Elite Wealth
www.elitewealth.in

FORM C

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

ELITE WEALTH LIMITED

S-8, DDA Shopping Complex Near Jeevan Anmol Hospital, Mayur Vihar, Delhi, 110091

Tel: 01142445701, Fax: 22793402, E-mail: compliance@elitestock.com

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 through the Portfolio Manager.

iii) the Disclosure Document has been duly certified by an independent chartered accountant (MAPSS AND COMPANY (Firm Reg No. : 012796C), Address-313, Tower – 4, Assotech Business Cresterra, Sector – 135, Expressway, Noida - 201305, Phone number 9810085837 on 29 June, 2024.

(Enclose a copy of the chartered accountant's certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision)

For Elite Wealth Limited

RAVINDER PARKASH SETH Digitally signed by RAVINDER PARKASH SETH Date: 2024.07.09 16:40:03 +05'30'

Ravinder Parkash Seth

Principal Officer

C-4, Sector-44, Near Amity School,

Gautam Buddha Nagar, Noida,

Uttar Pradesh- 201301

Date: 05.07.2024

Place: Delhi

CERTIFICATE

To
The Board of Directors
Elite Wealth Limited
Cassa Picaso, Golf Course Extn. Road,
Near Rajesh Pilot Chowk,
Radha Swami, Sector -61,
Gurugram - 122001

You have requested us to provide a certificate on the Disclosure document for Portfolio Management Services ("The Disclosure Document") of Elite Wealth Ltd ("the Company"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India ("SEBI")

1. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulation 2020 ("the SEBI Regulation") and the Guidelines issued by SEBI dated 13th Feb 2020 is the responsibility of the management of the Company. Our responsibility is to report in accordance with the Guidance Note on Audit and Certificates for Special Purpose 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 performed an audit, the objectives of which would be the expression of opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

2. In respect to the information given in the Disclosure Document, we state that:-
   a. The list of persons classified as Associate or Group Companies and list of related Parties are relied upon as provided by the company.

   b. The Promoter's and Director's qualification, experience, ownership details are as declared by them and have been accepted without further verification.

   c. We have relied on the representation given by the management of the company in respect of penalties or litigations against the Portfolio Manager mentioned in Disclosure Document

   d. We have relied upon the representation of the management of the company in respect of Assets under Management of Rs 7.11 Cr as on 31st March 2023 and Rs 6.21 as on 31st March 2022.

3. Read with above and on the basis of our examination of 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 Disclosure Document dated 2nd April 2024 are true and fair in accordance with the disclosure requirements laid down in Regulation 22 read with Schedule V of the SEBI Regulations. A management certified copy of disclosure document is enclosed herewith.

This certificate is intended solely for the use of the management of the company for the purpose specified in the paragraph 1 above.

For : M/s MAPSS AND COMPANY
Chartered Accountants
Firm Reg No. : 012796C

DEEPANKAR SETH
Digitally signed by DEEPANKAR SETH
Date: 2024.06.29 10:58:07 +05'30'

MAPSS & COMPANY
M.No. 078731
Chartered Accountants

(Deepankar Seth)
Partner
Membership No. : 078731
UDIN : **24078731BKCXCM7585**

Date : 29th June 2024
Place : Noida

Elite Wealth Limited
(Formally known as Elite Wealth Advisors Limited)

PORTFOLIO MANGEMENT SERVICES

DISCLOSURE DOCUMENT

(As per the requirement of Fifth Schedule and 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 Elite Wealth 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 Portfolio Manager and Principal Officer

Name of the Portfolio Manager	Elite Wealth Limited
SEBI Registration No.	INP000003021
Registered Office Address	Casa Picasso, Golf Course Extension, Near Rajesh Pilot Chowk, Radha Swami, Sector-61 Gurugram, Haryana 122001
Corporate Office Address	S - 8, DDA Shopping Complex, Mayur Vihar, Phase - I Delhi 110091
Phone No.	011-42445757
Fax No.	011-22795783
Email ID	compliance@elitewealth.in
Website	www.elitewealth.in

Name of Principal Officer	Mr. Ravinder Prakash Seth
Contact No	011-42445757
Email Address	raviseth@elitewealth.in
Office Address	S - 8, DDA Shopping Complex, Mayur Vihar, Phase - I Delhi 110091

Index of Contents

1. Disclaimer clause:

The particulars given in this Document have been prepared in accordance with 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. 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.

2. Definitions

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

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

b. "Agreement" means agreement between Portfolio Manager and its Client and shall include all Schedules and Annexures attached thereto

c. "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.

d. "Assets" means (i) the Portfolio and/or (ii) the Funds. e.

e. "Body Corporate" shall have the meaning assigned to it in or under clause (11) of section 2 of the Companies Act, 2013.

f. "Bank Account" means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in accordance with the agreement entered into with the Client.

g. "Board" means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.

h. "Client" means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio and /or funds.

i. "Custodian" means custodian with whom the Portfolio Manager enters into an agreement for availing custodial Services, which for the time being is Yes Bank Ltd. and such other custodian (s) as may be appointed by Portfolio Manager from time to time in compliance of the provisions of SEBI (Portfolio Managers) Regulations, 2020. 4

j. "Depository Account" means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the agreement entered into with the Client.

k. "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, where under the Portfolio Manager exercises any degree of discretion in the investments or management of assets of the Client.

l. "Discretionary Portfolio Manager" means a Portfolio Manager who exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the Client, as the case may be.

m. "Document" means this Disclosure Document.

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

o. "Funds" means the monies managed by the Portfolio Manager on behalf of the Client pursuant to Portfolio Investment Management Agreement and includes the monies mentioned in the Application, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to Portfolio Investment Management Agreement, 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.

p. "Non-discretionary Portfolio Management Services" means a 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 ensure that all benefits accrue to the Client's Portfolio.

q. "Parties" means the Portfolio Manager and the Client; and "Party" shall be construed accordingly.

r. "Person" includes an individual, a Hindu Undivided Family, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof. 5

s. "Portfolio" means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to the Portfolio Investment Management 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 Portfolio Investment Management Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares or otherwise in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

t. "Portfolio Manager" shall have the same meaning as given in regulation 2(1)(o) of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.

u. "Principal Officer" means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.

v. "Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as may be amended from time to time.

w. "SEBI" means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the SEBI Act.

x. "Securities" includes: "Securities" as defined under the Securities Contracts (Regulation) Act, 1956 as amended from time to time and includes (Check the definition in SCR):

   i. Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate.
   ii. Derivative
   iii. Units or any other instrument issued by any collective investment scheme to the investors in such schemes.
   iv. Security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
   v. Units or any other such instrument issued to the investors under any mutual fund scheme.
   vi. Government securities vii. Such other instruments as may be declared by the Central Government to be securities.

vii. Rights or interest in securities

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.

3. Description

3.1 History, Present Business and Background of the Portfolio Manager:

Elite Wealth Limited ("EWL") (Formally known as Elite Wealth Advisors Limited) is a Public Limited company incorporated under the Companies Act, 1956 on **May 29, 1990**, having its Registered Office at **Casa Picasso, Golf Course Extension, Near Rajesh Pilot Chowk, Radha Swami, Sector-61 Gurgaon, HR 122001.**

Elite Wealth Limited was registered with SEBI as a Portfolio Manager vide registration no. **INP000003021** under SEBI (Portfolio Managers) Regulations 2020.

Elite Wealth Limited is a registered with SEBI as a Stock Broker vid registration no **INZ000186539,** as Depository Participant vide SEBI Registration No. **IN-DP-133-2015** being the depository Participants of NSDL and CDSL and as a Research Entity vide SEBI Regn. No **INH100002300.**

Promoters of the Portfolio Manager, Directors, and their background:

3.1.1 Promoter:

Mr. Ravinder Prakash Seth is a Promoter of **"EWL"** who singly owns **87.86%** stake in the company with his family members. After working on several projects in India and abroad he founded and promoted Elite Wealth Limited (Formerly known as Elite Stock Management Private Limited) as a Stock Broking Company. His valuable experience in the Stock Market has brought the company to current heights and under his leadership "EWL" has made a mark as one of the prominent Stock Brokers in National Capital Region.

