rohilla
Address : 8th Floor, Block-I, Vatika Business Park, Sector-49, Sohna Road, Gurgaon, Haryana-122001
Email : vaibhav.rohilla@esteeadvisors.com
Tel : 0124-4637700

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 wherewithal to handle investor complaints.

13.2 **Grievance Redressal and dispute settlement mechanism**

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.

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and / or their respective representatives shall be settled in accordance with and subject to the provisions of The Arbitration and Conciliation Act, 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

Alternatively, Investors Can lodge his complain on <http://scores.gov.in>

Grievances addressal: investorsgrievances@esteeadvisors.com

14. **SERVICE AVAILED FROM THIRD PARTY**

We avail Custodian and fund accounting services from Orbis Financial Corporation Ltd .

15. **LIABILITY OF INVESTORS**

Liability of investors are limited to their investments size.



For Estee Advisors Private Limited

Umesh Kumar
Director, DIN: 01111082

16. **GENERAL**

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 Esteem Advisors Private Limited

Date 13.02.2023
Place: Gurgaon

Name and Signature of all the directors of the portfolio Manager

Umesh Kumar
Director, DIN: 01111082
Signature

No.	Name of Directors	Signature
1.	Mr. Sandeep Tyagi	
2.	Mr. Umesh Kumar	
3.	Mr. Shalabh Rakyan	
4.	Mr. Shailendra Kumar Sahu	

