Portfolio Management Services

Disclosure Document

Updated as of July 31, 2023

Nuvama Asset Management Limited (Formerly known as ESL Securities Limited)
Portfolio Management Services
SEBI Registration Number - INP000007207
CIN: U67190MH2019PLC343440

Nuvama Asset Management Limited

Key Information and Disclosure Document for Portfolio Management Services provided by

Nuvama Asset Management Limited (Formerly known as ESL Securities Limited)

- **This Disclosure Document (the Document) has been filed with the Securities and Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.**

- **The purpose of the Document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.**

- **The Document contains the necessary information about the Portfolio Manager required by an investor before investing, and the investor is advised to carefully read this entire document before making any investment decision and to retain it for future reference.**

- **Investors are encouraged to seek clarifications on this document from the Portfolio Manager.**

The following are the Details of the Portfolio Manager:

Nuvama Asset Management Limited

Registered Address: 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051

The Principal Officer designated by the Portfolio Manager is:

Name	:	Anshu Kapoor
Registered Address	:	801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051
Tel	:	(022) –4009 4400
Email	:	NAML.PMS.PO@nuvama.com

Nuvama Asset Management Limited

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1. Disclaimer Clause:

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020. This Disclosure Document has been 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 this Document and may not be reproduced or redistributed to any other person. While Nuvama Asset Management Limited (Formerly known as ESL Securities Limited) (NAML/Company) shall endeavor to update on a reasonable basis the information disclosed in this document, the Company does not undertake to update such information to reflect the impact of circumstances or events, including regulatory or compliance changes that arise after the date of these disclosures. No part of this Disclosure Document may be duplicated in any form and/or redistributed without the prior written consent of NAML.

2. Definitions:

In this Disclosure Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

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

b) "**Alternative Investment Fund**" means as Alternative Investment Fund as defined under Regulation 2 of Securities and Exchange Board of India (Alternative Investment Funds), 2012 and as amended time to time.

c) "**Alternative Investment Fund Manager"** means any person or entity who is appointed by the Alternative Investment Fund to manage its investments by whatever name called and may also be same as the sponsor of the Fund;

d) "**Accreditation Agency**" means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the Board from time to time.

e) "**Accredited Investor**" means any person who has been granted a certificate by the accreditation agency who:

1. in case of an individual, HUF, family trust or sole proprietorship has:
   - A. annual income of at least two crore rupees; or
   - B. net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
   - C. Annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.
2. in case of a body corporate, has net worth of at least fifty crore rupees;
3. in case of a trust other than family trust, has net worth of at least fifty crore rupees;
4. in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.

f) "**Advisory Services**" means the investment advisory in terms of the Regulations, and shall include the responsibility of advising on the portfolio strategy, investment and divestment of individual Securities in the Clients' Portfolio, for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk, to all eligible categories of investors.

g) **"Agreement"** means any agreement including Discretionary Portfolio Investment Management Agreement, Non-Discretionary Portfolio Investment Management Agreement, Advisory Agreement or Co-investment Portfolio Management Agreement between the Portfolio Manager and investors of Alternative Investment Fund(s) which are managed by the Portfolio Manager, and executed between the Portfolio Manager and its Clients in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 issued by the Securities and Exchange Board of India & includes any amendment thereto.

h) **"Associate"** means:

(i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or

(ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager

i) **"Board"** means the Securities and Exchange Board of India.

j) **"Client" or "Investor"** means any person/entity that enters into an agreement or arrangement for availing portfolio management services with the portfolio manager by executing the agreement**.**

k) **"Co-investment Portfolio Manager"** means a Portfolio Manager who is a Manager of a Category II Alternative Investment Fund(s); and
(i) provides services only to the investors of such Category II Alternative Investment Fund(s); and
(ii) makes investments only in unlisted securities of investee companies where such Category II Alternative Investment Fund(s) make investments:
Provided that the Co-investment Portfolio Manager may provide services to investors from any other Category I or Category II AIFs that are also sponsored by the same Sponsor(s);"

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

m) **"Depository"** means Depository as defined in the Depositories Act, 1996 (22 of 1996).

n) **"Disclosure Document"** means this disclosure document issued by Nuvama Asset Management Limited for offering portfolio management services, prepared in terms of Schedule V of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.

o) **"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 Discretionary Portfolio Investment Management agreement, where under the Portfolio Manager exercises any degree of discretion in investments or management of the Assets of the Client.

p) **"Nuvama Asset Management Limited (Formerly known as "ESL Securities Limited") (NAML)" or "Portfolio Manager" or "Company"** means a company incorporated under the Companies Act, 2013, on October 1, 2019, as a Public Limited Company and registered with SEBI to act as a Portfolio Manager and is also entitled to provide Co-investments in terms of SEBI (Portfolio Managers) Regulations, 2020 *vide* SEBI Registration No. INP000007207dated May 04, 2021 (Certificate of Registration), having its registered office at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051.

q) **Foreign Portfolio Investor**: Foreign Portfolio Investor means a person registered by SEBI as a Foreign Portfolio Investor (FPI) under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.

r) **"Financial Year"** means the year starting from April 1 to March 31 the following year.

s) **"Funds"** means the money placed by the Client with the Portfolio Manager and any accretions thereto.

t) "**large value accredited investor**" means an accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of ten crore rupees;

u) "**investee company**" means any company, special purpose vehicle or limited liability partnership or body corporate or real estate investment trust or infrastructure investment trust in which an Alternative Investment Fund makes an investment;

v) **"Investment Amount"** shall mean the funds deployed/securities introduced by the Client for investment by the Portfolio Manager in accordance with the provisions of the Agreement.

w) **"Investment Strategy(ies)/Investment Approach"** means any of the current investment strategies/investment approach or such strategies/approach that may be introduced at any time in the future by the Portfolio Manager.

x) **“Non-discretionary Portfolio Management Services”** means Portfolio Management Services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing/on recorded lines / by e-mail, for an agreed fee structure and for a definite described period, invests in respect of the Client’s account in any type of security entirely at the Client’s risk and to ensure that all benefits accrue to the Client’s Portfolio.

y) **“NRI”** or **“Non-Resident Indian”** means a Non-Resident Indian or a Person of Indian origin residing outside India as defined under Foreign Exchange Management Act, 1999.

z) **“Parties”** means the Portfolio Manager and the Client; and “**Party**” shall be construed accordingly.

aa) **“Person”** includes any individual, partners in partnership, central or state government, company, body corporate, cooperative society, partnership firm, Limited Liability Partnership, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.

bb) **“Portfolio”** means the total holdings of securities belonging to any Person.

cc) “**Portfolio Management Services**” means the Discretionary Portfolio Management Services or Non-Discretionary Portfolio Management Services or Advisory Services or co-investment portfolio management services, as the context may be.

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

ee) **Related Party”** means:

(a) a director, partner or his relative;
(b) a key managerial personnel or his relative;
(c) a firm, in which a director, partner, manager or his relative is a partner;
(d) a private company in which a director, partner or manager or his relative is a member or director;
(e) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. Of its paid-up share capital;
(f) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
(g) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
(h) any body corporate which is—
(A) a holding, subsidiary or an associate company of the portfolio manager; or
(B) a subsidiary of a holding company to which the portfolio manager is also a subsidiary;

(C) an investing company or the venturer of the portfolio manager.

Explanation - The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the portfolio manager would result in the portfolio manager becoming an associate of the body corporate.

(i) a related party as defined under the applicable accounting standards;

(j) such other person as may be specified by the Board: Provided that,

(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or

(b) any person or any entity, holding equity shares:

(i) of twenty per cent or more; or

(ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;

shall be deemed to be a related party.

ff) "SEBI" 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, as amended from time to time.

gg) "Securities" includes: -

i. "Securities" as defined under the Securities Contracts (Regulation) Act, 1956;
ii. shares, scrips, stocks, bonds, warrants, convertible and non-convertible debentures/debenture stocks and other marketable securities of a like nature, fixed return investments, equity linked instruments including derivatives, negotiable instruments, term deposits, money market instruments including commercial paper, certificates of deposit etc., units issued under any mutual funds scheme, collective investment schemes, alternative investment funds, mortgage backed or other asset backed securities, derivatives, security receipt and any other securities issued by any company/entity/body corporate, Central Government, State Government or any local or statutory authority including structured products;
iii. gold related securities; and
iv. Any other instruments or investments as may be permitted by applicable law from time to time.

hh) "**Sponsor**" means any person or persons who set up the Alternative Investment Fund and includes promoter in case of a company and designated partner in case of a limited liability partnership;

ii) "Strategies" are broadly defined investment themes identifies for each scheme. These broad Strategies shall be either one of following themes i.e. 'Equity'or 'Debt'or 'Hybrid' or 'Multi Asset'

INTERPRETATION

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

3. DESCRIPTION

3.1 HISTORY, PRESENT BUSINESS & BACKGROUND OF THE PORTFOLIO MANAGER:

Nuvama Asset Management Limited (Formerly known as ESL Securities Ltd.) was incorporated as a public limited company under the Companies Act, 2013 on October 1, 2019. The name of the Portfolio Manager was changed from ESL Securities Limited to Nuvama Asset Management Limited with effect from September 16, 2022.

The registered office of the Company is situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051.

The Portfolio Manager provides Discretionary PMS, Non-Discretionary PMS and Investment Advisory Services. NAML also acts an 'Investment Manager' to Alternative Investment Funds registered with SEBI and shall act as a Co-investment Portfolio Manager in accordance with applicable law. The company proposes to offer different customized Strategies with different risk levels for client risk preferences, different equity indices and benchmarks based on individual client needs and client specific constraints such as not being able to hold a particular security or industry.

NAML is a wholly owned subsidiary of Nuvama Wealth Management Limited (formerly known as "Edelweiss Securities Limited") (NWML).

PAG, an Asia-focused investment group through PAGAC Ecstasy Pte. Ltd. ("PAGAC") has acquired majority ownership and control of Nuvama Wealth Management business erstwhile the Edelweiss Wealth Management ("EWM"), housed in Nuvama Wealth Management Limited (NWML) (formerly known as Edelweiss Securities Limited), and subsidiaries of NWML, including NAML ("Transaction").

The Transaction was to be consummated in 3 Phases. The phase I and Phase II of the transaction have been completed. Pursuant to completion of phase I and Phase II, PAGAC now directly holds 56.24% equity holding in NWML and accordingly is in direct control of NWML. Phase III of the transaction is now in final stage of completion.

The brief details of phase III are given below:

Equity shares of Edelweiss Financial Services Limited ("EFSL") are listed on BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges"). On May 13, 2022, the Board of Directors of EFSL and NWML had approved the Scheme of Arrangement between EFSL and NWML and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme was approved by NCLT on April 27, 2023.

The Scheme provided for the demerger, transfer and vesting of EFSL's Wealth Management Business (as defined in the Scheme), which includes the merchant banking business, from EFSL into NWML on a going concern basis, and reduction of the share capital of NWML as an integral part of the Scheme. Pursuant to the Scheme, the EFSL's shareholders were allotted such number of equity shares of NWML as is mentioned in the Scheme and consequently EFSL ceased to be the shareholder of NWML. The shareholders of EFSL who has received equity shares of NWML (as consideration for the demerger) shall be classified as 'public shareholders' in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and all the equity shares of NWML will be listed on BSE Limited and National Stock Exchange of India Limited in terms of the Scheme.

Investors should note that the above-mentioned Transaction, is an internal restructuring and is subject to the receipt of the relevant regulatory approvals, as required under the applicable law."

As on date, EFSL does not hold any shares in NWML directly, but through its subsidiaries holds 13.74% of the equity share capital of NWML..

3.2 PROMOTERS OF THE PORTFOLIO MANAGER, DIRECTORS AND THEIR BACKGROUND:

- **Promoter**

Nuvama Wealth Management Limited (formerly known as "Edelweiss Securities Limited") was incorporated on 20th August 1993 as "Kayjay Financial Research Services Private Limited."

Subsequently, the name was changed to "KJS Securities Private Limited" by a fresh certificate of incorporation dated February 13, 1998. The name further changed to "Rooshnil Securities Private Limited" by a fresh certificate of incorporation dated May 4, 1998.

The name was further changed to Edelweiss Securities Private Limited by a fresh certificate of incorporation dated May 12, 2004.

With effect from June 8, 2007, the status of the Company changed from Private Limited Company to Public Limited Company and, consequently, the name changed to Edelweiss Securities Limited. With effect from August 18, 2022, the name of the Promoter changed from Edelweiss Securities Limited to Nuvama Wealth Management Limited.

NWML is a registered broker and clearing member of the BSE Limited (BSE), the National Stock Exchange of India (NSE) and Metropolitan Stock Exchange of India Ltd (MSEI) and is engaged in the provision of stock broking services, advisory, distribution and research services.

NWML caters to wide range of clients comprising of leading domestic and international institutional investors which inter alia include the foreign institutional investors (FIIs), mutual funds, pension funds etc.

- **<u>Directors of the Portfolio Manager</u>**

Mr. Anshu Kapoor

Mr. Anshu Kapoor heads Nuvama Asset Management Limited's business.

Prior to joining Nuvama he was part of Edelweiss since 2010 where he started the Private Wealth Management (PWM) business, that is dedicated to serving the needs of India's leading entrepreneurs, CXOs and family offices. Driven by a vision of creating the "world's most customer centric" wealth management business, the business grew by 15x over 7 years to US $17 billion in Assets under Advice (AuA) – India's fastest growing and amongst top #3 in the industry under his leadership. The business has been internationally acclaimed and awarded as the Best Private Bank, India by global publications like Global Finance (2018, 2019), Asiamoney (2017, 2018, 2020) and Asian Private Banker (2018, 2020).

Prior to Edelweiss, Anshu was a Director at Merrill Lynch, where he was instrumental in developing the Wealth Management business across India, Middle East, Asia Pacific and North America. Anshu has also worked in leadership positions in Consumer Banking and Capital Markets with HSBC and ICICI Bank. Anshu is passionate about scaling up businesses, technology and is an avid travel photographer.

Mr. Kapoor is a Bachelor of Business Studies, Business Management & Chartered Financial Analyst from ICFAI.

Mr. Prashant Mody

Mr. Prashant Mody, aged 50 years, had done his graduation (B.Com) from University of Mumbai and has done his post-graduation in Master of Financial Management (MFM) from Narsee Monjee Institute of Management Studies and is a professional. Mr. Mody has 29 years of experience in areas pertaining to Operations, Compliance, Risk, Legal and IT with various organisations.

