

DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT
DECEMBER 31, 2021

- (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 purpose of the disclosure Document is to provide essential information about the portfolio management services of Guardian advisors Private Limited (Guardian Advisors), in a manner to assist and enable investors in making an informed decision while engaging Guardian Advisors.
- (iii) The necessary information about the portfolio manager, Guardian Advisors, Required by an investor is advised to retain this document for future reference.
- (iv) All the intermediaries involved in this Portfolio Management Services are registered with SEBI as on the date of this document
- (v) Details of the Principal Officer of **Guardian Advisors:**

Priyank Gupta

11th Floor, 19 - Sunder Nagar Market,

New Delhi-110003

Tel: 011-47535186 / Cell No: 0-9810312343

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(1) Disclaimer Clause

The details provided in this document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 as amended till date, and filed with SEBI. This Disclosure Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of the contents of the disclosure Document.

(2) Definitions

“Disclosure Document” means this document, which has been prepared with the objective of providing essential information about the PMS of Guardian Advisors, to enable investors of marking an informed decision to engage Guardian Advisors to manage their portfolio.

“Portfolio Manager” means any person who pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client, the management or administration of a portfolio of securities or the funds of the client, as the case may be.

“Investor” means any individual, partners in partnership, Central or state Government , company Body corporate, co-operative society, corporation, trust, society, Hindu Undivided Family (HUF) or any other body of persons, whether incorporated or not.

“Discretionary Portfolio Management Services” means the portfolio management services rendered to the client, by the portfolio Manager on the terms and conditions contained in an agreement, where under, the Portfolio Manager exercises any degree of discretion in investments or management of assets of the client.

“Assets” means (i) the Portfolio and\or (ii) the Funds.

“Bank Account” means one or more account opened, maintained and operated by the Portfolio Manager, in the name of the client, with any scheduled commercial bank.

“Depository Account” means one or more accounts opened, maintained and operated by the Portfolio Manager, in the name of the client, with any depository or depository participant, registered under the SEBI (Depositories and Participants) Regulations, 1996

“Funds” means monies managed by the Portfolio Manager on behalf of the client pursuant to an agreement, and includes the initial monies, any further monies placed by the client with the Portfolio Manager for being managed, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.

“Custodian” means any India based Custodian who is registered with SEBI as a Custodian and holds a valid license to operate as a Custodian of securities in India

“Net Asset Value” means the market value of assets in the Portfolio including equity, debt and cash and cash equivalents.

“Portfolio” means the Securities Managed by the Portfolio Manager on behalf of the client pursuant to an agreement, and includes initial Securities, any further Securities placed by the client with the Portfolio Manager for being managed pursuant to an 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.

“Regulations” mean the SEBI (Portfolio Managers) Regulations, 1993, as may be amended from time to time.

“Scheduled Commercial Bank” means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).

“SEBI” means the securities and Exchange Board of India established under sub-section 3 of the securities and Exchange Board of India Act, 1992.

- (i) Securities as defined under the Securities Contracts (Regulation) Act, 1956
- (ii) Shares, Scrip's Stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investment, equity linked instruments, negotiable instruments, deposits, units issued by the Unit Trust of India and/or by any mutual funds, mortgage backed or other asset backed securities, derivatives, derivatives instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, trust, any entity, the Central Government, 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 interested therein; and
- (iii) Any other instruments or investment (including any borrowing or lending of securities) as may be permitted by applicable law, from time to time.

(3) Description

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

“Guardian Advisors Private Limited” has been established by Arjun Lamba and Priyank Gupta. The Company was registered on 26th August 2005 with the purpose of providing Portfolio Management Services and Portfolio Advisory Services, as defined by SEBI regulations. The company received an approval to practice the business of Portfolio Management, as defined by SEBI (Portfolio Managers) Regulation, 2020. The first approval was granted on 16th August 2006. It is valid up to 15th August,2024 (**Registration Code INP000000189**).

(ii) Promoters of the Portfolio Manager, Directors and their backgrounds

The promoters of Guardian Advisors are Arjun Lamba and Priyank Gupta. Between the 2 promoters, they have a combined experience of 35 plus years in the area of equity research and asset management.

Priyank Gupta, FCA,PGDPM,PGDIM is the promoter director of VidKris Group which has several companies engaged in Financial Services, Hospitality and Organized Retail He is

in an experienced Investment Advisor/Manager and experience of over 18 years in the Indian equities market . Priyank is the fund manager for the Principle Fund.

Arjun Lamba the majority shareholder of Guardian Advisors Private Limited has completed his BBA from Ecole Les Roches, Switzerland and has been involved in the equities markets for 18 years .Prior to Starting Guardian Advisors he was an with Span Investments and Kotak Securities. Arjun is the fund manager responsible for the Core Value and Special Opportunities Fund.