3.1.2 Directors and their background:

Name	Qualification	Brief Experience
Mr. Ravinder Parkash Seth, Managing Director	Electronics Engineering Graduate	Mr. Ravinder Parkash Seth, CEO & Managing Director of the Elite Wealth Limited. He has an experience of more than 3 decades in the Securities Market. He has worked with ECIL (Electronic Corporation of India Ltd.) as a Computer Engineer for 5 years and with the Ministry of Health Saudi Arabia at Dammam as Bio Medical Engineer for 7 years. After working on several projects in India and abroad, he founded and promoted "EWL" as a Stock Broking Company. His valuable experience in the Stock Market has brought the company to current heights and under his leadership "EWL" has made a mark as one of the prominent Stock Brokers in National Capital Region.
Mr. Ankur Seth, Director	MBA	Mr. Ankur Seth is a Director of Elite Wealth Limited. He has rich and varied experience of more than 12 years in the field of Securities and Commodities Market etc.

Mr. Tarun Gera, Director	MBBS	Mr. Gera is a Director of Elite Wealth Limited. He possesses 25 years of experience as an investor in the Securities
Mr. Vikram Luthra, Director	B. Tech	Mr. Luthra is the Director & COO of Elite Wealth Limited. He has more than 17 years of varied experience in operational, Financial, technical Regulatory in the Capital Market Industry at various levels from the Junior post to the senior level at present. Having in depth knowledge about the controlling of a wealth management/ broking company.
Mr. Dheeraj Bhatia, Director	B. Com and Chartered Accountant	Mr. Bhatia is a Director and Finance Manager of Elite Wealth Limited. He has more than 10 Years of experience in finance, Taxation and Corporate Affairs.

3.2 Top 10 Group companies/firms of the portfolio manager on turnover basis as on 31st March 2023

1. Elite Insurance Brokers Pvt Ltd.-Subsidiary (Wholly Owned Subsidiary- Registered with IRDA)

3.3 Details of the services being offered:

3.3.1 Discretionary Services:

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Securities invested / 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 Client's fund's is absolute and final and can never be called in question or be open to review at any time during the currency of the agreement or at any time thereafter except on the ground of fraud, malafide, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Regulations, guidelines and notifications in force from time to time. Periodical statements in respect to Client's Portfolio shall be sent to the respective Client.

Based on the Client's profile, overall investment objective and other relevant factors, the Portfolio of the Clients are at present managed under one or more pre-defined Investment Strategies.

3.3.2 Non - Discretionary Services

Under these services, the Client decides their own investments, with the Portfolio Manager, wherein the portfolio manager facilitates only with research/recommendation and execution of transactions. The Portfolio Manager's role would include but not limited to providing research, structuring of client's portfolios, investment advice, and guidance and trade execution at the Client's request. The Portfolio Manager shall execute orders as per the mandate received from Clients. Portfolio manager and client will have an agreed fee structure and for a definite described period, entirely at the Client's risk.

3.3.3 Advisory Services

The Portfolio Manager will provide Advisory Portfolio Management Services, in terms of the Regulations, which shall be in the nature of investment advisory and shall include the responsibility of advising on the investment and disinvestment of individual securities in the client's portfolio, for an agreed fee structure, entirely at the Client's risk.

The Portfolio Manager shall be solely acting as an advisor to the Portfolio of the client and shall not be responsible for the Investment/Disinvestment of Securities and /or administrative activities of the clients Portfolio. The Portfolio Manager shall provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and/or the client from time to time in this regard. It will be the discretion/responsibility of the client whether to execute trades based on the advice of Portfolio Manager.

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

4.1 All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Regulations made there under:
As per the ADJUDICATION ORDER NO. Order/BM/DS/2022-23/18104 dated July 28, 2022

4.2 The nature of the penalty/direction:
Monetary Penalty of Rs. 10,00,000/- (Rupees Ten Lakhs only)

4.3 Penalties imposed for any economic offence and/ or for violation of any securities laws.
Penalties imposed for violation of Section 23D of SC(R) Act, 1956, Section 15HB of SEBI Act, 1992

4.4 Any pending material litigation/legal proceedings against the portfolio Manager /key personnel with separate disclosure regarding pending criminal cases, if any
NIL

4.5 Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.
NONE

4.6 Any enquiry/ adjudication proceedings initiated by the Board as on date 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:
NIL

5. Services Offered

5.1 Discretionary Portfolio Management Services ('DPMS'):

The Portfolio Manager may design and develop various products keeping in mind market conditions and may customize for Client's specific need / profile. The Portfolio in all cases will be guided strictly by the relevant SEBI Regulations and circulars prevailing in force from time to time. The instrument may be principal protected or non- protected, which may have fixed or variable pay-offs. The investment objective of the Portfolio Manager shall be preservation and growth of capital, and at the same time endeavour to reduce the risk of capital loss. However, while the aforesaid is the objective, it needs to be reiterated that there can be no assurance and/or guarantee of such growth or even as regards preservation of capital or of there being no capital loss. The Portfolio Manager shall provide Portfolio Management Services to all eligible category of investors who can invest in Indian market including resident Indians, NRIs, FPIs, etc.

All the below mentioned strategies are used under the discretionary portfolio management services as per the SEBI Regulations, circulars etc. issued from time to time.

The main features under Discretionary Portfolio Management Services are:

- Any Strategy/ product under Discretionary Portfolio Management Services shall not
- invest in primary market issues including Offer for Sale (OFS) of EWL group Companies.
- Minimum Portfolio Size: Rs. 50 Lakhs or any amount not less than the statutory minimum as may be specified by the SEBI from time to time.
- EWL may provide an option of Systematic Transfer Plan (STP) or Systematic Withdrawal Plan (SWP) for the purpose of investment in portfolio.

The Portfolio Manager manages the Assets of the Client using the following portfolios:

a) Elite Opportunity Fund

Investment objective	To generate capital appreciation across market capitalization by investing concentrated set of high conviction companies. The scheme is suited for investors who seek long term capital appreciation with high risk.
Description of types of securities	Listed Equity, Liquid Funds, Listed Investment Trust, Mutual Funds
Basis of selection of such types of securities as part of the investment approach	Based on the economic scenario where industries leading in that situation Based on CANCLIM approach, major focus on quality business (Old economy/New economy sector and stocks) Volatility is high in the portfolio
Allocation of portfolio across types of securities*	80%-100% Equity and 0-20% Cash and Cash equivalent
Appropriate benchmark to compare performance and basis for choice of benchmark	BSE 500 We are selecting stocks on basis of multi cap approach where portfolio combination remain in Large and Mid cap stocks Portfolio remain between 15-25 companies at any point of time. Build a focused portfolio with exposure to conviction ideas with buy and hold approach. For investors who look forward for long term wealth creation. The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy
Indicative tenure or investment horizon	Investment horizon of 3 years and above
Risks associated with the investment approach	The investment strategy is across the segment to capture alpha in the market so risk is slightly on higher side
Other salient features, if any	Nil

*Change in allocation of portfolio: Subject to regulation, the asset allocation pattern indicatedabove may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and thatthey can vary substantially, depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Investors. Such changes inthe investment pattern will be for short term and defensive considerations.

b) Elite Value Fund

Investment objective	To generate capital appreciation across market capitalization by investing concentrated set of high conviction companies. The scheme is suited for investors who seek long term capital appreciation with moderate risk
Description of types of securities	Listed Equity, Liquid Funds, Listed Investment Trust, Mutual Funds
Basis of selection of such types of securities as part of the investment approach	Based on the economic scenario where industries leading in that situation Based on CANCLIM approach, major focus on quality business (Old economy/New economy sector and stocks) Volatility is Moderate in the portfolio
Allocation of portfolio across types of securities*	80%-100% Equity and 0-20% Cash and Cash equivalent
Appropriate benchmark to compare performance and basis for choice of benchmark	BSE 200

	Selection of the stocks is on basis of multi-cap approach where portfolio combination remains in Large, Mid & Small cap stocks The portfolio remains between 15-20 companies at any point of time. Build a focused portfolio with exposure to conviction ideas with buy and hold approach. For investors who look forward for long-term wealth creation. The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy
Indicative tenure or investment horizon	Investment horizon of 3 years and above
Risks associated with the investment approach	The investment strategy is across the segment to capture alpha in the market so risk is moderate
Other salient features, if any	Nil

*Change in allocation of portfolio: Subject to regulation, the asset allocation pattern indicatedabove may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and thatthey can vary substantially, depending upon the perception of the Investment Manager, theintention being at all times to seek to protect the interests of the Investors. Such changes inthe investment pattern will be for short term and defensive considerations.