Mr. Riyaz Ladiwala

Mr. Riyaz Ladiwala has around 26 years of vast experience in Capital Markets, Operations, Technology, Strategy, Broking, Research, Financial Planning, Wealth and Asset Management. Mr. Ladiwala has been a part of the erstwhile Edelweiss Group for more than a decade. At present, he is serving as Head – Technology and Operations, Nuvama Group. He is an MBA in Finance and has degrees in Physics and Cost Accountancy.

3.3 DETAILS OF THE TOP TEN GROUP COMPANIES:

The details of group entities of Nuvama Asset Management Limited as on 31st March, 2023 reckoned based on their total turnover as per the latest audited financial statements as on 31st March, 2023 are given below.

Name of Entities

Sr.No.	Name of the Company
1	Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited)
2	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)
3	Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)
4	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)
5	Nuvama Financial Services Inc. (formerly known as Edelweiss Financial Services Inc.)
6	Nuvama Investment Advisors Private Limited (formerly known as Edelweiss Investment Advisors Private Limited) (Singapore)
7	Nuvama Investment Advisors (Hongkong) Private Limited (formerly known as Edelweiss Securities (Hong Kong) Private Limited)
8	Nuvama Financial Services (UK) Limited (formerly known as Edelweiss Financial Services (UK) Limited)
9	Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited)

3.4 DETAILS OF SERVICES BEING OFFERED:

The Portfolio Manager offers Discretionary PMS, Non-Discretionary PMS and Investment Advisory services. The Portfolio Manager shall also act as a Co-investment Portfolio Manager and offer co-investment portfolio management services to select clients of the Alternative Investment Fund managed by the it as an 'Investment Manager' under SEBI (Portfolio Managers) (Fourth Amendment) Regulations, 2021. For more details, please refer Section 5 below.

4. Penalties, Pending Litigations or Proceedings etc.:

a. All cases of penalties imposed by the SEBI or the directions issued by the SEBI under the Act or Rules or Regulations made there under against the Portfolio Manager: **None**

b. The nature of penalty / direction against the Portfolio Manager: **None**

c. Penalties imposed for any economic offence and/or for violation of any securities laws against the Portfolio Manager: **None**

d. Any pending material litigation/legal proceedings against the Portfolio Manager /key personnel with separate disclosure regarding pending criminal cases, if any **None**

e. Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency: **None**

f. Any enquiry/adjudication proceedings initiated by SEBI against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made there under is mentioned under **Annexure 1**

5. SERVICES OFFERED:

5.1 TYPES OF SERVICES OFFERED:

(i) Discretionary Portfolio Management (DPM) Services:

The Portfolio Manager shall be acting in a fiduciary capacity with regard to Clients' Portfolio and shall have sole and absolute discretion to invest Clients' Funds in any type of Securities and in any market as he deems fit for the benefit of the Client as per the Discretionary Portfolio Investment Management Agreement. The Securities invested / disinvested by the Portfolio Manager may differ from Client to Client. The Securities traded or held by the Portfolio Manager for different Client's Portfolios, even if invested in the same Investment Strategy, may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's Portfolio is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except on the grounds of mala fide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force from time to time.

Portfolio Manager shall invest funds of the client only in the securities listed or traded on a recognized stock exchange, derivatives, money market instruments, bonds, debentures, units of Mutual Funds and other securities as specified by Board from time to time, on behalf of their clients. In case of client(s) falling under the category of 'large value accredited investor', the Portfolio Manager may invest up to 100% of the assets under management in unlisted security/securities. The choice as well as the timings of the investment decisions rest solely with the Portfolio Manager. The decisions made by Portfolio Manager for the Investment/Disinvestment shall be final and binding on the client.

Money Market Instruments includes commercial paper, trade bill, treasury bills, certificate of deposit and usance bills.

Portfolio Manager may invest in units of Mutual Funds (only through Direct Plan) and no distribution fees will be charged to the client.

However, Portfolio Manager shall invest the clients' funds neither in the portfolio managed or administered by another portfolio manager nor based on the advice of any other entity.

(ii) Non-Discretionary Portfolio Management Services:

Under these services, the Clients decide their own investments with the Portfolio Manager facilitating the execution of transactions. The Portfolio Manager will provide Non-Discretionary Portfolio Management Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities with the client's oral and/or written consent. Additionally, the Portfolio Manager will keep the safe custody of the securities and monitor book closures, dividend, bonus, rights etc. and any other benefits that accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described in the Products from time to time, entirely at the Client's risk.

The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the relevant acts, rules and 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.

Portfolio Manager may invest up to 25% of the assets under management of the client(s) other than those falling under the category of 'large value accredited investor' in unlisted securities, in addition to the securities permitted for discretionary portfolio management. In case of client(s) falling under the category of 'large value accredited investor', the Portfolio Manager may advice to invest up to 100% of the assets under management in unlisted security/securities.

Portfolio Manager may invest in units of Mutual Funds (only through Direct Plan) and no distribution fees will be charged to the client.

However, Portfolio Manager shall invest the clients' funds neither in the portfolio managed or administered by another portfolio manager nor based on the advice of any other entity.

(iii) Advisory Services:

The Portfolio Manager will provide Advisory Services, in terms of Regulations, which shall be in the nature of non-binding investment advisory and shall include the responsibility of advising on the Portfolio strategy, investment and divestment of individual Securities on the Clients Portfolio, for an agreed fee structure and for a period agreed in the Agreement, entirely at the Client's risk, to all eligible categories of investors who can invest in Indian market.

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.

Portfolio Manager may provide advice for investment up to 25% of the assets under management of the client(s), the portfolio manager may advice to invest only up to 25% of the assets under management in unlisted securities in addition to the securities for discretionary portfolio management services. In case of client(s) falling under the category of Large Value Accredited Investors, the portfolio manager may advice to invest up to 100% of the assets under management in unlisted security/securities

Direct on-boarding of clients:

As per SEBI circular SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020, clients can now directly invest in any of the PMS strategies, offered by Nuvama Asset Management Limited, as Portfolio Manager. Kindly note that at the time of direct on-boarding, no charges except statutory charges will be levied on the client. For details, please refer to the Application forms.

(iv) Co-investment Portfolio Management Services:

Portfolio Manager shall act as a Co-investment Portfolio Manager for Nuvama Private Investments Trust (Erstwhile Edelweiss Private Investments Trust) (NPIT) and Nuvama Private Opportunities Trust (Erstwhile Edelweiss Private Opportunities Trust) (NPOT), Category II – Alternative Investment Funds.

The Portfolio Manager shall provide this service only to the investors of the schemes of NPIT & NPOT managed by NAML or any other 'Alternative Investment Funds which are managed by NAML and also sponsored by the [the same sponsor(s)], in unlisted securities of investee companies at terms which are not more favorable than the terms of investment of the 'Alternative Investment Fund'. The investors shall take note that the terms of exit from the Co-investment in an investee company including the timing of exit shall be identical to the terms applicable to the Alternative Investment Fund's exit from the said investment. The early withdrawal of funds by the co-investors with respect to Co-investment in investee companies shall be allowed to the extent that the Alternative Investment Fund has also made an exit from respective investment in such investee companies.

5.2 Minimum Investment Amount:

The portfolio manager shall not accept from the Client, funds or securities worth less than Rs. 50 lakhs or such other amount as may be decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time. The minimum investment amount per client shall be applicable for new clients and fresh investments by existing clients. However, an Accredited Investor may become a PMS client with an investment less than the minimum investment amount and the said minimum amount shall not be applicable to Co-investment Portfolio Manager also.

5.3 Policy for investment in associates/ group Companies of the Portfolio Manager

Portfolio Manager will, before investing in the securities of its associate / group companies, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's Portfolio. The investments in securities of the associate and related parties would be within the limits specified under SEBI (Portfolio Managers) Regulations, 2020 read with SEBI Circular dated August 26, 2022.

5.4 Transactions with associates/ group Companies

The Portfolio Manager is a Group Company of NWML. NWML is one of the leading integrated financial services groups. The major activities and offerings of subsidiaries / associates / group companies/ joint venture of NWML are equity broking, depository participant services, institutional broking & research, insurance broking, custodial services etc. The Portfolio Manager may utilize services of subsidiaries / associates / joint ventures of NWML relating to and incidental to Portfolio Management Services. Such utilization will be purely on commercial, arms-length basis and at a mutually agreed terms and conditions to the extent and limits permitted under the Regulations.

5.5 Types of Investment Approaches Offered

5.5.1 **I-Asset Approach**

1. **Investment objective:**

   The investment objective is to generate long term capital appreciation for investors by constructing multi-asset class portfolios in line with client specific objectives and the desired asset allocation framework. The portfolio manager at its discretion shall allocate dynamically across equity and debt securities with the endeavour to generate long term returns for investors.

2. **Description of types of securities:**

   Investments can be made in various equity and equity related securities including convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, ETFs and other eligible modes of investment as may be permitted by the Regulations from time to time.

Investments could also be made in listed, convertible, non-convertible, secured, unsecured, rated or unrated or of any maturity, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (IPOs), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc.

The debt category will include all types of debt securities including but not limited to Securitized Debt, Pass Through Certificates, Debentures (fixed, floating, Variable Coupon, and equity index/stocks /stocks basket linked), Bonds, Government securities issued or guaranteed by Central or State Government, non-convertible part of partially convertible securities, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements etc. as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time.

3. **Basis of selection of such types of securities as part of the investment approach**

A combination of factors such as a qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options.

4. **Allocation of portfolio across asset classes**

Asset Class	Conservative	Balanced	Growth
Equity	15% to 30%	30% to 60%	65% to 100%
Fixed Income	Upto 85%	Upto 70%	Upto 35%
Alternatives	Upto 50%	Upto 50%	Upto 35%
Cash & Liquid**	Upto 10%	Upto 15%	Upto 15%

5. **Appropriate benchmark to compare performance and basis for choice of benchmark**

NSE Multi Asset Index –1

Benchmark	% Allocation

NIFTY 500 TRI	50%
Nifty 50 Arbitrage TRI	40%
REIT & InvIT	10%

Basis for selection of the benchmark: NSE Multi Asset Index –1 is a multi based index and its composition broadly represents the strategy's investment universe

6. Strategy: The Investment Approach shall follow Multi Asset strategy

7. Indicative tenure or investment horizon

Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months.

5.5.2 **I-Equity Approach**

1. **Investment objective**

A concentrated portfolio approach consisting of between 20-30 stocks, with a mix of large cap and midcap companies, with a large cap bias In order to ensure a rational and risk-controlled approach to investing, the Portfolio Manager studies and monitors key macro-economic variables over multiple market cycles to identify sectors with strong business outlook. I-Equity invests in companies with good corporate governance supported by strong financial track record which reflects true and sustainable earnings growth.

2. **Description of types of securities**

Equity securities and Cash & Cash Equivalents (including units of Liquid Mutual Funds) for temporary deployment in the absence of investment opportunities and/or for making staggered deployment into equity shares.

3. **Basis of selection of such types of securities as part of the investment approach**

Creating a concentrated direct equity portfolio comprising of 20 -30 stocks.

BOTTOM-UP APPROACH: Stock selection will be based on a fundamental, bottom-up style, in businesses that:
- have high quality earnings
- are available at a reasonable price

INVESTMENT UNIVERSE: Stocks from within the Benchmark index (NSE200) and/or investment universe maintained by portfolio manager.)

THREE STEP PROCESS: of Elimination, Selection and Evaluation is carried out for every investment idea

Elimination: All stocks within the investable universe are screened, elimination criteria are: poor operating outlook, unsustainable or unpredictable earnings, weak management, unfavorable regulatory environment, high competition.

Selection: Out of the remaining companies left in the universe, companies with the following are selected: strong earnings growth, strong balance sheet, attractive valuation relative to peers

Evaluation: Understanding the company (annual reports, analyst meets, news etc), Quantitative Evaluation such as DCF, absolute/ relative valuations, Qualitative Analysis such as trend in margins, RoE and RoA.

4. Allocation of portfolio across asset classes

Security	**Allocation**
Equity	Up to 100%
Cash & Cash Equivalents* (inc. Liquid Mutual Funds)	Up to 100%

** for temporary deployment in the absence of investment opportunities*

5. Appropriate benchmark to compare performance and basis for choice of benchmark

	I-Equity
Benchmark	100% Nifty 50 TRI

Basis for selection of the benchmark: Nifty 50 TRI is the broader benchmark covering top 50 of the largest companies by market capitalization. Of all the available benchmark options, Nifty 50 TRI is the closest representative of the large-cap biased portfolio and reflects the core philosophy of the Investment Approach.

6. Indicative tenure or investment horizon

Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months.

7. Strategy: The Investment Approach shall follow Equity strategy

Risk Factors:

- Liquidity risks: The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.

- Interest Rate Risk: Changes in interest rates affect the prices of bonds as well as equity. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.

- Volatility risk: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification

- Credit risk: The risk of default on a debt that may arise from a borrower failing to make required payments. The risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial.

5.5.3 I-Yield Approach

1. Investment Objective:

The objective of the strategy is to generate long term capital growth and / or absolute returns and/or interest income from investment to achieve capital appreciation over the investment period.

Benchmark	% Allocation
CRISIL Composite Bond Fund Index	100%

<u>Basis for selection of the benchmark:</u> Crisil Composite Bond Fund index is a debt-based index and is the closest representative (amongst the available benchmark options) of our portfolio and reflects the core philosophy of the Investment Approach.

2. <u>Allocation of portfolio across asset classes</u>

Allocation	Yield-FD Beater	Yield-Consistent Cashflow
Fixed Income & Cash	**Instrument Rating** AAA – Upto 100%	**Instrument Rating** AAA – Upto 30%

	AA – Upto 50% A – Upto 25%	AA – Upto 100% A – Upto 50%

3. **Minimum Account Size**: Rs 50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time.

4. **Types of Securities**: The Portfolio Manager invests in fixed income instruments (including but not limited to commercial papers, certificate of deposits, Bonds, non-convertible debentures, convertibles, Market Linked debentures, Warrants, Structured Products); Exchange Traded Securities; Mutual Funds and such other Securities as allowed under the extant regulation including by way of creating private index through authorized index service provider. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the portfolio manager may invest unlisted securities basis the available regulatory limits.

5. **Recommended Investment Horizon**: The recommended investment horizon for this strategy is 12 Months and above depending upon asset allocation of the investor.

6. **Risk Factors:**
    a. **Liquidity risks**: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure 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.
    b. **Interest Rate Risk**: Changes in interest rates affect the prices of debt securities. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.
    c. **Volatility risk**: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification
    d. **Credit risk**: The risk of default on a debt that may arise from a borrower failing to make required payments. The risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial.