Sidharth Jain is our head of operations and our compliance officer; he has Bachelors in Commerce from IGNOU and has been with Guardian since inception looks after all operation matters pertaining to back office system/ compliance for timely reporting to SEBI.

Deepak Kumar Agrawal, who is looking after the books of accounts, he manages cash & bank reconciliation. He ensure all the statutory compliances and taxation

In addition to the above, the team is supported by a 3 member back office team. The team operates with state-of-art equity research support data, access to all annual reports and the best of accounting software infrastructure. We use the most up-to-date and modern equity research software tools and we do the same for our back office accounting as well.

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

Guardian has no group company

(iii) Details of the services being offered

The Portfolio Manager currently offers Discretionary Portfolio Management Services and Advisory Services. The Portfolio Manager Manages each portfolio individually (within the portfolio mandate, with a common approach to investing which focuses on capital protection and a reasonable rate of appreciation.

(4) Penalties, pending litigation or proceedings, finding of inspections or investigation for which action may have been taken or initiated by any regulatory authority.

(i) Cases of penalties imposed by SEBI or the directions issued by SEBI under the SEBI Act or Rules and Regulations made there under	None
(ii) The nature of the penalty / direction	Not applicable
(iii) Penalties Imposed for any economic offence and/or for violation of any securities laws	None
(iv) Any pending material litigation/ legal proceeding against the portfolio manager / key personnel with separate disclosures regarding pending criminal cases, if any	None
(v) Any deficiency in the systems and operations of the portfolio manager	None

observed by the Board of any regulatory agency	
(vi) Any enquiry / adjudication proceedings initiated by the Board against the portfolio manager or its Directors, principal Officer or employee or any person directly or indirectly connected with the portfolio manager or its Directors, Principal Officer or employee, under the Act or Rules or Regulations Made there under	None

(5) Services Offered

We create a portfolio of companies that adhere to the following three criteria.

- i. We are value investors and this drives are investment rationale we like to buy below intrinsic value.
- ii. The company should have a proven record of high level of profitability, dividend paying capability and a business model that has a proven ability to do well through different economic conditions.
- iii. Management Quality is very important to us as well and this we do through due diligence on

We generally invest in cash rich, dividend paying, highly profitable companies that are available at reasonable discounts to their intrinsic value, but not limited to those only, if alternative opportunities are attractive enough.

Investments would be made only in listed equities. In a situation where we do not find sufficiently attractive opportunities, the excess fund would be invested in bank deposits or Money market / bond Mutual Funds. We Expect to Create a Diversified portfolio of such stocks.

There are no listed group companies. Therefore, we do not expect to invest in any of Guardian Advisors' group / associate companies.

(6) Risk Factors

The following are the risk factors as perceived by the management:

- (I) The PMS will be implemented strictly in accordance with SEBI (Portfolio Managers) Rules and Regulations, 1993 and amendments thereto. Investors are requested to familiarize themselves with these regulations.
- (II) Securities investments are subject to a wide range of market risks, which may lead to an unpredictable loss in value of the assets, which may extend to a total loss of value of the Assets.
- (III) The Portfolio Manager does not guarantee or assure the client of the value of or returns on the Assets, in any manner whatsoever. The value of the Assets under the Discretionary Portfolio Management Service may depreciate to an unpredictable extent.
- (IV) The past performance of the portfolio manager, promoters or Directors is not indicative of and does not guarantee future performance of individual portfolios.
- (V) The performance of individual portfolios 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.

- (VI) Investments in debt instruments are subject to default risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macro-economic factors and creates price changes in the value of the debt instruments. Consequently, the NAV of the portfolio may be subject to fluctuation.
- (VII) Investments in debt instruments are subject to re-investment risks as interest rates prevailing in interest or maturity due dates may differ from the original coupon of the bond, which may result in the proceeds being invested at a lower rate.
- (VIII) The portfolio manager may use derivative instruments like index futures, stock futures and option contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the SEBI (Portfolio Managers) Rules and Regulations, 1993. Usage of derivatives will expose the individual portfolios to certain risks inherent to such instruments. As and when the portfolio trade in the derivatives market there are risk factors and issue concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis, which are different from those, associated with stocks and bonds. The use of a derivative instrument requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements accurately.
- (IX) The Portfolio Manager has a track record of more than 15 years.