5.2 Non-Discretionary Portfolio Management Services ('NDPMS')

The main features under Non-Discretionary Portfolio Management Services are:

Any Strategy/ product under Non-Discretionary Portfolio Management Services shall invest in primary market issues including Offer for Sale (OFS) subject to regulations.

- Minimum Portfolio Size: Rs.50 Lakhs or any amount not less than the statutory minimum as may be specified by the SEBI from time to time.
- Non-binding advice from Portfolio Manager.
- Investment in unlisted securities, if any, will not exceed 25% of the assets under management.
- EWL may provide an option of Systematic Transfer Plan (STP) or Systematic Withdrawal Plan (SWP) for the purpose of investment in portfolio.

NOTE for DPMS and NDPMS:

- Investment under Portfolio Management Services will be in compliance of SEBI (Portfolio Manager) Regulations, 2020.
- The un-invested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager be held in cash or deployed in Liquid fund schemes, Exchange Traded Index Funds, debt oriented schemes of Mutual funds, Gilt schemes, Bank deposits and other short term avenues for Investment.
- The Portfolio Manager, with the consent of the Client, may lend the securities through an Approved Intermediary.
- Client would have to select stock from model portfolio of respective strategies under NDPMS.
- For the purpose of complying with the provision of clause A(3)(vi) of the SEBI circular no. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020, Elite Wealth Ltd, as portfolio manager may appoint non-associate broker (s), custodian (s), depository (s) or such other intermediaries as it may think fit.
- The Portfolio Manager may move between asset classes i.e. equity and fixed income and cash depending upon market conditions. This is done mainly with an objective of protecting capital when markets are uncertain or have a downward bias.
- The use of derivatives will vary from portfolio to portfolio which shall be in accordance with applicable regulations. In the pure equity portfolios, derivatives will be used primarily for hedging and portfolio rebalancing purposes. Hedging will be used with an objective of attempting to preserve capital in uncertain

times, while portfolio rebalancing would include investing in derivatives instead of a direct investment in the cash market if the Portfolio Manager feels a certain position can be more effectively created using derivatives.

- As per Regulation 24 (5) of the SEBI (Portfolio Managers) Regulations, 2020, portfolio manager may invest in units of Mutual Funds only through direct plans.
- Trading in derivative

SEBI in terms of Securities and Exchange Board of India (Portfolio Managers) Amendment Regulations, 2020 and pursuant to circular no. SEBI/RPM circular no. (2002- 2003) dated February 5, 2003 and circular no. MFD/CIR/21/ 25467/2002 dated December 31, 2020, has permitted all the Portfolio Managers to participate in the derivatives trading subject to observance of guidelines issued by SEBI in this behalf.

Pursuant to this, the Portfolio Managers may use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance the clients 'interest.

Accordingly, the Portfolio Manager may use derivatives instruments like Stock Index Futures, Options on Stocks and Stock Indices, or other such derivative instruments as may be introduced from time to time and as permitted by SEBI.

The following table provides information relating to the nature of the equity derivative instruments proposed to be used by the Portfolio Manager: -

Sr.No.	Type of Derivative	Type of Position/action	Purpose/ Description	Limit
1	Index futures	Sell	Hedging of portfolio against expected market Downturn	Up to 100% of equity portion of the portfolio
2	Index Options-Call	Sell	Covered Call against Existing portfolio	Up to 100% of equity portion of the portfolio
3	Index Options - Put	Buy	Buy index puts to hedge existing portfolio	Up to 100% of equity portion of the portfolio
4	Index Options – Put Spread	Buy near the money Put and Sell out of money Put(s)	Buy and Sell index put strikes to hedge existing portfolio	To the extent of cash/equivalents in the portfolio. Maximum limit 100% of portfolio
5	Index Options – Bear Call Spread	Sell near the money Call and Buy out of money Call(s)	Covered Call against Existing portfolio	To the extent of cash/equivalents in the portfolio. Maximum limit 100% of portfolio
6	Stock futures	Sell	Sell against existing stock– Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of cash/equivalents in the portfolio. Maximum limit 100% of portfolio

7	Stock options–Call	Sell	Covered Call against existing stock position	To the extent of cash/equivalents in the portfolio. Maximum limit 100% of portfolio
8	Stock options – Put	Buy	Purchase against existing stock. Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of cash/equivalents in the portfolio. Maximum limit 100% of portfolio
9	Stock options - Put Spread	Buy near the money Put and Sell out of money Put(s)	Buy and Sell Stock put strikes to hedge existing portfolio	To the extent of cash/equivalents in the portfolio. Maximum limit 100% of portfolio
10	Stock options- Bear Call Spread	Sell near the money Call and Buy out of money Call(s)	Covered Call against Existing Stock	To the extent of cash/equivalents in the portfolio. Maximum limit 100% of portfolio

The total exposure of the client 's portfolio will not exceed his funds placed with the portfolio manager and the maximum loss in the worst-case scenario will be limited to the client 's portfolio. In case of all the above-mentioned strategies the downside will be restricted to the client 's portfolio. Given the use of futures in the portfolio, the notional value of all the portfolio positions under the product may exceed the amount invested.

5.3 Investment in associates / group companies: -

The Portfolio Manager will, before investing in the securities of associate/group companies, will evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Portfolio. Investments under the Portfolio in the securities of the group companies will be subject to the limits prescribed under agreement executed with the respective client and the same would be subject to the applicable laws/regulations/guidelines issued by SEBI from time to time.

Details of conflicts of interest related to services offered by group companies or associates of the Portfolio Manager: -

The Portfolio Manager and its group companies/associates are engaged in a broad spectrum of activities in the financial services sector. The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavour to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.

6. Risk Factors

A. General Risk Factors applicable to investments:

- Securities investments are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
- Past performance of the portfolio manager does not indicate its future performance.
- Investors are not being offered any guaranteed or assured return/s *i.e.* either of Principal or appreciation on theportfolio.
- Investors may note that Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance withanticipated trends.
- Investors may not be able to voluntarily withdraw from the portfolio. In addition, they may

not be able to transfer any of the interests, rights, or obligations with regard to the Portfolio except as may be provided in the client agreement and the applicable regulations.

- The portfolio may be affected by settlement periods and transfer procedures.
- The Portfolio Management Service is subject to risk arising from theinvestment objective, investment strategy and asset allocation.
- The Portfolio Manager carries out risk profiling of investors at the time of initial investment. In case investor doesn't inform the changes in the profile,there is a risk of investment advice on the basis of incorrect risk profiling ofthe client.
- The investor should read the disclosure document and terms and conditionsof the product properly before making any investment decision. The PortfolioManager would be acting on the advice of experts in the relative fields but would not be responsible for any loss occasioned by any act or omission onthe part of such persons.
- A portfolio which tends to concentrate on a specific asset class or a specificsector could carry the risk with regard to non-diversification of the portfolio and hence, the scope for diversification could be limited at times. There couldbe instances when the portfolio might have an unusually high exposure to afew stocks.
- The investments are vulnerable to movements in the prices of securities invested by the portfolio, which could have a material bearing on the overallreturns from the portfolio. The value of the portfolio investments, may be affected generally by factors affecting securities markets, such as price andvolume, volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, aspecific sector or all sectors including equity and debt markets.
- All transactions of purchase and sale of securities by portfolio manager andits 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.
- The Portfolio Manager and its group companies/associates are engaged in abroad spectrum of activities in the financial services sector. The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Managershall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.