7. **Strategy:** The Investment Approach shall follow Debt strategy

8. **Basis of selection of such types of securities as part of the investment approach**
Combination of factors such as qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options.

5.5.4 Infinity DPMS Approach for Accredited Investors

Investment Objective: The objective of the strategy is to generate long term capital growth from investment to achieve capital appreciation over the investment period by following prudent asset allocation strategy confirming to the risk appetite of the Large/High Value Accredited investor.

Benchmark - NSE Multi Asset Index –1

Benchmark	% Allocation
NIFTY 500 TRI	50%
Nifty 50 Arbitrage TRI	40%
REIT & InvIT	10%

Basis for selection of the benchmark: NSE Multi Asset Index –1 is a multi based index and its composition broadly represents the strategy's investment universe

Allocation of portfolio across asset classes

Allocation	% Allocation
Equity	Up to 100%
Debt & Cash	Up to 100%
Alternates	Up to 100%

Minimum Account Size: Rs.10 Crores or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time.

Types of securities: The Portfolio Manager invests in equity and equity related Securities; fixed income instruments (including but not limited to commercial papers, certificate of deposits, Bonds, non-convertible debentures, convertibles, Market Linked debentures, Warrants, Structured Products); Commodities ETFs/Funds; Exchange Traded Securities (including but not limited to REITs, INVITs, Gold Bonds etc.); Mutual Funds and such other Securities as allowed under the extant regulation including by way of creating private index through authorized index service provider. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the portfolio manager may invest up to 100% of the assets under management in unlisted security(s).

Strategy: The Investment Approach shall follow Multi Asset strategy

Recommended Investment Horizon: The recommended investment horizon for this strategy is 12 Months and above depending upon asset allocation of the Large /High Value Accredited investor.

Basis of selection of such types of securities as part of the investment approach
A combination of factors such as qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options.

Risk Factors:

Liquidity risks: The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.

Interest Rate Risk: Changes in interest rates affect the prices of bonds as well as equity. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.

Volatility risk: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification

Credit risk: The risk of default on a debt that may arise from a borrower failing to make required payments. The risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial.

5.5.5 Nuvama Protection Plus Strategy (NPP Strategy)

This is a strategy that invests in structured products, fixed income instruments, debentures, market linked debentures and other securities to achieve capital appreciation over the investment period. It aims to outperform the CRISIL Liquid Fund Index.

Investment Objective: The objective of the strategy is to generate long term capital growth and / or absolute returns from investment to achieve capital appreciation over the investment period.

Benchmark: CRISIL Composite Bond Fund Index

Basis for selection of the benchmark: Crisil Composite Bond Fund index is a debt-based index and is the closest representative (amongst the available benchmark options) of our portfolio and reflects the core philosophy of the Investment Approach.

Allocation of portfolio across types of securities:

Asset Class	Indicative Allocations (%)
Market Linked Debentures	90% - 100%
Liquid/Overnight Fund	0% - 10%

Minimum Account Size: Rs.50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time.

Types of securities: A combination of fixed income securities, MLDs, equity linked instruments, etc.

Investment Strategy/Approach: The strategy/approach entails investment in a combination of fixed income securities, MLDs, equity linked instruments, etc. The investment philosophy is to buy and hold a large part of the investment close to maturity as that enables to deliver predictable returns and reduce risks.

Recommended Investment Horizon: The recommended investment horizon for this strategy is 2-5 Years.

Strategy: The Investment Approach shall follow debt strategy

Risk Factors: Below are risk factors specific to structured product.

- Interest Rate Risk: Rise and fall in the interest rates influence the valuation of the investment, thus may result in mark to market loss during the tenor of the investment
- Liquidity Risk: MLDs are issued for a fixed tenor with no interim exit options from the issuer built in. While the MLDs are listed, there is no assurance that liquidity will be available on the same if there are no active buyers and sellers.
- Repayment Risk: Principal amount, and any other amounts that maybe due in respect of the debentures is subject to the credit risk of the Issuer. In the event of bankruptcy or similar proceedings, the investor may stand to lose the entire invested Principal, or the due amount may not be made or may be substantially reduced or delayed

Risks pertaining to investments in NPP Strategy:

Potential investors should consider carefully all the risk factors before authorizing the Portfolio Manager to make investment decision on their behalf. Unless the context requires otherwise, the risk factors described below apply to the issuer only. If any one of the following stated risks occurs, the issuer's business, financial conditions and results of operations could suffer and, therefore, the value of the issuer's debentures could decline.

Unless specified or quantified in the relevant risk factors, the issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below that are specific to this strategy:

1. **Payment of Interest:**

Investors should note that no periodic interest payments or other distributions may be made during the term of the debentures.

2. **Early Termination for Extraordinary Reasons, Illegality and Force Majeure**

If the issuer determines that, for reasons beyond its control, the performance of its obligations under the debentures has become illegal or impractical in whole or in part for any reason, or the issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the debentures for any reason, the issuer may at its discretion and without obligation terminate early the debentures. If the issuer terminates early the debentures, the issuer will, if and to the extent permitted by applicable law, pay the holder of each such debenture an amount determined by the calculation agent.

3. <u>Interest Rate risk:</u>

As the issuer shall be engaged in lending and financing activities, its business and income will largely be dependent on interest income from its operations. Interest rates are highly sensitive to many factors, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors beyond the control of issuer. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. There can be no assurance that significant interest rate movements will not have an effect on the results of its operations.

4. <u>Changes in the composition of the underlying:</u>

The value of the underlying on any day will reflect the value of its constituents on such day. Changes in the composition of the underlying and factors (including those described herein) which either affect or may affect the value of the constituents will affect the value of the underlying and therefore may affect the return on an investment in the debentures.

5. <u>Creditworthiness of the issuer</u>

The value of the debentures is expected to be affected, in part, by Portfolio Manager's general appraisal of the issuer's creditworthiness. Any reduction in the creditworthiness of the issuer could result in a reduction in the value of the debentures. If a bankruptcy proceeding is commenced in respect to the issuer, the return to a debenture holder may be limited and any recovery will likely be substantially delayed.

6. <u>Credit Risk</u>

Any lending and investment activity by the issuer is exposed to credit risk arising from repayment default by borrowers and other counterparties. The issuer is expected to have a systematic credit evaluation process to monitor the performance of its asset portfolio on a regular and continual basis to detect any material development and to take timely appropriate remedial actions. The issuer is also expected to undertake periodic reviews of its entire asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that repayment default will not occur and, in such circumstances, may have an effect on its results of operations.

7. <u>Conditions in the Indian Equity market may affect the coupon on the debentures</u>

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the Securities of Indian companies. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted Securities from trading, limited price movements and restricted margin requirements. If similar problems occur in the future, the market price and liquidity of the equity shares could be adversely affected, thereby affecting the indices.

8. Potential Conflicts of Interest:

The issuer may appoint an affiliate as its calculation agent for the purposes of calculating amounts payable or deliverable to holders under these debentures. Under certain circumstances, the agent as an affiliate and its responsibilities as calculation agent for the debentures could give rise to conflicts of interest. The calculation agent is required to carry out its duties in good faith and using its reasonable judgement. However, because the issuer may control the affiliate, potential conflicts of interest could arise. The issuer also may enter into an arrangement with an affiliate to hedge market risks associated with its obligations under the debentures. Such an affiliate would expect to make a profit in connection with this arrangement. The issuer may not seek competitive bids for such arrangements from unaffiliated parties.

5.5.6 Nuvama Equities eXpansion Target (NEXT) strategy

Investment objective:

The investment objective of this strategy will be to achieve capital appreciation and deliver superior returns through investing primarily in small and mid-cap listed companies in India. The portfolio will be comprised of investments in under-followed small and mid-cap companies benefitting from the next $2trn of India's GDP growth – those that are available at reasonable valuations, possibly at a discount to, and more often have better growth prospects than large-caps.

Types of securities:

Actively managed equity portfolio(s) of 30 to 35 high performing businesses picked from the midcap and smallcap listed companies by market capitalization. The Portoflio Manager may also invest in special situations such as turn-arounds, mergers, de-mergers, corporate restructuring, open offers, IPOs, arbitrage, etc. In addition, the Portfolio Manager may also use derivatives such as stock and index futures and options for portfolio rebalancing and hedging purposes.

Basis of selection of such types of securities as part of the investment approach

The Portfolio Manager will look for attractive macro themes and industry tailwinds coupled with deep business understanding and bottom-up stock picking. The strategy aims to identify undervalued, under-researched opportunities and build a unique portfolio benefitting from underlying macroeconomic trends and value creation through a combination of top-line growth, margin expansion and multiple appreciation.

The companies are selected based on superior earnings growth, capital efficiency and reasonable valuations. We look for businesses with long term competitive advantage, in attractive industries from the point of view of long-term value creation. Focus is towards under-covered names which may require time to unlock value. Thus, the strategy is expected to have a low average turnover rate while the tracking and monitoring of investments will be active.

Allocation of portfolio across types of securities

Asset Class	Portfolio allocation
Cash Equities	0-100%
Equity Derivatives*	0-100%
Cash and Cash Equivalent	0-100%

Category	Portfolio allocation
Mid Cap	80-100%
Small Cap	Upto 20%

*As per SEBI (PMS) regulations, it shall be ensured that the liability of the client does not exceed the amount of money invested under the PMS.
The total exposure in derivatives will not exceed portfolio funds and securities placed by clients with portfolio manager and Portfolio manager will in essence invest and not borrow on the clients behalf

Appropriate benchmark to compare performance and basis for the choice of benchmark

Given that the portfolio's investment universe will comprise ~150- 200 companies in the mid and small cap space, the appropriate benchmark to compare the performance will be the S&P BSE 500 index.

Strategy: The Investment Approach shall follow Equity strategy

Recommended Investment Horizon:

The recommended investment horizon for this strategy is 3-4 years.

Investment Approach

We believe that the formalization of the economy will benefit small companies in a big way at the margin level. Moreover, most emerging themes aren't captured effectively through frontline indices or institutional investment managers/research houses. Large caps being too crowded, are often priced to perfection. By moving down the cap curve, we will be able to identify names which usually are not in the coverage universe of the broad research community. This is where primary connect with the company management and a deep understanding of fundamentals can be leveraged to identify winners and names that have the potential to become the next generation of large/ mid caps. The portfolio manager aims to bring the rigour of private investing while building a portfolio of listed equities.

Risks associated with the investment approach

Investment Risks

The concentration in small-cap and mid-cap companies could lead to higher-than-usual market volatility. Since the strategy involves buying and holding, the turnover will be low, and there could be a time correction in the process. Given the cost of execution in small names, impact cost risk is possible. Therefore, the strategy suits clients with an ownership mindset and are willing to harbour volatility due to high concentration in small and mid-caps.

Company level risks

The portfolio manager will conduct extensive diligence to reduce company-level risks. The investment team will attempt to connect with the promoters and company management for insights and a holistic business view. The team also analyzes fundamental parameters such as historical and forward-looking PAT growth, forward-looking return on equity, debt/ EBITDA levels, free cash flow trends, and promoter ownership, among others. Post the investment, the team will monitor the business's progress regularly and take required actions basis changes at the company level.

Volatility risk:

There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification.

Liquidity Risk:

The liquidity of the portfolio's investments may be inherently restricted by trading volumes of some small and midcap names and in derivative instruments. Liquidity Risk can be partly mitigated by diversification, and internal risk controls that lean towards purchasing liquid securities.

Risks associated with investments in derivatives:

- The strategy involves long and short trades in derivative segment which involve active management. Execution of derivatives strategies by Investment Manager can lead to disproportionate profits and losses, as the portfolio may have net long or net short position on index . There is no assurance / guarantee of returns or payouts. This is not a principal protection plan/fund/scheme/strategy.

- The Portfolio Manager intents to hedge its portfolio, to limit or reduce investment risk but this may result in limiting or reducing the potential for profit. No assurance can be given that any particular hedging strategy will be successful. Hedging against a decline in the value of Portfolio positions does not eliminate fluctuations in the values of Portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the Portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the Portfolio positions should increase. Moreover, it may not be possible for the Strategy to hedge against a fluctuation at a price sufficient to protect the Strategy's assets from the decline in value of the Portfolio positions anticipated as a result of such fluctuations. Given that the underlying investments is in cash equity and equity derivatives, the market movements will affect the performance of the Strategy accordingly.

- Identification and execution of such strategies to be persuaded by the Investment Manager involves uncertainty and decision of the Investment Manager may not always be profitable. No assurance can be given that the Investment Manager shall be able to identify or execute such strategies.

- The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in securities and other traditional investments. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives.

- 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 a possibility that loss may be sustained by the Strategy as a result of the failure of another party (usually referred as the "counter party") to comply with 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 and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

- Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place.

- The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.

- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. Risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets

The risk factors mentioned above are not exhaustive and other risks might be faced.

5.5.7 Nuvama Absolute Return Strategy

Investment objective:

The investment objective of the strategy is to generate steady absolute returns over the medium term, with reduced volatility, by investing in predominantly debt with balance allocation across other -asset classes. This is a yield oriented approach, with an aim to offer 11-13% gross returns through low-risk and low-exposure strategies across uncorrelated / low correlation asset classes to smoothen out volatility.

Types of securities:

The portfolio manager relies on tactical diversification across asset classes to reduce volatility, manage risk and deliver steady, superior risk-adjusted returns across market cycles. A bulk of the portfolio will be invested in fixed income securities including treasury bills and government securities, with the additional overlay of uncorrelated asset classes like equities including derivatives, and commodities derivatives. This ensures a stable return profile but with significantly lower volatility.

The Portfolio Manager may invest in any of the equity and equity-related instruments, debt & money market instruments, government securities, cash and such other listed instruments falling under the definition of Securities and as deemed appropriate by the Portfolio Manager. The Portfolio Managers may use various derivative products from time to time, as would be available and permitted by SEBI. Accordingly, the Portfolio Manager may use derivative instruments like stock /index futures, options on stocks and indices, commodity derivatives, and other such derivative instruments as may be introduced from time to time, as permitted by SEBI. . The Portfolio Manager may adopt various strategies like straddle, strangle, butterfly etc., with the appropriate underlying where relevant for better use of funds, margin optimization and for the overall benefit of the clients’ portfolio.

Basis of selection of such types of securities as part of the investment approach

Macro, fundamental, technical and momentum factors are evaluated to construct a diversified portfolio with the potential to perform across market cycles and deliver steady returns on account of low correlation between asset classes.