(7) Client Representation

- (i) The Portfolio Manager has no transactions with related parties, as per standards specified by the institute of Chartered Accountants of India. Note that Guardian does not have interest in any other intermediary business like brokerage, depository, custody, etc. its revenues are linked only to the portfolios that it manages and its proprietary capital.
- (ii) Guardian advisor will make best efforts to manage client accounts in the best interest of the client. Guardian Advisors shall not benefit from individual client account in any other manner apart from the management and performance linked fee charged to the client.

(8) Financial Performance based on audited financial statements

As on the date of this Disclosure Documents, the Portfolio Manager has completed its 16th accounting year. Our provisional Net Worth for the year ended F.Y 2021 is Rs. 22.19 Crores which is above the minimum SEBI requirement.

(9) Portfolio Management performance 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

- (i) The following table provides details of the number of clients, total assets under management (AUM) for four schemes and the weighted average performance for the last 3 years separately for three schemes:

A) Core Value

	CY 2021	CY 2020	CY 2019	CY2018
Portfolio Performance-Weighted Return	125.71	-49.30	-13.55	12.49
BSE Absolute Return	24.21	14.69	11.76	11.30

B) SOF

	CY 2021	CY 2020	CY 2019	CY2018
Portfolio Performance-Weighted Return	157.07	-27.84	-7.36	220.47
BSE Absolute Return	24.21	14.69	11.76	11.30

C) Principal Fund

	CY 2021	CY 2020	CY 2019	CY2018
Portfolio Performance-Weighted Return	81.06	-37.59	-27.50	60.29
BSE Absolute Return	24.21	14.69	11.76	11.30

AUM with the last 3 year details with the No. of Clients

	CY 2021	CY 2020	CY 2019	CY2018
	Till Mar 31,2021			
Number of investors				
Corporate	8	8	8	8
Individual	20	22	21	22
Total assets under Management – Rs Cr	829.71	349.32	421.21	405.56

(10) Nature of expenses

The Portfolio Manager typically offers the following fee structure to its clients.

Guardian Advisors PMS

Since the Company runs four different portfolios and it has four different fees structures for those portfolios. Obviously the fees is dependent on size and time horizon of the portfolios.

- (i) We offer 3 products Core Value, Principal Fund & Special opportunities Fund product and we have attached the salient features of the fee structures of these 3 products in annexure 2.

- (ii) The above fees do not include expenses such as brokerage, custodian fee, depository fees, bank charges, charges and levies by Government or other regulatory authorities, such as service tax and other charges levied by third parties in connection with transactions executed by the Portfolio Manager on Behalf of the client. All aforementioned transaction related expenses would be to the account of the client on the basis of actual expenses.
- (iii) We work with multiple brokers and are happy to accommodate a clients request if he/she prefers a particular broker.

(11) Taxation

Under the PMS, the onus of income tax payable on capital gains, dividends, interest or any other taxable income is on the investor. The Portfolio Manager will provide adequate statements on a periodical basis, prior to the due dates of income tax payments, to enable the investor to meet their tax obligations under the income tax Act, 1961

(12) Accounting Policies

- (i) Investments introduced by the client into their respective portfolios are booked at the market value as of the date of introduction into the portfolio.
- (ii) Profit or Loss on sale of investments is calculated using the "First In First Out" (FIFO) Method of accounting.
- (iii) As far as possible the Portfolio Manager is complying with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India. Stocks, for NAV Purposed, would be valued based on the closing stock prices on the Bombay Stock Exchange would be used. Revenue arising from interest and dividend is accounted for on accrual basis.
- (iv) The investments under the PMS are made on behalf of and in the respective name of the Investors. Depository accounts are opened in the name of the investors, which are operated by the Portfolio Manager duly authorized by a Power of Attorney. All settlements and custody of assets are handled by a recognized Custodian.

(13) Investor Services

- (i) All investor queries and complaints should be addressed to the principal officer of the Portfolio Manager, whose contact co-ordinates are provided below :

sidharthjain@guardianadvisors.in
IInd. Floor,19 - Sunder Nagar Market,
New Delhi-110003
Tel: 011-47535186

Email : sidharthjain@guardianadvisors.com

- ii) Send monthly report to all clients. We also comply all the SEBI norms related to Portfolio managers.
- iii) Grievance redressal and dispute settlement mechanism

Grievances, if any, that may arise pursuant to the PMS agreement entered into shall as far as possible be redressed through the administrative mechanism of the Portfolio Manager, and are subject to SEBI (portfolio Managers) Rules and Regulations, 1993 and any amendments made thereto from time to time. However, all legal actions and proceedings are subject to the jurisdiction of the Courts of Law in New Delhi only and are governed by the Laws of India.

Arjun Lamba
Director
Place : New Delhi
Date: 31.01.2022

Priyank Gupta
Director
Place : New Delhi
Date: 31.01.2022