B. Risks related to Equity and Equity Linked Investments:

- The liquidity of the Portfolio's investments is inherently restricted by tradingvolumes in the securities in which itinvests.
- The valuation of the Portfolio's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in thecapital markets, interest rates, currency exchange rates, changes in policiesof the Government, taxation laws or any other appropriate authority policiesand other political and economic developments which may have an adversebearing on individual securities, a specific sector or all sectors including equity and debt markets. There will be no prior intimation or prior indicationgiven to the Clients when the composition/ asset allocation pattern changes.
- Trading volumes, settlement periods and transfer procedures may restrict theliquidity of the investments made by the Portfolio. Different segments of theIndian financial markets have different settlement periods and such periodsmay be extended significantly by unforeseen circumstances. The inability ofthe Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities.By the same rationale, the inability to sell securities held in the portfolio dueto the absence of a well-developed and liquid secondary market for debt securities would result, at times, in potential losses to the Portfolio, in case ofa subsequent decline in the value of securities held in thePortfolio.
- In case of Dividend Yield Portfolios, returns of the Portfolio could depend onthe dividend earnings and capital appreciation, if any, from the underlying investments in various dividend

yield companies. The dividend earnings of the portfolio may, vary from year to year based on the philosophy and otherconsideration of each of the high- dividend yield companies. Further, it should be noted that the actual distribution of dividends and frequency thereof by the high-dividend yield companies in future would depend on thequantum of profits available for distribution by each of such companies. Dividend declaration by such companies will be entirely at the discretion of the shareholders of such companies, based on the recommendations of its Board of Directors. Past track record of dividend distribution may not be treated as indicative of future dividend declarations. Further the dividend yield stocks may be relatively less liquid as compared to growth stocks.

- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison tosecurities that are listed on the exchanges or offer other exit options to theinvestor, including a put option. The Portfolio Manager may choose to investin unlisted securities that offer attractive yields. This may however expose the Client's portfolio to liquidity risk. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- While securities that are listed on the stock exchange carry relatively lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Portfolio(s) and may lead to the investment(s) incurring lossestill the security is finally sold.
  The Portfolio Manager may, subject to authorization by the Client in writing,participate in securities lending. The Portfolio Manager may not be able to sell/lend out securities, which can lead to temporary illiquidity. There are risksinherent in securities lending, including the risk of failure of the other party,in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral,the inability of the Approved Intermediary to return the securities depositedby the lender and the possible loss of corporate benefits accruing thereon.
- To the extent that the portfolio will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

C. Risks related to investments in debt and debt related instruments:

- Interest Rate Risk: As with all debt securities, changes in interest rates mayaffect valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Pricesof long-term securities generally fluctuate more in response to interest ratechanges than prices of short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.
- Liquidity or Marketability Risk: This refers to the ease with which a securitycan be sold at or near to its valuation yield-to-maturity (YTM). The primarymeasure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixedincome security may default (*i.e.*, will be unable to make timely principal and interest payments on the security). Because of this risk corporate debenturesare sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the valueof a fixed income security will fluctuate depending upon the changes in theperceived level of credit risk as well as any actual event of default. The greaterthe credit risk, the greater the yield required for someone to be compensatedfor the increased risk.
- Reinvestment Risk: This risk refers to the interest rate levels at which cash flows.
- Received from the securities under a particular Portfolio are reinvested. Theadditional income from reinvestment is the "interest on interest" component.The risk is that the rate at which interim cash flows can be reinvested may belower than that originally assumed.
- The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower

rated/ unrated securities offering higher yields. Thismay increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.

D. Risks related to investments in derivatives instruments:

- The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedgingand portfolio balancing, as permitted. Under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to suchderivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
- Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into,the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to complywith the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates andindices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on theirvalue.

E. Risks specific to investments in mutual fund schemes

- Mutual Funds and securities investments are subject to market risks and thereis no assurance or guarantee that the objectives of the Schemes will be achieved. The various factors which impact the value of the Scheme's investments include, but are not limited to, fluctuations in markets, interestrates, prevailing political and economic environment, changes in governmentpolicy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes,*etc.*
- As with any securities investment, the Net Asset Value (NAV) of the Units issued under the Schemes can go up or down, depending on the factors and forces affecting the capital markets.
- Past performance of the Sponsors, Asset Management Company (AMC)/Fund does not indicate the future performance of the Schemes of the Fund.
- The Portfolio Manager shall not be responsible for liquidity of the Scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the Scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the Schemes.
- The Portfolio Manager shall not responsible, if the AMC/ Fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 orany other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/Scheme Information Document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monitory and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or otherrates or prices, the performance of the financial markets in India and globally.
- The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the Fund.
- While it would be the endeavor of the Portfolio Manager to invest in theschemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to thereturns of this portfolio being adversely impacted.
- The scheme specific risk factors of each of the underlying schemes become applicable

where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factorsof the underlying schemes.

- The Portfolio Manager does not offer any guaranteed or assured returnsto the investors.

7. Client Representation

S. No	Category of Client	Total No of Clients	Assets Under Management (Rs in Cr.)	Discretionary / Non-Discretionary
i)	Associate/Group Co.	NIL	NIL	N.A
ii)	Others: (for last 3 Years) (Individual R/NR/Corporate R/NR)			
	2020-21	12	6.08 CR	Discretionary
	2021-22	8	6.21 CR	Discretionary
	2022-23	10	7.11 CR	Discretionary

"Funds Managed" indicates market value of Asset under Management.

The above figures are given in compliance with SEBI (Portfolio Managers) Regulations, 2020

Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India

The disclosure on related party transactions as per the information provided in the Audited Accounts of Elite Wealth Limited for the financial year ended on March 31, 2023.

7.1 Transactions with related parties are as under:

- The Portfolio Manager uses the broking services of M/s. Elite Wealth Limited who is member of BSE and NSE in Cash, Derivatives &Currency.

Names of related parties and nature of relationship (as on March 31, 2023) are as under: -

7.1.1 Enterprises where control Exists-Nil.

7.1.2 Subsidiaries - Elite Insurance Brokers Private Limited

7.1.3 Key Management Personnel

1. Mr. Ravinder Parkash Seth
2. Mr. Ankur Seth
3. Mr. Tarun Gera
4. Mr. Vikram Luthra
5. Mr. Dheeraj Bhatia

7.1.4 Enterprises over which KMP's have Significant influence

1. GSU E Consulting LLP
2. Elite Realty Consultants Private Limited
3. Tradexpan (India) Private Limited
4. Era Resorts Private Limited