The investment team will ensure a balanced focus on 1) risk management through spreading risk across low-risk, low-exposure strategies across various asset classes and 2) return enhancement through opportunistic, tactical trades built on a foundation of a fixed return from the debt portfolio.

For deployment of the non-debt portion of the portfolio, the investment team will follow a tactical, dynamic and top-down asset allocation approach within defined ranges based on their assessment of macro factors, including domestic & global economic growth cycles, interest rates, geopolitical scenarios, and inflation regimes, among others.

Allocation of portfolio across types of securities

Asset Class	Portfolio allocation
Cash & cash equivalents including T-bills and other money market instruments	60-100%
Cash Equities	0-100%
Equity Derivatives*	0-100%
Commodity Derivatives*	0-100%
Bonds* including Government Securities	0-100%

This is an actively managed strategy involving potentially high portfolio churn.

*As per SEBI (PMS) regulations, it shall be ensured that the liability of the client does not exceed the amount of money invested under the PMS.

The total exposure in derivatives will be calculated in line with the SEBI Circular No. MFD/CIR/21/ 25467/2002 dated 31.12.2002 or basis such other guidance received from SEBI in this regard/ prevalent guidelines and client liability shall not exceed portfolio funds placed by clients with the portfolio manager. The Portfolio manager will in essence invest and not borrow on the client's behalf.

Appropriate benchmark to compare performance and basis for the choice of benchmark

Crisil Composite Bond Fund index is a debt-based index and is the closest representative (amongst the available benchmark options) of our portfolio and reflects the core philosophy of the Investment Approach geared towards generating a steady yield on the portfolio.

Strategy: The Investment Approach shall follow Debt strategy

Recommended Investment Horizon:

The recommended investment horizon for this strategy is minimum 12 months.

Investment Approach

The strategy will follow a largely top-down asset allocation approach to invest across asset classes with a fixed income bias, including stocks, bonds, commodities available in India. The weightages of each asset class in the portfolio are adjusted dynamically and tactically, depending on their respective relative attractiveness and the larger macro environment. A diversified portfolio, when built the correct way, aids in delivering steady returns and alpha while minimizing the risk.

To achieve this, a significant portion of the portfolio will be temporarily deployed in cash equivalents/ money market instruments, including but not limited to sovereign debt like T-Bills or FDs, BGs (Cash Equivalents) to generate optimal fixed return. These cash equivalents will also serve as margin for investing in other asset classes and at the same time will generate optimal return for the Portfolio. Within equities, the investment team may participate in index options strategies on Nifty and Bank Nifty indices against the underlying equities exposure and may also take directional calls on indices, listed stocks to generate alpha. The Portfolio Manager may also invest in special situations of listed equities such as turnarounds, mergers, de-mergers, corporate restructuring, open offers/buybacks, IPOs, arbitrage, etc. The remaining portfolio will include low volatility trades in commodity derivatives such as gold, silver, aluminum, crude etc. and trading in sovereign bonds.

Risks associated with the investment approach

Macro-economic risks:

Overall economic slowdown, unanticipated corporate performance environmental or political problems, changes to monitory or fiscal policies, changes in the government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the portfolio.

Interest rate risk:

As with all debt securities, changes in interest rates will affect the valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile, leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of Portfolios.

Credit risk:

Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. will be unable to make timely principal and interest payments on the security). Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default. Because of this risk, debentures are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Since the portfolio will be investing in sovereign debt instruments, credit risk may not be applicable.

Risk from zero coupon securities:

As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The strategy may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.

Reinvestment risk:

This risk refers to the interest rate levels at which cash flows received from the securities under a particular Portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk refers to the fall in the rate for reinvestment of interim cash flows.

Commodity investment risk:

The market for and trading in commodities is speculative and relatively more volatile. Prices for commodities are affected by a variety of factors, including changes in supply and demand relationships, governmental programs and policies, national and international political and economic events, wars and acts of terror, changes in interest and exchange rates, trading activities in commodities and related contracts, weather and agricultural harvest, trade, fiscal, monetary and exchange control policies. The price volatility of each commodity also affects the value of the futures and forward contracts related to that commodity. The volatility of commodity prices is significant and often higher than for equity portfolios. The commodities markets are in most cases less liquid as compared to the markets of equity, interest or currency-related products.

Volatility risk:

There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification.

Liquidity Risk:

The liquidity of the portfolio's investments may be inherently restricted by trading volumes of some instruments. This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity Risk can be partly mitigated by diversification, and internal risk controls that lean towards purchasing liquid securities.

Risks associated with investments in derivatives of various asset classes:

- The strategy involves long and short trades in derivative segment which involve active management. Execution of derivatives strategies by Investment Manager can lead to disproportionate profits and losses. There is no assurance / guarantee of returns or pay-outs. This is not a principal protection plan/fund/scheme/strategy.

- The Portfolio Manager intends to hedge its portfolio, to limit or reduce investment risk but this may result in limiting or reducing the potential for profit. No assurance can be given that any particular hedging strategy will be successful. Hedging against a decline in the value of Portfolio positions does not eliminate fluctuations in the values of Portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the Portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the Portfolio positions should increase. Moreover, it may not be possible for the Strategy to hedge against a fluctuation at a price sufficient to protect the Strategy's assets from the decline in value of the Portfolio positions anticipated as a result of such fluctuations. Given that the underlying investments is in cash equity and equity derivatives, the market movements will affect the performance of the Strategy accordingly.

- Identification and execution of such strategies to be persuaded by the Investment Manager involves uncertainty and decision of the Investment Manager may not always be profitable. No assurance can be given that the Investment Manager shall be able to identify or execute such strategies.

- The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in securities and other traditional investments. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives.

- 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 a possibility that loss may be sustained by the Strategy as a result of the failure of another party (usually referred as the "counter party") to comply with 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 and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

- Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place.

- The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.

- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. Risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets

The risk factors mentioned above are not exhaustive and other risks might be faced.

5.5.8 Accumulator

Investment Objective: The objective of the strategy is to generate long term capital growth from investment to achieve capital appreciation over the investment period by following prudent asset allocation strategy confirming to the risk appetite of the investor.

Benchmark: NSE Multi Asset Index –1 . Rationale: NSE Multi Asset Index –1 is a multi based index and its composition broadly represents the strategy's investment universe.

Benchmark	% Allocation
NIFTY 500 TRI	50%
Nifty 50 Arbitrage TRI	40%
REIT & InvIT	10%

Allocation of portfolio across asset classes

Asset Class	Conservative	Balanced	Growth
Equity	15% to 30%	30% to 60%	65% to 100%
Fixed Income	Upto 85%	Upto 70%	Upto 35%
Alternatives	Upto 50%	Upto 50%	Upto 35%

Cash & Liquid	Upto 10%	Upto 15%	Upto 15%

Minimum Account Size: : Rs 50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time.

Types of Securities: The Portfolio Manager invests in equity and equity related Securities; fixed income instruments (including but not limited to commercial papers, certificate of deposits, Bonds, non-convertible debentures, convertibles, Market Linked debentures, Warrants, Structured Products); Commodities ETFs/Funds; Exchange Traded Securities (including but not limited to REITs, INVITs, Bonds etc.); Mutual Funds and such other Securities as allowed under the extant regulation including by way of creating private index through authorized index service provider. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the portfolio manager may invest in unlisted securities basis the available regulatory limits. Allocation is done by actively investing in different asset class from defined securities universe.

Recommended Investment Horizon: The recommended investment horizon for this strategy is 12 Months and above depending upon asset allocation of the investor.

Risk Factors:

Liquidity risks: This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Trading Volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such period may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. As liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for redemption of units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme.

Interest Rate Risk: As with all debt securities, changes in interest rates may affect valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes 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.

Volatility risk: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification

Credit risk: Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

Strategy: The Investment Approach shall follow Multi Asset strategy.

Basis of selection of such types of securities as part of the investment approach

A combination of factors such as qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options.

5.5.9 Accumulator-Yield

Investment Objective:

The objective of the strategy is to generate long term capital growth and / or absolute returns and/or interest income from investment to achieve capital appreciation over the investment period.

Benchmark	**% Allocation**
CRISIL Composite Bond Fund Index	100%

Basis for selection of the benchmark: Crisil Composite Bond Fund index is a debt-based index and is the closest representative (amongst the available benchmark options) of our portfolio and reflects the core philosophy of the Investment Approach.

<u>Allocation of portfolio across asset classes</u>

Allocation	Accumulator Yield-FD Beater	Accumulator Yield-Consistent Cashflow
Fixed Income & Cash	**Instrument Rating** AAA – Upto 100% AA – Upto 50% A – Upto 25%	**Instrument Rating** AAA – Upto 30% AA – Upto 100% A – Upto 50%

Minimum Account Size: Rs 50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time.

Types of Securities: The Portfolio Manager invests in fixed income instruments (including but not limited to commercial papers, certificate of deposits, Bonds, non-convertible debentures, convertibles, Market Linked debentures, Warrants, Structured Products); Exchange Traded Securities; Mutual Funds and such other Securities as allowed under the extant regulation including by way of creating private index through authorized index service provider. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the portfolio manager may invest unlisted securities basis the available regulatory limits.

Recommended Investment Horizon: The recommended investment horizon for this strategy is 12 Months and above depending upon asset allocation of the investor.

Risk Factors:

Liquidity risks: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure 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.

Interest Rate Risk: Changes in interest rates affect the prices of debt securities. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.

Volatility risk: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification

Credit risk: The risk of default on a debt that may arise from a borrower failing to make required payments. The risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial.

Strategy: The Investment Approach shall follow Debt strategy

Basis of selection of such types of securities as part of the investment approach
A combination of factors such as qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options.

5.5.10 Infinity NDPMS Approach being offered is as follows:

This is a multi-asset class strategy that aims to generate returns through capital appreciation by investing in equity and equity related Securities; fixed income instruments (including but not limited to commercial papers, certificate of deposits, Bonds, non-convertible debentures, convertibles, Market Linked debentures, Warrants, Structured Products); Commodities ETFs/Funds; Exchange Traded Securities (including but not limited to REITs, INVITs, Gold Bonds etc.); Mutual Funds and such other Securities as allowed under the extant regulation including by way of creating private index through authorized index service provider. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the Strategy shall aim to achieve its objective by following a prudent asset allocation and deployment strategy, which will be driven by a mix of quantitative factors and qualitative factors. The strategy aims to outperform the composite benchmark consisting of Nifty 50 TRI Index, CRISIL Short Term Bond Fund Index. The weightage for each of the constituent index in the benchmark shall depend upon the asset allocation of the strategy across asset classes. **The recommended investment horizon** for this strategy is 12 Months and above depending upon the asset allocation of the strategy across asset classes.

Asset Class Allocation:

Allocation	% Allocation
Equity	Up to 100%
Debt & Cash	Up to 100%
Alternates	Up to 100%

Strategy: The Investment Approach shall follow Multi Asset strategy

Benchmark: NSE Multi Asset Index –1

Benchmark	**% Allocation**
NIFTY 500 TRI	50%
Nifty 50 Arbitrage TRI	40%
REIT & InvIT	10%

Basis for selection of the benchmark: NSE Multi Asset Index –1 is a multi based index and its composition broadly represents the strategy's investment universe. The PMS Investment Strategies stated in this Disclosure Document are available to unsolicited NRI/PIO/FPI (Foreign Portfolio Investors) clients. The Principal Officer may, in his/her sole discretion, permit, as an exception, provision of PMS services as stated in this Disclosure Document to an unsolicited NRI/PIO/FPI clients on completion of certain KYC related additional formalities.

5.5.11 Infinity NDPMS Approach for Accredited Investors being offered is as follows:

Investment Objective: The objective of the strategy is to generate long term capital growth from investment to achieve capital appreciation over the investment period by following prudent asset allocation strategy confirming to the risk appetite of the Large/High Value Accredited investor.

Benchmark - NSE Multi Asset Index –1

Benchmark	% Allocation
NIFTY 500 TRI	50%
Nifty 50 Arbitrage TRI	40%
REIT & InvIT	10%

Basis for selection of the benchmark: NSE Multi Asset Index –1 is a multi based index and its composition broadly represents the strategy's investment universe.

Allocation of portfolio across asset classes

Allocation	% Allocation
Equity	Up to 100%
Debt & Cash	Up to 100%
Alternatives	Up to 100%

Minimum Account Size: Rs.10 Crores or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time.

Types of securities: The Portfolio Manager invests in equity and equity related Securities; fixed income instruments (including but not limited to commercial papers, certificate of deposits, Bonds, non-convertible debentures, convertibles, Market Linked debentures, Warrants, Structured Products); Commodities ETFs/Funds; Exchange Traded Securities (including but not limited to REITs, INVITs, Gold Bonds etc.); Mutual Funds and such other Securities as allowed under the extant regulation including by way of creating private index through authorized index service provider. In addition, the strategy may also selectively use derivatives for hedging purposes. Further, the portfolio manager may invest up to 100% of the assets under management in unlisted security(s).

Strategy: The Investment Approach shall follow Multi Asset strategy

Recommended Investment Horizon: The recommended investment horizon for this strategy is 12 Months and above depending upon asset allocation of the Large /High Value Accredited investor.

Basis of selection of such types of securities as part of the investment approach A combination of factors such as qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options.

Risk Factors:

Liquidity risks: The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.

Interest Rate Risk: Changes in interest rates affect the prices of bonds as well as equity. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.

Volatility risk: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification

Credit risk: The risk of default on a debt that may arise from a borrower failing to make required payments. The risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial.

6. RISK FACTORS

The investments made in the Securities are subject to market risk and there is no assurance or guarantee that the value of or return on the investments made will always appreciate, it could depreciate to an unpredictable extent. Following are the risk factors as perceived by management:

(i) Investment in equities, derivatives and mutual funds are subject to market risks and there is no assurance or guarantee that the objective of the Investment Strategy will be achieved.

(ii) Past performance of the Portfolio Manager does not indicate the future performance.

(iii) The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.

(iv) Investors may note that Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends.

(v) The Portfolio Manager is neither responsible nor liable for any losses resulting from Portfolio Management Services.

(vi) The liquidity of the Portfolio Manager's investments is inherently restricted by trading volumes in the securities in which it invests.

(vii) The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated/ unrated securities offering higher yields. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.

(viii) The Net Asset Value of the Portfolio may be affected by changes in settlement periods and transfer procedures.

(ix) As with any investment in securities, the NAV of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.

(x) The performance of the Investment Strategies may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.

(xi) The names of the Investment Strategies do not in any manner indicate their prospects or returns. The performance of equity related investment strategies may be adversely affected by the performance of individual companies, changes in the marketplace and industry specific and macro-economic factors.

