

# I. INTRODUCTION

A. Elite Wealth Limited (“the Company” or “Elite Wealth”), a SEBI-registered Portfolio Manager, has formulated this **Written Down Policy (“Policy”)** pursuant to the requirements prescribed under Paragraph 2.6 of the **SEBI Portfolio Managers Master Circular** and in compliance with the **SEBI (Portfolio Managers) Regulations, 2020**, and all circulars issued thereunder.

B. This Policy provides a detailed framework outlining the **roles, responsibilities, and processes** to be followed by various departments involved in the portfolio management activities including **fund management, dealing, compliance, risk management, and back-office operations**, ensuring transparency, fairness, and regulatory compliance in the management of client funds and securities.

C. This Policy shall be reviewed annually or whenever amendments are made to the applicable SEBI regulations, circulars, or exchange requirements. In case of any conflict between this Policy and the SEBI PMS Regulations, the provisions of the SEBI Regulations shall prevail.

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# II. APPLICABILITY

This Policy applies to all **Directors, Key Managerial Personnel, Employees, and associated staff** engaged directly or indirectly in Portfolio Management Services (“PMS”) activities of Elite Wealth Ltd.

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# III. INTERPRETATION

- References to masculine, feminine or neutral genders shall be interchangeable.
- Singular shall include plural and vice versa.
- References to statutory or regulatory provisions shall include amendments, modifications, or re-enactments thereof.

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# IV. SCOPE OF THE POLICY

This Policy aims to clearly document:

- **Roles and Responsibilities of Teams** involved in PMS operations;
- **Specific Situations and Scenarios** governing order placement and pooling of client trades;
- **Permissible Deviations** from intended allotment of securities; and
- **Margin/Collateral Management** practices to ensure fair treatment and segregation of client assets.

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## A. Roles and Responsibilities of Teams

### 1. Fund Management Team

- The Fund Management Team shall be responsible for **investment decisions, portfolio construction, and asset allocation** in accordance with client investment objectives, risk profile, and PMS agreement.
- The **Principal Officer** shall oversee the investment strategy, ensure compliance with SEBI PMS Regulations, and maintain overall supervision of portfolio performance.

### 2. Dealing Team

- The **Dealing Team** shall be responsible for **order placement and execution** of trades across client portfolios.
- The team is divided into:
  - **Decision-making sub-team**, which determines the timing and strategy of trade execution.
  - **Order execution sub-team**, which carries out the actual order placement through approved brokers using authorized terminals and email IDs.
- All trade instructions shall be documented, timestamped, and auditable.

### 3. Compliance Function

- The **Compliance Officer** shall ensure that all PMS activities are in conformity with SEBI regulations, circulars, and internal policies.
- The Compliance Officer shall periodically monitor:
  - Trade execution fairness and client-level segregation.
  - Adherence to the investment restrictions and disclosure requirements.
  - Redressal of client grievances.

### 4. Risk Management

- The Risk Management function shall identify, measure, and monitor **market, credit, operational, and liquidity risks**.
- Daily monitoring of portfolio exposures, client concentration, and deviation alerts shall be conducted by the **Principal Officer** and the **Risk Team**.
- Risk reports shall be escalated to management and compliance for review and mitigation.

### 5. Back-Office and Operations

- The Back-Office is responsible for **trade processing, reconciliation, settlement, accounting, and reporting**.
- The Back-Office ensures timely reconciliation with custodians, brokers, and clients, and maintains all client-level records in a transparent and auditable manner.
- The Company may engage a **Custodian** approved by SEBI for safekeeping and settlement of client assets.

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## B. Specific Situations for Order Placement

In accordance with SEBI PMS Regulations, orders may be placed either **individually for each client** or **pooled through the trading account of the Portfolio Manager** under the following specific scenarios:

Situation	Nature of Order Placement	Remarks
Clients with differing investment objectives or risk profiles	Individual	Orders are placed separately to match specific client mandates.
Client-imposed investment restrictions (ethical/religious/tax-based)	Individual	Orders segregated to ensure compliance with client's constraints.
Uniform investment objective across multiple clients	Pooled	Efficient execution of trades and fair average pricing for all clients.
Large volume orders requiring better price discovery	Pooled	Pooled orders placed for market efficiency with documented trade allocation methodology.
Regulatory or compliance requirements mandating segregation	Individual	To ensure compliance with SEBI PMS segregation norms.

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## C. Situations Permitting Deviation from Intended Allotment

Deviations from the intended allotment of securities at the time of order placement may be permissible only under exceptional and justifiable circumstances, including:

1. **Significant Market Movements** – Sudden price volatility post-order placement requiring realignment for client interest.
2. **Liquidity Constraints** – Partial execution or unavailability of securities necessitating alternate allocation.
3. **Regulatory Compliance** – Regulatory restrictions or new circulars impacting intended trades.
4. **Force Majeure or Operational Issues** – Unforeseen technical or market-related disruptions.
5. **Client Instructions** – Specific written directions received from the client.

All deviations shall be:

- Approved in writing by the **Principal Officer** and **Compliance Officer**.
- Documented with rationale, impact assessment, and communicated to the client where required.

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## **D. Margin and Collateral Management**

Certain transactions may require the placement of **margins or collateral**, such as in derivatives, futures, or short positions. The following principles shall apply:

1. **Segregation of Client Collaterals:**
  - Margins/collaterals shall be maintained in **segregated accounts**, distinctly identifiable for each client or group of clients, as applicable.
2. **Transparent Allocation and Record-Keeping:**
  - Detailed records shall be maintained specifying the client, type of margin, transaction details, and return/adjustment thereof.
3. **No Commingling:**
  - Client funds or assets shall **not be commingled** with proprietary or other client assets.
4. **Client Awareness:**
  - Clients shall be informed of the use, placement, and management of margins/collaterals, including associated risks.
5. **Prioritization of Client Interest:**
  - At all times, client interest shall take precedence over firm or employee interests.

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## **E. Deviations on Account of Exigency**

Any deviation from intended trade allocation or margin management shall be:

- Permitted **only under exigent circumstances**;
- Approved **jointly by the Principal Officer and Compliance Officer**;
- Properly documented with reasons, impact analysis, and review of alternatives considered;
- Communicated to the client where deviation affects client position;
- Reviewed post-event to ensure alignment with client interest and compliance standards.

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## **V. REVIEW AND AMENDMENT**

- This Policy shall be **reviewed at least annually** or earlier in case of any material change in SEBI PMS Regulations, circulars, or operational framework.
- Amendments, if any, shall be approved by the **Board of Directors** and recorded in the version control log.

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**Approved By:**

**Board of Directors**  
**Elite Wealth Ltd**

**Last Review Date-25.07.2025**

**Next Review Due:24.07.2026**