Transaction with Related Parties

S. No.	Transaction Type	Name of Related Party/Entity	Relation	Transaction Value for the year 2022-2023	Transaction Value for the year 2021-2022	Transaction Value for the year 2020-2021
1.	Remuneration	Ravinder Parkash Seth	Director	2187500	2135000	20,00,000
		Vikram Luthra	Director	1279032	1256452	12,50,000
		Dheeraj Bhatia	Director	1410769	1197545	9,31,323
		Ankur Seth	Director	620753	500000	-
2.	Rent Paid	Ravinder Parkash Seth	Director	392500	-	5,40,000
3.	Rent Paid	Ankur Seth	Director	105000	-	-
4.	Rent Paid	Era Resorts Pvt. Ltd.	Enterprises over which KMP's have Significant influence	42000	42000	-
5.	Rent Paid	Elite Realty Consultants Pvt. Ltd.	Enterprises over which KMP's have Significant influence	874000	1032000	-
6.	Rent Received	Elite Comtrade Private Limited	Subsidiary	-	-	-
7.	Interest Received	Elite Comtrade Private Limited	Subsidiary	-	-	-
8.	Loan Received	Elite Comtrade Private Limited	Subsidiary	-	-	-
9.	Loan Received	Ravinder Parkash Seth	Director	53500000	48500000	60,00,000
10.	Loan Repaid	Ravinder Parkash Seth	Director	53500000	48500000	60,00,000
11.	Interest Paid	Ravinder Parkash Seth	Director	38713	163383	62,165
12.	Brokerage Charged	Vikram Luthra	Director	900.5	1938	467.10
		Ankur Seth	Director	1540.04	5410	61865.14
		Priyanka Seth	Relative of Director	-	-	274.87
		Ravinder Parkash Seth	Director	120734.29	330331	354000.33
		Dheeraj Bhatia	Director	-	0	-
		Tarun Gera	Director	11426.11	18058	-
13.	Sale of building	Elite Realty Consultants Pvt. Ltd.	Enterprises over which KMP's have	-	4800000	-

			Significant influence			
14.	Purchase of building	Elite Insurance Brokers Private Limited	Subsidiary	4950000	-	-
15.	Sale of Motor Car	Elite Realty Consultants Pvt. Ltd.	Enterprises over which KMP's have Significant influence	-	735000	-
16.	Security Deposits	Elite Realty Consultants Pvt. Ltd.	Enterprises over which KMP's have Significant influence	48000	120000	-
17.	Recoveries/ Reimbursement	Elite Realty Consultants Pvt. Ltd.	Enterprises over which KMP's have Significant influence	48000	206216	-
18.	Recoveries/ Reimbursement	Elite Insurance Brokers Private Limited	Subsidiary	-	2000	-
19.	Salary Payable	Elite Insurance Brokers Private Limited	Subsidiary	260866	-	-

*** The Elite Comtrade Private Limited is Merged with its holding Company i.e. Elite Wealth Limited Pursuant to the provisions of the Section 233 of the Companies Act, 2013 and with the approval of the Regional Director (North) Through its order Dated on 8th day of June, 2021.**

8. The Financial Performance of Portfolio Manager (Based on audited Financial Statements) Financial highlights of Elite Wealth Limited for the last 3 years are given as under:

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2021
Profit/(Loss) before depreciation & Tax & after Exceptional & Extraordinary Items (Net of Tax)	22229802	29604442	20201737
Less: Depreciation	9087501	4925292	4598673
Less: Provision for Tax	2635400	5919100	2907468
Less/(Add): MAT Credit Entitlement	-	-	-

Less/(Add): Deferred Tax	(233800)	(247272)	37172
Less/(Add): Provision for Tax (for previous Years)	64009	30657	140379
Profit/(Loss) for the Year after tax	10676692	18976665	12518045
Add/(Less): Balance B/F from previous Year	45941400	38940734	36402690
Add/(Less): Appropriations	4990000	11976000	9980000
Balance Carried to Balance Sheet	**51628092**	**45941399**	**38940735**

9. Portfolio Management performance of the Portfolio Manager for the last 3 years and in case of discretionary Portfolio Manager Disclosure of performance indicators calculated using time weighted rate of return method in terms of regulation 22 of the SEBI (Portfolio Managers) Regulation, 2020.

Portfolio Performance (Net of all Cost and Fees)	FY 2022-23	FY 2021-22	FY 2020-21
	01/04/2022 to 31/03/2023	01/04/2021 to 31/03/2022	01/04/2020 to 31/03/2021
Scheme 6 - ELITE VALUE	0.53%	33.03%	43.29%
BSE 200	-2%	19.87%	74.25%

Portfolio Performance (Net of all Cost and Fees)	FY 2022-23	FY 2021-22	FY 2020-21
	01/04/2022 to 31/03/2023	01/04/2021 to 31/03/2022	01/04/2020 to 31/03/2021
Scheme 7 -ELITE OPPORTUNITY	-3.59%	23.97%	43.37%
BSE 500	-2.26%	20.88%	76.62%

10. Audit Observation

There have been no Audit observations by the statutory auditors in the preceding 3 years.

11. Nature of Expenses

1. **Investment Management & Advisory Fees:**
   Investment Management and Advisory fees charged may be a fixed fee or a return based fee or a combination of both as detailed in the Schedule to the Portfolio Management Services agreement. The Fees may be charged upfront and/or at the end of a specified tenure as agreed between the Client and the Portfolio Manager.

2. **Custodian/Depository Fees:**
   As may be decided between the Client and the Portfolio Manager

3. **Registrar & Transfer Agent Fees:**
   Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.

4. **Brokerage & Transaction Cost:**
   The investments under Portfolio Management would be done through registered members of the Stock Exchange(s) who charge brokerage up to a maximum of 2.5% of contract value. In addition to the brokerage, custodian Charges, fund accounting charges, transaction cost like network charges, turnover charges, stamp duty, transaction costs, turnover tax, Securities transaction tax or any other tax levied by statutory authority (ies), foreign transaction charges (if any) and other charges on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments would also be levied by the broker (including Elite Wealth Limited).Exit loads (if any) on units of Mutual Funds will also be charged from Clients.

5. **Securities lending charges:**
   The charges pertaining to the lending of securities and costs associated with transfers of securities

6. **Goods and Service Tax:**
   As applicable from time to time.

7. **Depository Charges:**
   As may be applicable from time to time.

8. **Exit Load**
   As may be mutually agreed to between the Client and the Portfolio Manager
   Upto 12 months- 1% of the withdrawal
   More than 12 months- Nil

9. **Certification and professional charges:**
   Charges payable for out sourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarisations, certifications, attestations required by bankers or regulatory authorities including legal fees etc.
10. **Incidental expenses:**
   Charges in connection with day-to-day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account, distribution charges or any other out of pocket expenses as may be incurred by the Portfolio Manager.

Expenses Schedule	
Fixed Management Fees	-2.5 % p.a on portfolio value on day, charged quarterly.

Hybrid Fee (High Water Mark Principal)	OR Fixed Management Fee: -1.5 % p.a on portfolio value on day, charged quarterly. & Variable Fee: -For Return upto 10% p.a. - NIL -For Returns above 10% p.a upto 25% fee on excess returns annually. OR
Performance Based Fee	- 25 % fee on return payable half yearly.
Custody Fees	Account Opening Charges INR 300 per account Depository Charges: On Actuals (currently INR 25 per debit to client account) Out of Pocket Expenses - On Actuals (Including courier charges, legal expenses, stamp duties payable)
Brokerage on Trading	Brokerage Rate as applicable on the trade value of every buy and sell transaction.
Exit Load	In first year: 1% of amount redeemed. After 1 year: no exit load

The investor may note that may be charged to Clients mentioned below are indicative only. The same will vary depending upon the exact nature of the services to be provided to investors

Portfolio Value:

Fresh Clients: Investment Amount (Securities + Cheque Value) Existing Clients: Value of the Portfolio on Renewal date

Note:

a. Average daily portfolio value means the value of the portfolio of each client determined in accordance with the relevant provisions of the agreement executed with the client and includes both realized and unrealized gains/losses.

b. The Portfolio Manager may also be entitled to recover transaction fee, brokerage charges, demat fees, and/or disbursement made in respect of the investments (and/or disbursements) and/or any incidentals in the form of stamp duties, registration charges, professional fees, legal fees, consultancy charges, service charges etc. and such other expenses, duties, charges incurred on behalf of the Client on account of the Service provided to him/her/it.

12. TAXATION:

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

Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the 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 above, and since the individual nature of tax consequences may differ in each case on its merits and facts, each Investor is advised to consult his / her or its own professional tax advisor with respect to the specific tax implications arising out of its participation in the Portfolio Management Services, as an investor. In view of the above, it is advised that the Investors appropriately consult their investment / tax advisors in this regard.