(xii) Investments in debt instruments are subject to default risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the NAV of the portfolio may be subject to fluctuation.

(xiii) Interest Rate Risk: As with all debt securities, changes in interest rates may affect valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes 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.

(xiv) Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.

(xv) Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

(xvi) Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the securities under a particular Portfolio are reinvested. The additional income from re-investment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

(xvii) Spread risk: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the returns accordingly.

(xviii) Prepayment Risk: There may be unscheduled return of principal on a particular security, which may result in reinvestment risk.

(xix) Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. The Portfolio Manager will attempt to maintain a diversified Portfolio.

(xx) Currency Risk: The Portfolio Manager may also invest in overseas Fixed Income or other Securities/ instruments as permitted by the concerned regulatory authorities in India. To the extent that the portfolio of the Investment Strategy will be invested in securities/ instruments denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuation in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

(xxi) The Investment Strategy may invest in non-publicly offered debt securities and unlisted equities. This may expose the Investment Strategy to liquidity risks. Such investments shall be subject to the scope of investments as laid down in the Agreement.

(xxii) Investment in schemes of mutual funds is subject to risk factors defined in the offer document of the respective schemes.

(xxiii) 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 risks inherent 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 deposited by the lender and the possible loss of corporate benefits accruing thereon.

(xxiv) Risk factors associated with derivatives: Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the Investor. The Portfolio manager may use derivatives instruments like equity futures & options, or other derivative instruments as permitted under the Regulations and guidelines. Execution of strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. Usage of derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. In case of the derivative strategies, it may not be possible to square off the cash position against the corresponding derivative position at the exact closing price available in the Value Weighted Average Period. The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. Investment Strategies using derivatives/futures and options products are affected by risks different from those associated with stocks and bonds. Such products are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives, futures and options. Some of the risks relate to mis-pricing or_the improper valuation of derivatives and the inability to co-relate the positions with underlying assets, rates and indices. Also, the derivatives market is nascent in India.

Trading in Derivatives has the following risks:

- An exposure to derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction.
- Derivatives carry the risk of adverse changes in the market price.
- Illiquidity Risk i.e. risk that a derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

(xxv) Risks pertaining to the index linked securities:

a) Performance of the Reference Index will have a direct bearing on the performance of the strategy.
b) In the event the Reference Index is dissolved or withdrawn by the Index Provider, such as, India Index Services Ltd. (IISL) (for NSE- Nifty), BSE for S&P BSE Sensex etc., in case of securities such as Debenture, the Debenture Trustees upon request by the issuer may modify the terms of issue of debentures, so as to track a different and suitable index and appropriate intimation will be sent to the debenture holders.

c) Tracking errors are inherent in any equity index linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more securities covered and/or included in the Reference Index. Such variations, referred to as tracking error, are expected to be around 2% per annum, but may vary substantially due to several factors.
d) Any delay experienced in the purchase or sale of securities due to liquidity of the market, settlement and realization of sales proceeds and the registration of any security transfer and any delays in receiving cash and scrip dividends and resulting delays in reinvesting them.
e) The Reference Index reflects the prices of securities at close of business hours.
f) The Index Provider undertakes a periodic review of the scripts that comprise the Reference Index and may either drop or include new securities.

Risks pertaining to investment in Gold Exchange Traded Funds (Gold ETFs): The risk associated with the Gold Exchange traded Funds will be as provided in the risk disclosure document of various schemes. Some of the specific risk factors pertaining to investments in Gold ETFs as part of the strategy include, not limited to, Market Risk, Currency Risk, Counterparty Risk, Asset Class Risk, Physical gold held by Gold ETFs, Liquidity Risk, Regulatory Risk, Passive Investment Risk, Operational Risks and Redemption Risk.

(xxvi) In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.

(xxvii) After accepting the corpus for management, the Portfolio Manager may not get an immediate opportunity to deploy the same or there may be a delay in deployment in a particular Investment Strategy. In such situation the Clients may suffer opportunity loss.

(xxviii) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

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

(xxx) Risks pertaining to investments in Debentures:

The following disclosure of risks associated to the Debentures is subject to and pursuant to the terms of issuance of the Debentures as provided in this Disclosure Document. The initial subscriber by subscribing to, and any subsequent purchaser by purchasing the Debentures, shall be deemed to have agreed, and accordingly the Issuer shall be entitled to presume, that each of the initial subscriber, and any subsequent purchaser (Debenture holder, as also referred to hereinabove and hereinafter):

(A) has:

(1) sufficient knowledge, experience and expertise as an investor, to make the investment in the Debentures;

(2) not relied on either of the Issuer, or any of its affiliates, holding company, or any person acting on its behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures as set out in the Disclosure Document;

(3) understood that information contained in the Disclosure Document, or any other document issued by the Issuer is not being construed as business or investment advice; and

(4) made an independent evaluation and judgment of all risks and merits before investing in the Debentures;

(B) Is aware that the Debentures in this Issue may or may not be listed on any stock exchange of India

(C) has understood that without prejudice to (A), and (B) above

(1) the method and manner of computation of, returns and calculations on the Debentures shall be solely determined by the Issuer, whose decision shall be final and binding;

(2) in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture holder, and no liability therefore will attach to the Issuer;

(D) has understood that in the event that the Debenture holder suffers adverse consequences or loss, the Debenture holder shall be solely responsible for the same and the Issuer, or any of its affiliates, holding company, or any person acting on its behalf shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture holder, including but not limited to, on the basis of any claim that no adequate disclosure regarding the risks involved was made or that the full risks involved were not explained or understood;

(E) has reviewed the terms and conditions applicable to the Debentures as contained in the Disclosure Document, and understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosure with respect to the Debentures, and understood the risks, and determined that the Debentures are a suitable investment and that the Debenture holder can bear the economic risk of that investment, including the possibility of receiving lower than expected returns.

(F) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Debentures;

(G) holds the Debentures as an investment and has not purchased the Debentures on a speculative basis;

(H) as an investor, is knowledgeable and experienced in making investments, including in debt instruments having variable or unpredictable returns and investments similar to the Debentures;

(I) by investing in the Debentures:

(i) has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Debentures, and also as to the Debenture holders' legal competency and ability (including under applicable laws and regulations), to invest in the Debentures;

(ii) has not, and does not claim to have, received, and has not relied on any advice or statements made or rendered by the Issuer, or any of its affiliates, holding company, or any person acting on its behalf, with respect to the Debentures, including as to the nature of returns, the probability of any returns or any erosion in the value of the Debentures over their life, or on maturity, redemption, sale or disposal, and none of such entities or persons have made any representations to the Debenture holder, express or implied, with respect to any of the above;

(iii) has assumed, on the Debenture holders' own account, all risk of loss that may occur or be suffered including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Issuer (or to any person acting on its behalf) to indemnify or otherwise hold the Debenture holder harmless in respect of any such loss and/or damage and confirms that the Debenture holder is aware that, as returns on the Debentures are primarily linked to the Nifty 50 and even otherwise, the Debenture holder may receive negligible returns or not receive any returns at all over the life and/or part thereof, of the Debentures or upon maturity;

(J) Has understood that, at any time during the life of the Debentures, the value of the Debentures may be substantially less than its redemption value;

(K) undertakes that, if the Debenture holder sells the Debentures to subsequent investors, the Debenture holder shall ensure, and it is the Debenture holder's obligation in that regard, that:

(1) the subsequent investors receive the terms and conditions, risks and representations contained in the Disclosure Document and any other related document and fully understand the Debentures,

(2) sale to subsequent investors will be subject to such investors having confirmed the receipt of all of (1) above,

(3) the sale and transfer of the Debentures shall be effected only in the manner stipulated

(L) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder, or its assets;

(M) Where the Debenture holder is a partnership firm:

(i) its investing in the Debentures on its terms is within the scope of its investment policy and is not in conflict with the provisions of the partnership deed currently in force;

(ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally;

(iii) the investment in Debentures has been duly authorised by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets;

(iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner; and

(v) for any Hindu Undivided Family ("HUF") that may be partner, the Karta declares that the above equally binds each of the co-parcenors and beneficiaries of the HUF; and

(N) where the Debenture holder is a company, also confirms that:

(i) notwithstanding the variable nature of the return on the Debentures, the Debenture holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Companies Act, 1956, from investing in the Debentures;

(ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture holder has corporate ability and authority, to invest in the Debentures; and

(iii) investment in the Debentures does not contravene any provisions of the memorandum and the articles of association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder or the Debenture holder's assets.

7. CLIENT REPRESENTATION

(i) <u>CATEGORIES OF CLIENTS SERVICED FOR LAST 3 YEARS: (Rs. In Cr)</u>

Clients	No. of Clients	Funds Managed (Rs. in Cr)	Discretionary / Non – Discretionary / Advisory
Associates/Group Companies			Discretionary Non-Discretionary Advisory
As on March 31, 2023	Nil	Nil	Discretionary
	Nil	Nil	Non-Discretionary
	1	0.50	Advisory
Others (last 3 years)			
As on March 31, 2021#	103	846.48	Discretionary
	10	315.19	Non-Discretionary
	NIL	NIL	Advisory
As on March 31, 2022	134	904.35	Discretionary
	15	209.09	Non-Discretionary
	NIL	NIL	Advisory
As on March 31, 2023	198	908.70	Discretionary
	49	775.13	Non-Discretionary
	Nil	Nil	Advisory

Nuvama Infinity Mandate Approach was an Investment Approach managed by Edelweiss Asset Management Limited and was transferred to Nuvama Asset Management Limited (formerly known as ESL Securities Limited) with effect from June 07, 2021.

8. COMPLETE DISCLOSURE IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES

1 **AS PER THE STANDARDS SPECIFIED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ON THE BASIS OF THE AUDITED FINANCIAL STATEMENT AS AT MARCH 31, 2023 IS AS STATED UNDER**

Capital Account transaction during the year:

I. Issue of equity share capital

Name	Amt. (Rs. In Lakhs) as on March 31, 2023
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) #including 6 Equity Shares held by Nominees of Nuvama Wealth Management Limited (formerly known as "Edelweiss Securities Limited")	3596

Related parties with whom transactions have taken place during the financial year ended March 31, 2023.

Please refer the **Annexure 2** for Related Party transactions.

Note: the above information is given to the extent of information available with the company

9. LIST OF STOCKBROKERS WHOSE SERVICES ARE UTILIZED FOR PMS ACTIVITIES

List of approved stockbrokers –

1. Nuvama Wealth Management Limited (formerly known as "Edelweiss Securities Limited")
2. Nuvama Wealth and Investment Limited (formerly known as "Edelweiss Broking Limited")
3. Kotak Securities Limited
4. Motilal Oswal Securities Limited
5. Jefferies India Private Limited
6. IIFL Securities limited
7. Spark Institutional Equities Private Limited

The Company may avail securities broking services from other SEBI registered stockbrokers empaneled by the Company from time to time.

10. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER:

Summarized Financial Statements – Balance Sheet

Particulars	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
	(Rs. In Thousands)	**(Rs. In Thousands)**	**(Rs. In Thousands)**
ASSETS			
Financial assets			
(a) Cash and cash equivalents	120,672.52	9,243.24	188,619.93
(b) Bank balances other than cash and cash equivalents			
(c) Trade receivables	68,605.44	41,406.84	-
(d) Loans	-	-	-
(e) Investments	125,517.97	117,238.02	-
(f) Other financial assets	22,083.99	10,301.73	20,422.86
Total Financial assets (A)	**336,879.92**	**178,189.83**	**209,042.79**
Non-financial assets			
(a) Current tax assets (net)	3,309.07	3,212.26	172.37
(b) Deferred tax assets (net)	-	-	-
(c) Property, Plant and Equipment	1,937.39	2,954.62	951.32
(d) Intangible asset under development	360.00	-	-
(e) Other Intangible assets	10,462.48	12,629.97	-
(f) Other non- financial assets	4,822.52	3,512.18	2882.69
Total Non-financial assets (B)	**20,891.46**	**22,309.03**	**4,005.38**

Total ASSETS (A+B)	**357,771.38**	**200,498.86**	**213,049.17**
LIABILITIES			
Financial liabilities			
(a) Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	2,187.87	1,258.25	1078.47
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	28,137.89	14,182.71	12,112.41
(b) Borrowings (other than debt securities)	-	-	40,524.36
(c) Other financial liabilities	145,455.59	93,899.82	36,760.81
Total Financial liabilities (A)	175,781.35	109,340.78	90,476.05
Non-financial liabilities			
(a) Current tax liabilities (net)			
(b) Provisions	17,528.04	14,362.36	7,114.83
(c) Other non-financial liabilities	21,417.12	14,193.70	7,952.47
Total Non-financial liabilities (B)	38,945.16	28,556.06	15,067.30
Equity			
(a) Equity share capital	359,600.00	269,600.00	199,600.00
(b) Other equity	(216,555.13)	(206,997.98)	(92,094.18)
Total Equity (C)	**143,044.87**	**62,602.02**	**107,505.82**
Total Liabilities and Equity (A+B+C)	**357,771.38**	**200,498.86**	**213,049.17**

Summarized Financial Statements – Profit and Loss Account

	As at 31st March 2023	**As at 31st March 2022**	**As at March 31, 2021**
	(Rs. In Thousands)	**(Rs. In Thousands)**	**(Rs. In Thousands)**
Total Income	491,263.15	201,090.68	2,502.39
Total Expenses	508,333.31	324,651.65	94,568.62
Profit/Loss Before Tax	(17,070.16)	(123,560.97)	(92,066.23)
Provision for Tax	-	-	-
Profit/Loss After Tax	(17,070.16)	(123,560.97)	(92,066.23)

11. PERFORMANCE OF THE PORTFOLIO MANAGER:

Disclosure of Performance of the Portfolio Manager for the last 3 years (Regulation 22(4)(e) of SEBI (Portfolio Managers) Regulations, 2020)

Name of the Investment approach	Performance* (Strategy vs. Benchmark)	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022	April 01 2020 to March 31 2021	(June 28 2019 till March 31, 2020)
Nuvama Infinity Mandate Approach#	Strategy	0.41%	13.67%	31.20%	-6.07%
	NIFTY 50 TRI INDEX-50%, CRISIL Short Term Bond Fund Index-30%, Crisil Liquid Fund Index-20%	2.71 %	12.42%	39.42%	-10.09%
Nuvama Protection Plus Strategy	Strategy	7.41%	-	-	-
	CRISIL Liquid Fund Index	4.79%	-	-	-

* **Portfolio Performance is net of all costs and fees.** Performance data is for the benchmarks adopted by the Portfolio Manager before SEBI Circular no SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022. W.e.f. 01st April 2023 performance as prescribed by APMI in consonance with SEBI shall be provided.

Nuvama Infinity Mandate Approach was an Investment Approach managed by Edelweiss Asset Management Limited and was transferred to Nuvama Asset Management Limited (formerly known as ESL Securities Limited) with effect from June 07, 2021.

Effective from SEBI Circular, SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022

Name of the Investment approach	Performance* (Strategy vs. Benchmark)	April 01, 2023 to June 30, 2023
Nuvama Protection Plus Strategy (NPP Strategy)	Strategy	0.95%
	CRISIL Composite Bond Fund Index	2.42%
I-Asset Approach	Strategy	4.44%
	NSE Multi Asset Index –1	7.08%
I-Equity Approach	Strategy	14.14%
	Nifty 50 TRI	11.06%
Nuvama Equities eXpansion Target (NEXT) strategy	Strategy	0.55%
	S&P BSE 500 TRI index	6.02%
Nuvama Absolute Return Strategy	Strategy	0.52%
	NSE Multi Asset Index –1	2.50%

Accumulator	Strategy	0.43%
	NSE Multi Asset Index –1	3.45%
Accumulator-Yield	Strategy	0.04%
	CRISIL Composite Bond Fund Index	-0.13%
Infinity NDPMS Approach	Strategy	4.03%
	NSE Multi Asset Index –1	7.08%

12. AUDIT OBSERVATIONS:

We have not received any observation pertaining to PMS.

13. NATURE OF COST AND EXPENSES:

The following are indicative types of costs and expenses expected to be incurred by the Portfolio Manager for and on behalf of clients availing the Portfolio Management Services and would be recovered by the Portfolio Manager from respective clients. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements. Operating expenses excluding brokerage and applicable taxes, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

a. **Investment management and advisory fees/Portfolio Management Fees**: The fee may be a fixed charge or a percentage of the quantum of capital/corpus/funds managed or may be linked to the portfolio returns achieved or a combination of any of these. Profit/performance shall be computed based on high water mark principle over the life of the investment for charging of performance/profit sharing fees. The Portfolio Manager may charge upto 2.5% p.a. as fixed charge. The Portfolio Manager shall charge performance linked fees to the client basis the agreement signed by them which shall be be upto 30%p.a. However, the performance fee may vary I.e. it may exceed, in such a scenario the percentage value as mutually agreed by the client and PMS in the agreement shall prevail.

High Water Mark Principle: High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio (Net of applicable Fees & Expenses) for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly.

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

b. **Custodian/Depository fee**: The charges relating to opening and operation of dematerialized stock accounts, custody and transfer charges for shares, bonds, and units, dematerialization, rematerialization and other charges in connection with the operation and management of clients' depository accounts. The Custodian Fee/Depository fees shall be upto 0.05 % -plus applicable statutory levies and taxes.

c. **Registrar and transfer agent fee**: Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including but not limited to stamp duty charges, cost of affidavits, notary charges, postage stamp and courier charges. Currently no separate Registrar and Transfer Agent is appointed.

d. **Brokerage and transaction costs**: The investments under the Portfolio Management would be usually done through registered members of stock exchange who charge brokerage upto 0.15 %, subject to and as permissible under applicable laws. In addition to the brokerage, transaction costs, stamp duty, turnover tax, Securities Transaction Tax or any other tax levied by statutory authority (ies), foreign transaction charges (if any) and other charges associated with the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments would also be levied by the broker. Any entry or exit loads (if any) and all asset management fees applicable on Units of Mutual Funds/ETFs will also be borne by the clients.

e. **Audit Fees:** Fees paid to the Auditors appointed by the Portfolio Manager with respect to the periodic audit of the Clients' accounts maintained by the Portfolio Manager shall be recovered from clients. An Audit fees of upto INR 5000 per client plus taxes shall be applicable.

f. **Fund Accounting charges**: Fees paid to Fund Accountant for providing Fund Accounting Services for Portfolio Accounts. These charges, primarily driven by Average Capital/Corpus/Investments and will vary between Investment strategies. Fund Accounting Charges shall be upto 0.05 % Plus applicable statutory levies and taxes

g. **Exit Load**

Portfolio Manager shall charge exit load to the Client in the following manner:

- In the 1st year of investment: Maximum 3% of the amount redeemed
- In the 2nd year of investment maximum 2 % of the amount redeemed
- In the 3rd year of Investment: Maximum 1% of the amount redeemed
- After period of 3 years from the date of investment: Nil

h. **Primary clearing member (PCM) charges (for accounts trading derivatives)**: The charges depend on the Investments and Investment strategies. PCM Charges shall be Upto 0.02 % Plus applicable statutory levies and taxes

i. **Private Index Service Provider Charges:** Fees paid to the private index service provider for creating private index, as applicable.

j. **Any other miscellaneous expenses including all applicable taxes and duties:** Miscellaneous expenses include but are not limited to documentation costs, distribution charges, legal, consulting, administrative expenses incurred by the Portfolio Manager to manage the clients' portfolio for which supporting statements shall be provided to the client (if requested by the client). All expenses will be as per the Client Agreement as entered into with the client.

Kindly note that Portfolio Manager does not charge any upfront fees, directly or indirectly, to its clients.

Any modification in the existing terms, shall be intimated to the client by written communication.

14. TAX IMPLICATIONS FOR THE DIFFERENT CATEGORIES OF INVESTORS

The following summary is based on the law as contained in the Income tax Act, 1961 ('Act'), the Income-tax Rules, 1962 ('the IT Rules') and various circulars and notifications issued thereunder from time to time. The Act is amended every year by the Finance Act of the relevant year and this summary reflects changes to the date of this summary.

The tax rates specified below are at the highest applicable slab rates for the financial year 2023–2024 (Assessment Year 2024-25) as prescribed under the Act after considering the provisions of Finance Act ('FA'), 2023 and are exclusive of applicable surcharge and health and education cess ('cess') unless otherwise stated in this note.

This information is neither a complete disclosure of every material fact of the Act nor does it constitute tax or legal advice. The information contained herein is based on an interpretation of prevailing tax legislation as potentially applicable and could therefore change or be adversely affected if alternative interpretations are adopted.

In addition, the comments herein are not binding on the Indian tax authorities and there can be no assurance that the authorities will not take a position contrary to any of the comments herein.

Investors / clients should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of the tax consequences, each investor / client is advised to consult his/ her/its own professional tax advisor. The information/ data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should not be construed as investment advice.

Income Tax

The tax rates applicable to different categories of tax- payers for the assessment year ('AY') 2024-25 are as follows:

A. Resident Individuals and Hindu Undivided Families

The individuals and HUFs are taxed in respect of their total income at the following rates:

Slab	Tax rate *
Total income up to Rs 250,000#	Nil
More than Rs 250,000# but up to Rs 500,000@	5% of excess over Rs 250,000
More than Rs 500,000 but up to Rs 1,000,000	20% of excess over Rs 500,000

	+ Rs 12,500$
Exceeding Rs 1,000,000	30% of excess over Rs 1,000,000 + Rs 112,500$

@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating cess. The amount of rebate available would be 100 per cent of income-tax chargeable on the total income or Rs 12,500, whichever is less.

*plus, surcharge if applicable – Refer Note 1 and cess of 4 per cent on the amount of tax (plus surcharge, if applicable).

for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to be read as Rs 300,000 and for resident senior citizens of eighty years of age and above ("super senior citizen) Rs 250,000' has to be read as Rs 500,000.

$Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to be read as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs 112,500 has to be read as Rs 100,000.

Alternatively, where an individual or a HUF or an AOP or BOI exercises the option to be assessed to tax under the provisions of section 115BAC of the Act inserted by FA 2020 and has now been further rationalised by the Finance Act 2023, the following shall be the rate of tax applicable:

Slab	Tax rate *
Total income up to Rs 300,000	Nil
More than Rs 300,000 but up to Rs 600,000@	5 per cent of excess over Rs 300,000
More than Rs 600,000 but up to Rs 900,000	10 per cent of excess over Rs 600,000 + Rs 15,000
More than Rs 900,000 but up to Rs 1,200,000	15 per cent of excess over Rs 900,000 + Rs 45,000
More than Rs 1,200,000 but up to Rs 1,500,000	20 per cent of excess over Rs 1,200,000 + Rs 90,000
More than Rs 1,500,000	30 per cent of excess over Rs 1,500,000 + Rs 1,50,000

@A resident individual (whose total income does not exceed Rs 700,000) can avail rebate under section 87A. It is deductible from income tax before calculating cess. The amount of rebate available would be 100 per cent of income-tax chargeable on the total income or Rs 25,000, whichever is less. The enhanced rebated of Rs. 700,000 only applicable for those individuals/HUFs/AOPs/BOIs who have opted for the new regime provided under the Act.

*plus, surcharge if applicable – Refer Note 1 and cess of 4 per cent on the amount of tax (plus surcharge, if applicable).

B. Partnership Firms & LLP’s

The tax rates applicable would be 30 per cent (plus surcharge, if applicable, where total income exceeds Rs 1 crore and a health and education cess of 4 per cent on the amount of tax.

C. Domestic Companies

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
Domestic companies having turnover of less than Rs 400 Cr in FY 2021-22	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) opting to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing up to 31 March 2023, opting to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above category	30 per cent	15 per cent

D. Foreign Companies

The tax rates applicable would be 40% (plus applicable surcharge and cess).

Note 1: Surcharge (as applicable to the tax charged on income)

Non-corporate assesses other than firms, co-operative societies and FPIs

Particulars	Rate of Surcharge
Where total income (including income under the provisions of section 111A and section 112A and section 112 of the Act) does not exceed Rs 50 lacs	Nil
Where total income (including income under the provisions of section 111A,section 112A and	10 per cent on total tax

section 112 of the Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	
The surcharge on dividend income, long-term capital gains referred to in section 112A and 112 of the Act for a taxpayer being an individual, HUF, Association of Persons, Body of Individuals or Artificial Juridical Person if total income (including these income) does not exceed Rs 1 crore	10 per cent on total tax
The surcharge on dividend income, , long-term capital gains referred to in section 112A and 112 of the Act for a taxpayer being an individual, HUF, Association of Persons, Body of Individuals or Artificial Juridical Person if total income (including these income) exceeds Rs 1 crore	15 per cent on total tax
Where total income (including income under the provisions of section 111A, section 112A and section 112 of the Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding income under the provisions of section 111A, section 112A and section 112 of the Act) does not exceed Rs 2 crore but total income (including income under the provisions of section 111A section 112A and section 112 of the Act) exceeds Rs 2 crore	15 per cent on total tax
Where total income (excluding income under the provisions of section 111A,section 112A and section 112 of the Act) exceeds Rs 2 crore but does not exceed Rs 5 crore	-25 per cent on tax on income excluding income under the provisions of section 111A section 112A and section 112 of the Act -15 per cent on tax on income under the provisions of section 111A section 112A and section 112 of the Act
Where total income (excluding income under the provisions of section 111A and section 112A of the Act) exceeds Rs 5 crore	-37 per cent on tax on income excluding income under the provisions of section 111A section 112A and section 112 of the Act -15 per cent on tax on income under the provisions of section 111A section 112A and section 112 of the Act - 25% per cent even in this scenario (excluding income under the provisions of section 111A, Section 112A and Section 112 of the Act) for those individuals or HUFs or AOPs or BOIs which have opted for the new regime.

FPIs (Non corporate)

Particulars	Rate of Surcharge
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) does not exceed Rs 50 lacs	Nil
Where total income (including income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) does not exceed Rs 2 crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 2 crore but does not exceed Rs 5 crore	- 25 per cent on tax on income excluding income of the nature referred to in section 115AD(1)(b) of the Act - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the Act
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 5 crore	- 37 per cent on tax on income excluding income of the nature referred to in section 115AD(1)(b) of the Act - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the Act - 25% per cent even in this scenario (excluding income under the provisions of section 111A, Section 112A and Section 112 of the Act) if the new regime has been opted for (by individuals / HUFs / AOPs and BOIs) and if applicable to these FPIs. These FPIs should, however, consult, their own tax advisors.

For assesses other than those covered above

Particulars	Rate of surcharge applicable
Non-corporate taxpayers being firms and co-operative societies	Nil where taxable income does not exceed Rs 1 crore
	From FY 2022-23 12 per cent where total incom exceeds Rs 10 crore
	From FY 2022-23 7 per cent where total incom exceeds Rs 1 crore but does not exceed Rs 1 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the Act)	Nil where taxable income does not exceed Rs 1 crore
	7 per cent where taxable income exceeds Rs 1 crore but does not exceed Rs 10 crore
	12 per cent where taxable income exceeds Rs 1 crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the Act	10 per cent (irrespective of taxable income)
Foreign Companies (including corporate FPIs)	Nil where taxable income does not exceed is equal to or less than Rs 1 crore
	2 per cent where taxable income exceeds Rs 1 crore but does not exceed Rs 10 crore
	5 per cent where taxable income exceeds Rs 10 crore

A cess of 4 per cent is payable on the total amount of tax plus surcharge.

Dividends

Dividends declared or distributed on or after 1 April 2020 would not be subject to dividend distribution tax in the hands of the distributing Indian company and would be taxed in the hands of shareholders at applicable slab rates or specific rates mentioned above[1].

Similarly, income/ dividend distributed by mutual fund would also be taxable in hands of the shareholder at specific rates mentioned above[1]. However, the surcharge has been capped for dividend at the rate of 15%.

Intercorporate dividend from any other domestic company or a foreign company or a business trust shall be reduced from total income of domestic company receiving the dividend if same is further distributed to shareholders one month prior to the due date of filing of return of income.

[1] In case of domestic companies, the tax rate for dividends / interest would be 22% (where such company has opted for a tax rate under section 115BAA of the Act) or 25% (where total turnover or the gross receipt in the previous year 2021-2022 does not exceed INR 400 crores)

Interest

The investors would have to pay income-tax on the interest income so received at the rate of 30% in case of domestic companies[2] and firms and at slab rates in case of other resident taxpayers.