The tax implications given hereunder are broad level implications. Such implications may differ taking into account the specific facts of each individual case. Further, the tax rates and provisions are as applicable as on the date of issue of this document and would need to be considered as on the date of the taxable event.

The Clients are accordingly advised to avail the services of a professional consultant in determining their exact tax implications.

A. Treatment of Dividend from Companies and Mutual Funds:

a) Dividends declared, distributed or paid up to March 31, 2020:

Any dividend income from a domestic company, which is subject to dividend distribution tax (DDT) under section 115-O of the Act, is exempt from tax under section 10(34) of the Act. However, as per the proviso to section 10(34) of the Act, nothing contained under section 10(34) shall apply to any income by way of dividend chargeable to tax in accordance with the provisions of section 115BBDA of the Act. As per section 115BBDA of the Act, any income earned by a specified assessee who is resident in India, by way of dividend declared, distributed or paid by a domestic company in excess of INR 10,00,000, the same shall be chargeable to tax at 10% (excluding surcharge and health and education cess) on a gross basis. Accordingly, the said tax shall be over and above the DDT paid by the domestic company distributing the dividend.

'Specified assessee' means a person other than (i) domestic company; or (ii) a fund or institution or trust or any university or other educational institution or any hospital or other medical institution as referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or (iii) a trust or institution registered under section 12A or section 12AA or section 12AB.

Income (other than on transfer of units) from units of a Mutual Fund, registered with the Securities and Exchange Board of India (SEBI), is exempt from tax under section 10(35) of the Act.

b) Dividends declared, distributed or paid from April 01, 2020:

With effect from April 01, 2020, Finance Act 2020 has abolished the DDT charged under section 115-O and section 115R of the Act on the dividends paid by the domestic company and Mutual Fund, respectively, thereby transferring the tax burden completely in the hands of the shareholders/unitholders. Resultantly, section 10(34) and section 10(35) of the IT Act has also been deleted. Currently, the dividend is taxable in the hands of the unitholders/shareholders and also, subject to withholding of taxes at source by the Mutual Fund/Company, at applicable rates.

In addition to the above, where any income distributed up to March 31, 2020 which is subject to tax on distribution is received on or after April 01, 2020, the same shall continue to be exempt in the hands of shareholders/unitholders under section 10(34)/10(35) of the Act.

B. 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 (not being shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the IT Act, a distribution tax at the rate of 20% (plus applicable surcharge and health and education cess) 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. Such distribution tax is 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 company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of IT Rules provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

As per the Finance (No. 2) Act, 2019, any buy back of listed shares, on or after July 05, 2019, shall also attract buy-back tax under section 115QA of the IT Act. Accordingly, exemption under section 10(34A) of the IT Act is also extended on such buy-back transactions. However, as per the Ordinance 2019, there shall be no buy-back tax w.r.t those shares for which public announcement of buy-back was made before July 05, 2019.

C. Characterization of Income earned from Transfer/ Sale of Securities

Transaction in shares/ securities/ units of Mutual Fund may be either on the capital account (and chargeable to tax 'Capital gains' under section 45 of the Act) or on the trading account (and chargeable to tax as 'Profits and gains of business or profession' under section 28 of the Act).

The issue of income characterization as above is essentially a question of fact and dependent on various factors. Guidance can be sought from judicial precedents and clarifications issued by the Central Board of Direct Taxes (CBDT) vide circular/instructions.

In this regard, CBDT issued Circular No 6 dated February 29, 2016 on the tax treatment of surplus arising from transfer of listed shares/ securities whether capital gains or business income with a view to reduce litigation and uncertainty and in partial modification to earlier CBDT Circulars, the 2016 Circular instructs tax authorities to consider certain guidelines for classifying listed shares/ securities as under:

i. Where the taxpayer itself, irrespective of the period of holding of the listed securities treats the gains from sale of such securities as business income, the same should be accepted by the tax authorities.
ii. Where the taxpayer wishes to treat the gains arising from transfer of listed securities held for a period more than 12 months immediately preceding the date of its transfer as capital gains, the same should not be put to any dispute by the tax authorities. However, this stand, Once taken in a particular year, shall remain applicable to subsequent years and taxpayers shall not be allowed to adopt a different stand in this regard in subsequent years
iii. In all other cases, the nature of transaction (i.e. whether the same is in the nature of capital gains or business income) shall continue to be decided keeping in view the other notifications/ circulars issued byCBDT in this regard.

The aforementioned circular shall not apply in a case where the genuineness of the transaction itself is questionable.

Based on the earlier Central Board of Direct Taxes ('CBDT') circulars and judicial decisions, following are inter alia the key factors and principles which need to be considered while determining the nature of assets as above:

- Motive for the purchase of shares;
- Frequency of transactions and the length of period of holding of the shares;
- Treatment of the shares and profit or loss on their sale in the accounts of the assessee;
- Source of funds out of which the shares were acquired – borrowed or own;
- Existence of an object clause permitting trading in shares – relevant only in the case of corporate bodies;
- Acquisition of the shares – from primary market or secondary market;
- Infrastructure employed for the share transactions by the client including the appointment of managers, etc.

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously. Further, the background of the investor (professional vs. a trader in shares) would also be a relevant factor in determining the nature of the shares.

CBDT has clarified that, it is possible for a taxpayer to have two portfolios, i.e.,an investment portfolio comprising of securities which are to be treated as capital assets and a trading portfolio comprising of stock-in-trade which are to be treated as trading assets. Where an assessee has two portfolios, the assessee may have income under both heads i.e., capital gains as well as business income.

In view of the above, the profits or gains arising from transaction in securities could be taxed either as "Profits or Gains of Business or Profession" under section 28 of the Act or as "Capital Gains" under section 45 of the Act.

D. Short-Term and Long-Term Capital Gains on Sale of Securities:

Type of instrument	Period of holding	Characterization
Listed Equity or preference Share, Securities (other than units) and units of equity-oriented mutual funds,	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Short-term Capital Asset
Unlisted shares of a company	More than twenty four (24) months	Long-term Capital Asset
	Twenty four (24) or less	Short-term Capital Asset
Other securities	More than thirty six (36) months	Long-term Capital Asset
	Thirty six (36) months or less	Short-term Capital Asset

As per the provisions of section 48 of the Act, capital gains/ losses are computed by reducing from the sale consideration:

i. any expenditure incurred wholly and exclusively in connection with the transfer;

ii. the cost of acquisition of the asset transferred and the cost of any improvement thereto; and

where long-term capital gain arises from the transfer of a long-term capital asset, other than capital gain arising to a non-resident from the transfer of shares in, or debentures of, an Indian company referred to in the first proviso, the provisions of clause (*ii*) shall have effect as if for the words "cost of acquisition" and "cost of any improvement", the words "indexed cost of acquisition" and "indexed cost of any improvement" had respectively been substituted.

Further, section 48 of the Act provides that in the computation of capital gains, no deduction shall be allowed in respect of STT paid.

Additionally, the status of tax payer (i.e. whether the taxpayer is an individual, a corporate, etc.), whether the transfer has been subject to Securities Transaction Tax (STT), the nature of the instrument sold, etc. also impact the rate of tax applicable to capital gains arising from the transfer of a capital asset. Some of these aspects have been discussed below.