Capital Gains Tax

Gains would be taxable as short-term capital gains ('STCG') or long-term capital gains ('LTCG') based on the period for which the securities were held prior to their transfer:

Period of holding immediately preceding date of transfer			Nature of Capital Gains
Listed securities (other than a unit), unit of an equity oriented scheme and zero coupon bonds	Unlisted shares	Other securities	
12 months or less	24 months or less	36 months or less	STCG
More than 12 months	More than 24 months	More than 36 months	LTCG

The taxation of gains is further a function of the nature of the security and the manner in which its transfer is effected:

Nature of Capital Gains	Income Tax rates[3] (These rates are to be increased by applicable surcharge and cess)
STCG	15% in case (a) shares are listed on any recognized stock exchange in India and the sale is subject to securities transaction tax ("STT") or (b) shares are sold in the course of an Initial Public Offer ('IPO') and the sale is subject to STT or (c) unit of an equity oriented fund and the sale is subject to STT 40% (for foreign company) or slab rates (for individuals or HUF) or 30% (for others)[4], in case of STCG arising on other securities

[2] In case of domestic companies, the tax rate for dividends / interest would be 22% (where such company has opted for a tax rate under section 115BAA of the Act) or 25% (where total turnover or the gross receipt in the previous year 2021-2022 does not exceed INR 400 crores)

[3] Where applicable in case of non-residents (including an NRI), the income would be subject to tax as per the terms of the relevant tax treaty or the Act, whichever is more beneficial to them. In case investments made by NRI investors are entitled to be governed by the special provisions under Chapter XII-A of the Act and such NRI investors opt to be governed by such special provisions, the prescribed income would be taxable at the applicable rates.

[4] In case of domestic companies, the tax rate for STCG arising on securities (other than listed shares or unit of equity oriented fund) would be 22% (where such company has opted for a tax rate under section 115BAA of the Act) or 25% (where total turnover or the gross receipt in the previous year 2021-22 does not exceed INR 400 crores)

<table>
<tr><th>Nature of Capital Gains</th><th>Income Tax rates[3]
(These rates are to be increased by applicable surcharge and cess)</th></tr>
<tr><td>LTCG</td><td>
In case of shares and units of an equity-oriented fund
<table>
<tr><th>Particulars</th><th>Residents</th><th>Non-residents</th></tr>
<tr><td>Shares are not listed on any recognized stock exchange in India and the exit is not through IPO</td><td>20%
(after cost indexation</td><td>10%
(without cost indexation)</td></tr>
<tr><td>Shares listed on any recognized stock exchange, but sale / transfer is not subject to STT</td><td>Lower of:
10% (without cost indexation); and
20% (after cost indexation)</td><td>10%
(without cost indexation)[5]</td></tr>
<tr><td>Shares are listed on any recognized stock exchange in India and purchase & the sale is subject to STT or shares are sold in the course of an IPO and the sale is subject to STT or units of an equity oriented fund and the sale is subject to STT

FA 2018 has withdrawn the exemption on long-term capital gains on transfer of aforesaid securities from 1 April 2018 and levied tax at 10% on such gains exceeding Rs 100,000.</td><td>10%
(without cost indexation)</td><td>10%
(without cost indexation)</td></tr>
</table>
In case of debentures and other securities:
<table>
<tr><th>Particulars</th><th>Residents</th><th>Non-residents</th></tr>
<tr><td>Listed debentures</td><td>10%
(without cost indexation)</td><td>10%
(without cost indexation)</td></tr>
<tr><td>Unlisted debentures</td><td>20 percent (without cost indexation)</td><td>10 percent (without cost indexation)[6]</td></tr>
<tr><td>Other securities</td><td>20%
(after cost indexation)</td><td>10%
(without cost indexation)</td></tr>
</table>
</td></tr>
</table>

[5] The Indian Revenue Authorities ('IRA') may seek to apply a higher rate of 20 percent (plus applicable surcharge and cess) on LTCGs on sale of listed securities by non-residents

[6] If the unlisted bonds or debentures are not regarded as 'unlisted securities', then the IRA may seek to apply a higher rate of 20 percent (plus applicable surcharge and cess) on LTCGs on sale of unlisted bonds or debentures by non-residents

(Note: Capital gains from sovereign gold bonds is exempt **if held till maturity**)

Taxation of Market Linked Debentures / 'Specified Mutual Funds'

The Finance Act 2023 has inserted Section 50AA in the Act which provides that regardless of the period of holding of a capital asset being Market Linked Debenture or a unit of a specified Mutual Fund acquired on or after 01 April 2023, then the consideration received or accruing as a result of the transfer or redemption or maturity of such debenture or unit as reduced by (i) the cost acquisition of the debenture or unit; and (ii) The expenditure incurred wholly and exclusive in connection with such transfer or redemption or maturity , shall be deemed to be capital gains arising from the transfer of a short-term capital asset i.e. short-term capital gains.

Further no deduction shall be allowed in computing the income chargeable under the head "Capital gains" in respect of any sum paid on account of securities transaction tax.

For this purpose the capital assets referred in this section have been defined as under:

i. "Market Linked Debenture" has been defined to mean a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a Market Linked Debenture by the Securities and Exchange Board of India;

ii. "Specified Mutual Fund" has been defined to mean a Mutual Fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.

Further it has been provided that the percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.

Securities Transaction Tax (STT)

All transactions entered on a recognised stock exchange in India will be subject to STT levied on the transaction value at the applicable rates. The STT rates applicable to certain transactions have been set out below:

Sr. No.	Taxable Securities Transaction	STT Rate	Payable By
1.	Purchase / sale of an equity share in a compan where the transaction is entered into in recognized stock exchange and the contract i settled by actual delivery or transfer of shares	0.1%	Purchaser, in case of purchase transaction / Seller, in case of sale transaction
2.	Purchase / sale of a unit of an equity-oriented fund where the transaction is entered into in a recognized stock exchange and the contract is settled by actual delivery or transfer of units	NIL in case purchase and 0.001% in case of sale	Seller, in case of sale transaction
3.	Sale of equity share on a recognized stock	0.025%	Seller

Sr. No.	Taxable Securities Transaction	STT Rate	Payable By
	exchange where the transaction is settled otherwise than by actual delivery or transfer		
4.	Sale of an option in securities	0.0625%	Seller
5.	Sale of an option in securities where the option is exercised	0.125%	Purchaser
6.	Sale of futures in securities	0.0125%	Seller
7.	Sale of equity-oriented fund to a mutual fund	0.001%	Seller
8.	Sale or surrender or redemption of a unit of an equity oriented fund to an insurance company, on maturity or partial withdrawal, with respect to unit linked insurance policy issued by such insurance company on or after the first day of February, 2021.	0.001%	Seller
9.	Sale of unlisted equity shares under an offer for sale referred to in sub-clause (aa) of clause (13) of section 97.	0.2%	Seller
10.	Sale of unlisted units of a business trust under an offer for sale referred to in sub- clause (ab) of clause (13) of section 97.	0.2%	Seller

Note: STT is not allowed as a deduction in computation of capital gains. However, it should be deductible in computing business income, based on suitable consultations from investor's own tax advisory.

Set-off and carry forward of losses

As per the provisions of the Act, any loss incurred under the head 'Capital Gains' cannot be set off against other income (such as Business Income / Income From Other Sources). Further, a long-term capital loss can be set off against taxable long-term capital gain only, but short-term capital loss is eligible to be set off against long-term as well as short-term capital gains. Any unabsorbed capital losses may be carried forward for eight years to be set off against income from 'Capital gains' only.

Similarly, any loss incurred under the head 'Business or profession' can be set-off against capital gains and any other head of income (except salaries). Unabsorbed business losses, can be carried forward to be set off against business income in the following eight tax years, provided the return for the year of loss is filed on or before the due date.

Provisions regarding Bonus stripping

According to the provisions of Section 94(8) of the Act, if an investor purchases securities or units within 3 months before the record date (for entitlement of bonus) and sells/redeems such securities or units within 9 months after that date, and by virtue of holding the original securities or units, he becomes entitled to bonus securities or units, then the loss arising on transfer of original securities or units shall be ignored for the purpose of computing his income chargeable to tax. In fact, the loss so ignored will be treated as cost of acquisition of such bonus securities or units.

Provisions regarding Business Trust

Any distribution of income by the business trust to its unit holders would be exempt in the hands of unit holders other than below mentioned income:

a. Interest received or receivable from Special Purpose Vehicle under section 10(23FC) of the Act
b. Dividend received or receivable from Special Purpose Vehicle (subject to exercise of option for lower tax regime) under section 10(23FC) of the Act
c. Rental income (if business trust is Real Estate Investment Trusts) under section 10(23FCA) of the Act.

The Finance Act, 2023, has inserted sub-clause (xi) to section 56 of the Act, wherein a 'specified sum' received by a unit holder from a business trust during the previous year, with respect to a unit held by him at any time during the previous year.

For this purpose the term 'specified sum' shall be computed in accordance with the following formula:
Specified sum=A-B-C (which shall be deemed to be zero if sum of B and C is greater than A), where:

A = aggregate of sum distributed by the business trust with respect to such unit, during the previous year or during any earlier previous year or years, to such unit holder, who holds such unit on the date of distribution of sum or to any other unit holder who held such unit at any time prior to the date of such distribution, which is, —
(a) not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and
(b) not chargeable to tax under sub-section (2) of section 115UA;

B = amount at which such unit was issued by the business trust; and

C=amount charged to tax under this clause in any earlier previous year;
The Finance Act 2023 has also inserted an Explanation to section 48 of the ITA to provide that the cost of acquisition of a unit of a business trust shall be reduced by and shall be deemed to always have been reduced by any sum received by a unit holder from business trust with respect to such unit:

a. which is not in the nature of income referred to in section 10(23FC) or 10(23FCA) and
b. is not chargeable to tax under section 56(2)(xii) and section 115UA(2) of the ITA.

Tax Deduction at Source on Capital Gain from securities

No income-tax is deductible at source from income by way of capital gains from securities under the provisions of the Act in case of residents.

However, the provisions of section 195 of the Act may apply to non-residents (other than Foreign Portfolio Investors and long-term capital gains and short-term capital gains where transaction is executed through recognized stock exchange).

Tax Deduction or Tax Collection at Source on purchase/sale of securities

Section 194Q of the Act has been introduced wherein a buyer is required to withhold taxes at the rate of 0.1% on the consideration being paid for purchase of goods of the value or aggregate of such value of which exceeds Rs 50 lakhs in any previous year.

Buyer has been defined to mean means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out.

Section 206C(1H) specifies that every person, being a seller, who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, other than the goods being exported out of India or goods covered in shall, at the time of receipt of such amount, collect from the buyer, a sum equal to 0.1 per cent of the sale consideration exceeding Rs. 50 lakhs as income-tax.

Seller in this regard has been defined to mean a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the sale of goods is carried out, not being a person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

Buyback of shares

Indian companies implementing a buyback are liable to pay tax at 20% subject to surcharge and cess on the excess of the distribution over the amount received by the company at the time of issuance of shares being bought back (irrespective of the cost at which the surrendering shareholder may have acquired the shares). Any distributions received by the shareholder or pursuant to buyback of shares will not be liable to tax in India in the hands of the shareholder.

Tax Deduction at Source ('TDS') on Dividend

The Indian company and business trust distributing dividend will be required to withhold tax at the rate of 10% in case of distributions made to the resident shareholder..

Whereas in the case of a non-resident shareholder and unit holder of business trust, withholding tax at the rate of 20% and 10% respectively plus applicable surcharge and cess or the rates that are specified in the DTAA, whichever is beneficial to him, would apply.

Further, the minimum threshold for applicability of withholding tax on dividend payments to the resident individual shareholder during the financial year is Rs 5,000.

(Note: There would be no withholding of tax by business trust if Special Purpose vehicle has not opted for lower tax regime)

Tax Deduction at Source on Interest other than securities

Tax is deductible on interest income at the rate of 10% during the FY 2021-22.

Tax is deductible at the rate of 5% on interest paid or payable by business trust to its non-resident unit holders.

Additionally, there are few more cases where Act provides that no tax deduction should be done from interest income.

Whereas in the case of a non-resident, withholding tax would be at the rates in force or the rates that are specified in the DTAA, whichever is beneficial to him, would apply.

Tax Deduction at Source on Interest from securities

Any interest that accrues to the investor on debt given or on unlisted debentures shall be subject to an interest withholding at the rate of 10% in case of resident investors during the FY 2021-22

Finance Act 2023 has withdrawn the exemption of withholding tax requirement in respect of interest payable on specified listed securities. The Finance Act, 2023, has also inserted a new clause (ix) under section 193 to provide exemption from withholding tax requirement in respect of interest payable to a 'business trust' by a special purpose vehicle referred to in Explanation to section 10(23FC) of the ITA.

Further, there are few more cases where the Act provides that no tax deduction should be done from interest income.

Whereas in the case of a non-resident, withholding tax would be at the rates in force or the rates that are specified in the DTAA, whichever is beneficial to him, would apply.

Amendments in the withholding tax provisions

Section 139A(5A) requires every person from whose income, tax has been deducted under the provisions of chapter XVIIB of the Act, to furnish his PAN to the person responsible for deduction of tax at source.

As per provisions of section 206AA of the Act, the payer would be obliged to withhold tax at penal rates of TDS in case of payments to investors who have not furnished their PAN to the payer. Even in a scenario where individuals having Aadhaar Number have not linked their PAN with their respective Aadhaar then such individuals would also be subject to penal rates of withholding (due date to link PAN and Aadhaar has been set at 30 June 2023). The penal rate of TDS is 20 per cent or any higher rate of TDS, as may be applicable, plus applicable surcharge and cess.

Section 206AA of the Act to provides that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC or dividend income[7] and any other payment subject to such conditions as may be prescribed.

Further, Section 206AB requires the deductor to deduct tax at a higher rate on payment to deductee on fulfilment of certain conditions. Section 206AB is applicable to deductee who has not filed Income Tax Return under section139(1) of the Act in the immediately preceding financial year to the year in which tax is being withheld and time limit for which specified under section 139(1) has expired and the tax is required to be deducted and the aggregate amount of TDS and TCS in his case is INR 50,000/- or more in the said previous year.

[7] Dividend income included vide Notification No. 54 /2020 (F.No.370 142/22/2020-TPL) dated 24 July 2020

The tax shall be deducted higher of the following:

(i) at twice the rate specified in the relevant provision of the Act; or
(ii) at twice the rate or rates in force; or
(iii) at the rate of five per cent

If the deductee does not hold a valid PAN, then TDS will be deducted at higher of rate determined under section 206AA and 206AB of the Act.

The above provision is not applicable to a non-resident who does not have a permanent establishment in India.

Further, the CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services, dividend and payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number.
- Address in the country or specified territory outside India of which the deductee is a resident.
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate.
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

The Finance Act, 2023, has increased the rate of tax for income in the nature of royalties and fees for technical services from 10% to 20% (excluding applicable surcharge rate and health and education cess)

Special provisions for higher rate of TCS collection
Section 206CC provides that any person paying any sum or amount, on which tax is collectible at source under Chapter XVII-BB (herein referred to as collectee) shall furnish his Permanent Account Number to the person responsible for collecting such tax (herein referred to as collector), failing which tax shall be collected at the higher of the following rates, namely:—

(i) at twice the rate specified in the relevant provision of this Act; or

(ii) at the rate of five per cent.