Securities Transaction Tax ("STT")

The following table provides the details in respect of the rate of STT applicable (as on date) to some of the taxable securities transactions:

Nature of Transaction	Payable by	Value on which taxshall be levied	Rates applicable (%)

Delivery based purchase transaction in units of equity oriented fund entered into in a recognized stock exchange	Purchaser	Value at which units are bought	Nil
Delivery based purchase transaction in equity shares or units of a business trust entered in a recognized stock exchange	Purchaser	Value at which shares/ units are bought	0.1
Delivery based sale transaction in equity shares or units of a business trust entered in a recognized stock exchange	Seller	Value at which shares/ units are sold	0.1
Delivery based sale transaction in units of equity oriented fund entered into in a recognized stock exchange	Seller	Value at which units are sold	0.001
Non-delivery based sale transactionin equity shares or units of equity oriented fund or units of a business trust entered in a recognised stock exchange	Seller	Value at which shares/ units are sold	0.025
Sale of units of an equity oriented fund to the mutual fund	Seller	Value at which units are sold	0.001

Capital gains tax on sale transaction on which STT is chargeable:

i) Long-term capital gains:

Finance Act 2018 has, with effect from April 01, 2018, withdrawn the exemption on long term capital gains on sale of specified assets on which STT is chargeable and has introduced new section 112A of the Act.

Under the provisions of new section 112A of the Act, in respect of transfer of an equity share in a company or a unit of an equity oriented fund or a unit of a business trust on or after April 01, 2018, tax at the rate of 10 per cent (plus applicable surcharge and cess) shall be levied on long-term capital gains, exceeding Rs.1,00,000, where in case of an equity share in a company, STT has been paid on acquisition and transfer of such capital asset in nature of asset being an equity shares in a company, or in a case of a unit of an equity oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

The long-term capital gains are required to be computed without giving effect to the first and second proviso to section 48 of the Act, i.e. benefit of computation of capital gains in foreign currency and indexation in respect of cost of acquisition and improvement.

Further, for the purpose of computing capital gains in relation to a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust, acquired before February 01, 2018, the cost of acquisition is deemed to be the higher of:

- The cost of acquisition of such asset; and
- The lower of –

(a) the fair market value of the asset; and

(b) the full value of consideration received or accruing as a result of the transfer of the asset. i.e. Sale Price

"fair market value" means,—

(i) in a case where the capital asset is listed on any recognised stock exchange as on the 31st day of January, 2018, the highest price of the capital asset quoted on such exchange on the said date:

Provided that where there is no trading in such asset on such exchange on the 31st day of January, 2018, the highest price of such asset on such exchange on a date immediately preceding the 31st day of January, 2018 when such asset was traded on such exchange shall be the fair market value;

(ii) in a case where the capital asset is a unit which is not listed on a recognised stock exchange as on the 31st day of January, 2018, the net asset value of such unit as on the said date;

(iii) in a case where the capital asset is an equity share in a company which is

(A) not listed on a recognised stock exchange as on the 31st day of January, 2018 but listed on such exchange on the date of transfer;

(B) listed on a recognised stock exchange on the date of transfer and which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31st day of January, 2018 by way of transaction not regarded as transfer under section 47,

an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the financial year 2017-18 bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the first day of April, 2001, whichever is later;

As stated above, to avail benefits of section 112A of the Act, equity shares should be subject to STT both at the time of acquisition and transfer of assets. However, to protect certain transactions, the CBDT issued a Notification (Notification No. 60/2018/F. No. 370142/9/2017-TPL dated October 01, 2018) stating that the condition of chargeability to STT at the time of acquisition, shall not apply to all transactions of acquisitions of equity shares entered into on or after October 01, 2004 other than the specified transactions.

ii) Short-term capital gains

Section 111A of the Act provides that short-term capital gains arising on sale of equity shares of a company or units of equity oriented fund and on which STT is chargeable are liable to income-tax at a concessional rate of 15% plus surcharge as applicable and cess.

In case of Resident individuals and Resident HUFs, where the taxable income as reduced by short-term capital gains is below the maximum amount not chargeable to tax, the short-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance short-term capital gains will be charged at the applicable rate plus cess.

Capital gains tax on sale transaction on which STT is not chargeable:

For resident individuals, HUFs, partnership firms (including limited liability partnership) and Indian companies:

i) Long-term capital gains

Long-term capital gains earned in respect of a long-term capital asset, is chargeable to tax under section 112 of the Act at the rate of 20% plus surcharge as applicable and cess. Capital gains are computed after taking into account the costof acquisition as adjusted by the cost inflation index notified by the Central Government (indexed cost) and expenditure incurred wholly and exclusively in connection with such transfer.

Further, in case of Resident individuals and Resident HUFs, where taxable income as reduced by long-term capital gains is below the maximum amount not chargeable to tax, the long-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance long-term capital gains will be charged at the rate of 20% or 10% plus surcharge as applicable, and cess.

In the case of capital assets being bonds or debentures (other than capital indexed bonds issued by the Government and sovereign gold bonds issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015), the benefit of indexation is not available.

ii) Short-term capital gains

Short-term capital gains earned is chargeable to tax as per the normal rates applicable to the taxpayer.

For non-residents (Other than NRIs, who may elect to be covered by the provisions of section 115E of the Act, as regards tax on investment income and long-term capital gains, where beneficial.)

i) Long-term capital gains

Under section 112 of the Act, long-term capital gains arising from the transfer of a capital asset, other than unlisted securities, are chargeable to tax at the rate of 20% plus surcharge as applicable and cess. In case of non-resident, capital gains arising from transfer of a capital asset being shares in, or debentures of, an Indian company (other than unlisted securities) shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer ofthe capital asset into the same foreign currency as was initially utilised in the purchase of the shares or debentures, and the capital gains so computed in such foreign currency shall be reconverted into Indian currency (hereinafter referred to as FC computation mechanism).

Further, the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing or arising from every reinvestment thereafter in, and sale of, shares in, or debentures of, an Indian company.
Further, under section 112 of the Act, long-term capital gains arising from the transfer of a capital asset, being units of a mutual fund, to tax at the rate of 20% plus surcharge as applicable and cess; capital gains are computed by taking into account the indexed cost and expenditure incurred wholly and exclusively in connection with such transfer.
Long-term capital gains arising from transfer of a capital asset, being unlisted securities (or shares of a company not being a company in which the public are substantially interested) and unlisted units are chargeable to tax at the rate of 10% plus applicable surcharge and education cess. Such long-term capital gains would be calculated without indexation of cost of acquisition and FC computation mechanism.

ii) Short-term capital gains

Short-term capital gains earned are chargeable to tax as per the normal rates applicable to the taxpayer. The FC computation mechanism is available to non-resident/ NRI for computing the short-term capital gains arising from the transfer of shares.

E. Business Income from Purchase and Sale of Securities:

If the investment under the portfolio management services is regarded as "Business/Trading Asset" then the gain arising there from is taxed as business income on Net Income basis. Where income referred to above is treated as business income, the person is eligible for deduction under section 36(1)(xv) of the Act for the amount of STT paid.

F. Losses under the head capital gains/business income

In terms of section 70 read with section 74 of the 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. Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

G. Bonus Stripping

Where any person buys or acquires any securities; or units of a mutual fund or the Unit Trust of India or business trust or Alternate Investment Fund within a period of three months prior to the record date (i.e., the date that may be fixedby a company or a Mutual Fund or the Administrator of the specified undertaking or the business trust or Alternate Investment Fund or the specified company, for the purposes of entitlement of the holder of the securities or units to receive additional security or unit, as the case may be, without any consideration) and such person is allotted additional securities or units (without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of nine months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original securities or units.

H. Tax Deduction at Source:

As per section 194, the company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India, shall, before making any payment *by any mode* in respect of any dividend or before making any distribution or payment to a shareholder, who is resident in India, deduct from the amount of such dividend, income-tax at the rate of ten per cent. Provided that no such deduction shall be made in the case of a shareholder, being an individual, if—

(a) the dividend is paid by the company by any mode other than cash and

(b) the amount of such dividend or, as the case may be, the aggregate of the amounts of such dividend distributed or paid or likely to be distributed or paid during the financial year by the company to the shareholder, does not exceed five thousand rupees

Finance Act 2020 inserted a new section 194K of the Act whereby a person responsible for paying to a resident any income in respect of units of mutual fund specified under section 10(23D) of the Act shall withhold taxes at the rate of 10% provided such income exceeds INR 5,000. Further, the proviso to section 194K of the Act clarifies that such taxes shall be withheld only on dividend income.

Any person responsible for paying to a non-resident, any income, which is chargeable to tax under the Act, is required to withhold income-tax thereon under section 195 of the Act, at the prescribed rates, at the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier.

Finance Act 2020 has also amended the provisions of section 196A of the Act whereby a person responsible for paying to a non-resident any income in respect of units of mutual fund specified under section 10(23D) of the Act shall withhold taxes at the rate of 20%.

In case of deduction of tax at source (TDS) on payments made to non-residents, the tax rates would be increased by surcharge and cess. However, in case of TDS on payments made to residents, the tax rates would not be increased by surcharge and cess.

I. Advance Tax Instalment Obligations:

It will be the responsibility of the Client to meet the advance tax obligation instalments payable on the due dates under the Act.

J. **Benefit of Double Taxation Avoidance Agreement:**

As per the provisions of section 90(2) of the Act, in determining the taxability of a non-resident, the provisions of the relevant DTAA or the Act, whichever are more beneficial shall apply. Accordingly, if the investor is a resident of country with which India has entered into a DTAA, the provisions of the DTAA or of the Act, whichever are more beneficial to the investor, shall apply.

Section 90(4) of the IT Act, provides that a taxpayer, not being a resident, to whom a DTAA applies, shall not be entitled to claim any relief under such DTAA unless a certificate of it being a resident in any country outside India is obtained by it from the Government of that country.

Further, section 90(5), provides that the taxpayer referred to in section 90(4) of the Act, shall also provide such otherdocuments and information, as may be prescribed. In this connection, on August 01, 2013, the CBDT issued a Notification substituting Rule 21AB of the Income-tax Rules, 1962 (Rules) and prescribing the format of information to be provided under section 90(5) of the Act, i.e. in Form No 10F.

A taxpayer would be required to furnish Form No 10F, where the required information is not explicitly mentioned in the aforementioned certificate of residency; in which case, the Notification additionally requires the taxpayer to keep and maintain such documents as are necessary to substantiate the information provided.

As per the provisions of section 115A of the Act, where the income of a non-resident (not being a company) or a foreign company comprises of inter-alia dividend or interest income and appropriate taxes have been withheld in accordance with the provisions of Chapter XVII-B of the Act on such income by the payer, such non-resident is not required to furnish the return of income under section 139(1) of the Act.

13. Accounting Policies

The following Accounting policy will be applied for the investments of Clients:

A. The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.

B. For every Client Portfolio, the Portfolio Manager shall keep and maintain proper books of accounts, records and documents, for the Client, so as to explain its transactions and to disclose at any point of time the financial position of the Client's Portfolio.

C. Following Accounting Policies are followed for the purpose of maintaining books of account and record of the clients

1. The Books of Account of the Client is maintained on an historical cost basis.
2. Investments are stated at cost of acquisition by the Portfolio Manager.
3. Dividend income earned shall be recognized, on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on a stock exchange, dividend income shall be recognized on the date of receipt.
4. Tax on Dividend from equity will be accounted as below

a) In case of Pool client - dividend income will be booked at gross value on ex-date and outflow posted at gross value on same day.

b) In case of Non-Pool client - dividend income will be booked at gross value on ex-date, on actual receipt of dividend income will be settled at gross value and separate Tax deduction will be shown under TDS ledger as per the Tax deducted by the company.

5. Tax Deducted at source will be shown as corpus withdrawal in portfolio.
   In case of NRI clients, clients shall open a PINS Bank N e, on such terms as agreed between the bank and the client. Such charges are not for the portfolio management service and accordingly, shall not be reckoned to determine the limit of PMS operating expenses charged. The same will be shown as corpus withdrawal in portfolio.
6. In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out (FIFO) method shall be followed.
7. Transactions for purchase or sale of investments shall be recognized as of the trade date, so that the effect of all investments traded during a financial year is recorded and reflected in the financial statements for that year.
8. Bonus shares shall be recognized when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
9. For Rights Issue, Rights Entitlement (REs) shall be recognized at NIL cost, when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-rights basis. These REs shall be valued at available closing price on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE). In case, closing price of NSE and BSE are unavailable, same will be valued at fair value basis as per Fund Manager's discretion. These REs (if applied for issue), will be converted to original shares on allotment of shares into investor's demat accounts.
10. Traded equity securities and warrants are valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE). However, if the equity securities and warrants are not listed/traded on NSE/BSE, as the case may be the securities are valued at the last quoted closing price on the exchange where it is principally traded. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on NSE or any other stock exchange as the case may be, on the earliest previous day is used, provided that such day is not more than thirty days prior to the valuation date.
11. Private equity/Pre IPO placements will be valued at cost or at a last deal publicly available price at which company has placed shares to other investors till it is listed.
12. In respect of all interest-bearing securities, 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 last interest due date upto date of purchase shall not be treated as 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 shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
13. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
14. All other expenses payable by the Client shall be accrued as and when Liability is incurred.

Unrealized gain/losses are the differences, between the current market value/ Net Asset Value and the historical cost of the securities (Acquisition)/price at which securities are valued on the date of admitting as a Corpus.

Where investment transaction take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should 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.

15. Debt securities shall be valued as per the prices given by third party valuation agencies like ICRA, CRISIL or any other recognized valuation agencies.
16. Open positions in derivative transactions, will be marked to market on the valuation day.
17. In case of listed investments in mutual fund, valuation shall be at the last quoted closing price at the principal stock exchange. If the traded price is not available, then last declared net asset value of the schemes by the respective fund house will be considered for valuation. Investments in unlisted mutual fund schemes are valued based on the last declared net asset value of the schemes by the respective fund house.
18. In case of Scheme of Arrangements like demergers, Spin offs etc. cost ratio of the existing and new scrip/s will be adjusted on the basis of Cost Apportionment ratio shared by respective companies. In case of exceptional circumstances, valuation shall be done on a fair value basis as determined by the AMC. Such fair valuation principles could be the difference between the price as existed on the date previous to the ex-date and the ex-date price of the existing equity shares, duly adjusted for discount, if any. Any unlisted / pending listing resultant / new scrip arising out of such corporate action will be valued at cost, till the time, it is listed on recognized exchange/s.
19. The securities received toward corpus and added to the portfolio are valued and accounted at the previous day closing rate of NSE & the securities withdrawn as corpus are valued and accounted at the closing rate of NSE as on the date of withdrawal.

In case closing rate of NSE as mentioned above is not available on the transaction date, the latest available price on the BSE/ NSE is considered.

The accounting policies and standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.

14. Investors Services:

(i) Details of investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:

Name of Investor Relation Officer	Mr. Diwan Singh
Contact No.	011-42445757
Email Address	compliance@elitewealth.in and investorquery@elitewealth.in

Office Address	S-8, DDA Shopping Complex, Mayur Vihar, Phase-I, Delhi-110091

(ii) Grievance redressal and dispute settlement mechanism:

a. The Investment Relation Officer(s) will be the interface between the Portfolio Manager and the Client. In case the Client is not satisfied with the redressal by the Portfolio Manager or otherwise, the Client may lodge the complaint on SEBI's web-based complaints redress system (SCORES).

b. Grievances, if any, that may arise pursuant to the Portfolio Investment Management 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 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: -

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled through Arbitration process as described in the Portfolio Investment Management Agreement or any Supplemental Agreement thereto.

For and on behalf of
Elite Wealth Limited

Ravinder Parkash Seth

(Managing Director)

ELITE WEALTH LIMITED NEW DELHI

Dheeraj Bhatia

(Director)

Date: 02.04.2024
Place: New Delhi

DEEPANKAR SETH Digitally signed by DEEPANKAR SETH Date: 2024.06.29 10:58:33 +05'30'