The Finance Act 2023 has amended the section 206CC to provide that the rate of tax collection at source under this section shall not exceed 20%.”.

Section 206CCA of the Act has provided the similar requirement of 'specified person' as provided under section 206AB of the Act. Further, section 206CCA has been amended to provide that the rate of tax collection at source under this section shall not exceed 20%.

Availability of benefits of Double Taxation Avoidance Agreement ('DTAA')

As per section 90(2) of the Act, the provisions of the Act or DTAA between India and country of residence of the non-resident investor would apply to the extent they are more beneficial. (subject to GAAR provisions discussed below). However, no assurance can be provided that the DTAA benefits will be available to the non-resident investor or the terms of the DTAA will not be subject to amendment or reinterpretation in the future. The taxability of such income of the non-resident investor, in the absence of Treaty benefits or where the non-resident investor is from a country with which India has no DTAA, would be as per the provisions of the Act.

In order to claim Treaty benefits, the non-resident investor has to obtain the Tax Residency Certificate ('TRC') as issued by the foreign tax authorities. Further, the non-resident investor shall be required to furnish such other information or document as may be prescribed. In this connection, the IRA vide its Notification No 57/2013 dated August 1, 2013 has prescribed certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC.

The CBDT has prescribed that a non-resident payees shall have to file electronic Form 10F on the income-tax portal. Accordingly, non-resident may be required to obtain a PAN so that they can file Form 10F electronically. Currently, non-resident not having an Indian PAN have been granted an extension to file manual form 10F. However, from 01 October 2023, to claim Treaty benefits such non-residents shall have to electronically file Form 10F on the income-tax portal.

General Anti-avoidance Rule ('GAAR')

The Act contains GAAR provisions which are currently applicable from April 1, 2017. GAAR provisions empower the Revenue authorities to consider a transaction as an impermissible avoidance arrangement. An impermissible avoidance arrangement has been defined to mean an arrangement whose main purpose is to obtain a tax benefit, and which is, inter-alia, lacking in commercial substance. Tax treaty relief may be denied by the Revenue authorities if GAAR provisions are invoked in the case of a taxpayer.

The Act provides that only those arrangements which result in a tax benefit of INR 3 crore or more will attract the provisions of GAAR.

There is limited commentary available with regard to how the GAAR provisions should be interpreted or how these provisions may be applied in practice. Material adverse consequences could result for the Investors should GAAR provisions be applied.

Goods and Service Tax

The Goods and Service Tax (GST) regime has been introduced from July 01, 2017. Accordingly, goods and service tax at the rate of 18% would be levied on fees if any, payable towards investment management fee.

15. ACCOUNTING POLICIES/VALUATIONS:

The Portfolio Manager will follow an accounting and reporting system that is consistent with the Global Investment Performance Standards (GIPS) methodology. The important accounting policies are:

a) **Client Accounts:** All client accounts will be maintained separately on an accrual basis based on market values. Accounting will be trade date based (not settlement data based)

b) **Income Accrual:** Dividend income shall be recognized on the ex-dividend date. Interest income shall be accrued on day to day basis as it is earned. Profit or loss on the sale of investments shall be recognized on trade dates. Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

c) **Recognition:** Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

d) **Cost of investments:** The cost of investments acquired or purchased shall include brokerage, stamp charges and any charge customarily included in the broker's contract note. STT may be being expensed out and not added to cost of investment. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.

e) **Portfolio Management Fees:** Portfolio management fees could include a fixed management fee and a variable performance fee. The amount of fixed and variable fees will be as agreed with the client and defined in the Client Agreement. Details related to the frequency at which fees will be charged and how will these be calculated will also be as defined in the Client Agreement with each individual client. The fixed management fee will be as agreed in the Client Agreement terms and conditions. The performance fees as agreed with the client in the Client Agreement

f) **Brokerage:** The client understands that Portfolio Manager (NAML) shall conduct all securities transactions with its registered brokers at a brokerage/commission upto 0.15 % of the value of each transaction, subject to and as permissible under applicable laws. The client shall keep Portfolio Manager indemnified of such charges.

g) **Other Expenses:** Besides this the client will be liable for associated custody fees/charges. The custody fees will be between 0.02-0.10% p.a. on the assets under custody annually (paid in monthly increments) and associated transaction charges as stated in the Client Agreement. All relevant taxes apply additionally.

h) **Valuation of Investments:**

a. Investments in listed equity and debt instruments will be valued at the closing market prices on the National Stock Exchange (NSE). If the securities are not traded on the NSE on the valuation day, the closing price of the security on the Bombay Stock Exchange (BSE) or other exchange will be used for valuation of securities. In case securities are not traded on the valuation date an any of the exchanges, the last available traded price shall be used for the valuation of securities, If no such quote is available, the security may be considered as non-traded.

b. Investments in units of Mutual Funds shall be valued at the repurchase price of the previous day declared for the relevant Scheme on the date of the report.

c. Government securities shall be valued at the prices released by an agency recommended by the AMFI.

d. Open positions in derivative transactions, will be marked to market on the valuation day.

e. 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.

f. Unlisted, non-traded and all other securities where a valued cannot be ascertained shall be valued as determined in good faith by the Portfolio Manager.

g. Valuation of investments in debt linked Non – Convertible Debentures (NCD) / Market Linked Debentures shall be based on straight Line ammortisation. Valuation of investments in equity linked debentures shall be based on prices provided by the issuer of such securities on periodic basis.

h. Valuation of investments in debt & money market instruments traded via secondary market shall be valued at prices provided by CRISIL and ICRA on each valuation day where is traded via primary markets then shall be valued at cost until allotment.

i. 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.

i) **Aggregation of trades:** In the event of aggregation of purchases or sales for economy of scale inter se, the Portfolio Manager shall do allocation on pro rata basis at weighted average price of the day's transaction. The Portfolio Manager will not keep open position in respect of allocation of sales or purchases in a day.

j) **Holding cost:** In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" method will be followed.
Corpus in and Corpus out are accounted as per prices on the day prior to corpus in/ corpus out and prices are determined as per the valuation policy

16. INVESTOR SERVICES:

Name, address and telephone number of the Investor Relations Officer who shall attend to investor queries and complaints.

Name: Mr. Hussain Chunawala

Add: 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051

Phone No.: +91 (22) 4088 5614 Ext. 5614

Grievances, if any, that may arise pursuant to the 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.
The Portfolio Manager will endeavor to resolve Investor Grievance at the earliest. All grievances can be sent to NAML on the designated email id: NAML.PMS.PO@nuvama.com. Accordingly, the nature of the grievance, the type of account, and the name and contact information of the client will be recorded.

The respective Investor Relations Officer will endeavor to respond within seven working days of receipt of the grievances through an email.

If within the seventh working day as mentioned above, the grievance has not been resolved or a response has not been received from Portfolio Manager, the issue can be escalated by sending an email to anshu.kapoor@nuvama.com

The officers mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that these officials are vested with necessary authority, independence and the means to handle investor complaints.

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 action of the portfolio manager, the investor and the Portfolio Manager shall abide by the following mechanisms:

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit. Arbitration shall be held in English. The Arbitration Award shall be treated as final and shall be binding on the Parties. This arbitration clause is subject to the jurisdiction of courts in Mumbai only.

Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. However, the cost of appointing the presiding arbitrator will be borne equally by both the Parties. Investor shall have the recourse to visit the SEBI SCORES portal for lodging their complaints, if any in case they are not satisfied with the response of the Portfolio Manager.

In case of non-redressal of the complaint by the Portfolio Manager, investors can approach SEBI for redressal of their complaints. Investors may lodge their complaints through SCORES (SEBI Complaints Redress System - https://scores.gov.in/scores/Welcome.html) or by sending their complaints on the address given below:

Office of Investor Assistance and Education,
Securities and Exchange Board of India,

SEBI Bhavan II,
Plot No. C7, 'G' Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

17. DETAILS OF INVESTMENTS IN THE SECURITIES OF ASSOCIATES/RELATED PARTIES OF PORTFOLIO MANAGER:

(Data as on March 31, 2023)

Sr.no	Investment Approach, if any	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
1	Accumulator Yield	Edelweiss Financial Services Limited	0.06	0.06	6.35
2	Infinity NDPMS	Edelweiss Financial Services Limited	1.22	1.26	0.16
3	Infinity NDPMS	Nuvama Wealth And Investment Limited	1.29	1.33	0.17
4	Infinity NDPMS	Nuvama Wealth Finance Limited	3.16	3.55	0.45
5	Nuvama Protection Plus Strategy	Nuvama Wealth Finance Limited	0.50	0.55	1.32

18. DIVERSIFICATION POLICY:

Diversification means spreading the risk over different asset classes and over different time periods. It means investing in a broad array of investment instruments like bonds, cash, stocks and commodities. It is crucial as it reduces the investment risk over a period of time and also captures the market gains.

It is prudent to take time to build a long term portfolio of stocks, bonds and other investments on the basis of the risk appetite, investment time horizon or financial goals.

Diversification also involves periodically reviewing the portfolio mix depending on the market conditions, risk tolerance and liquidity requirement. Maintaining strategic asset allocation is the most important input in the long term investment success.

The goal of diversification is not to boost performance and it will not ensure gains or guarantee against losses but it can help set the appropriate level of management of risk for an investor's time horizon, financial goals and tolerance for portfolio volatility.

Asset Allocation:
Asset allocation involves dividing an investment portfolio among different asset categories, such as Equity, Debt, Alternatives and cash.

Time Horizon –
The time horizon is the expected number of months, years, or decades that the investor will be investing to achieve a particular financial goal. With a longer time horizon a riskier, or more volatile investment can be considered because of the inevitable ups and downs of our markets.

Risk Tolerance –
An aggressive investor, or one with a high-risk tolerance, is more likely to risk losing money in order to get better results. A conservative investor, or one with a low-risk tolerance, tends to favor investments that will preserve his or her original investment.

Diversification is a strategy of risk management used in investing, which allows to reduce risks by allocating the funds in multiple asset types. Diversification helps to mitigate the associated risks on the overall investment portfolio.

In Infinity PMS, the endeavour is made to diversify the portfolio by adhering to following limits:

1) Exposure to any single security not including mutual fund(s) schemes is restricted to maximum of 15% at the time of investment
2) Exposure to any single issuer not including mutual fund(s) schemes is restricted to maximum of 20% at the time of investment
3) Exposure to single security issued by associates/ related parties is restricted to maximum of 15%
4) Exposure to all equity securities issued by associates/ related parties is restricted to maximum of 25%
5) Exposure to all debt & hybrid securities issued by associates/ related parties is restricted to maximum of 25%

6) Exposure to all securities issued by associates/ related parties is restricted to maximum of 30%

Further, it may be noted that the above limits shall be agreed with each client which may be higher or lower than the above stated limits.

19. GENERAL:

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written two-way agreement ("Discretionary Portfolio Investment Management Agreement, Non-Discretionary Portfolio Investment Management Agreement and Advisory Agreement") between themselves.

The PMS Investment Strategies stated in this Disclosure Document are not available to unsolicited NRI/PIO/FPI (Foreign Portfolio Investors) clients. With effect from the date of this Disclosure Document the Principal Officer may, in his/her sole discretion, permit, as an exception, provision of PMS services as stated in this Disclosure Document to an unsolicited NRI client on completion of certain additional formalities including KYC related.

For Nuvama Asset Management Limited (Formerly known as "ESL Securities Limited")

Sr. No.	**Name of Director**	**Signature**
1.	**Anshu Kapoor**	**Sd/-**
2.	**Riyaz Ladiwala**	**Sd/-**

Annexure 1

Sr. No	Names of the Party	*Nature of Dispute
1	Nuvama Wealth and Investment Limited (Formerly known as "Edelweiss Broking Limited") (hereinafter referred to as "**NWIL**" or "**EBL**" or "**Edelweiss Broking Limited**") (Refer note 1)	1. SEBI – Show Cause Notice in the scrip of S. J. Corporation Ltd. (Refer Note 1) SEBI had issued Show Cause Notice vide letter EAD-1/SRP/JP/31503/2011 dated October 10, 2011 in the matter of buying, selling and dealing in the shares of M/s. S. J. Corporation Ltd by our clients. Edelweiss Broking Limited submitted detailed reply to the aforesaid notice/s giving its clarification/documents in the matter; vide its letter dated 18th November 2011. SEBI had vide its order in the matter of S J Corporation Ltd dated March 27, 2012 levied penalty on Edelweiss Broking Ltd (EBL) for a sum of Rs 50,000/- for the trades executed in the scrip of S J Corporation Ltd in BSE by the clients of a Sub broker on Sub Broker's terminal. EBL had accordingly paid Rs. 50,000/- to SEBI towards the penalty on April 17, 2012. The issue was pertaining to the trades executed by clients in the years 2008 & 2009 through a registered sub-broker of erstwhile Anagram Stock Broking Ltd. Anagram Stock Broking Ltd was acquired by Edelweiss Group in the year 2010. EBL has now put in place additional due diligence mechanism to identify early detection of such instances. EBL is an organization committed to maintaining high standards of compliance and have since the acquisition of the erstwhile Anagram Stock Broking Limited introduced and currently maintaining a rigorous surveillance and compliance framework. 2. SEBI conducted inspection of books and other records of Stock-Broker for the period September 2011 to March 2013. Based on discrepancies observed, SEBI has issued administrative warning vide its letter dated November 17, 2014 advising to be careful in future with regard to discrepancies. SEBI has also initiated adjudication proceedings against us for certain observations pertaining to account opening of clients raised during the inspection. Further we have received Show Cause Notice from SEBI vide its letter dated December 31, 2014 for the observations pointed out by SEBI during the course of Inspection for the period September 2011 to March 2013

		pertaining to Client Master. We have replied to SEBI vide our letter dated February 02, 2015 requesting SEBI to provide us the inspection of records SEBI has relied upon for being able to effectively respond to the Show Cause Notice. The data was verified by us at SEBI office on April 17, 2015 and after verification of data, we have replied to SEBI vide our letters dated April 30, 2015 and September 10, 2015 wherein we have requested SEBI to provide us the list of Instances mentioned in the Show Caused Notice to enable us to reply to SEBI. We are awaiting response from SEBI to our letters for further course of action. Response was filed with SEBI against observations raised in SEBI letter dated November 17, 2014. The said letter was noted for careful compliance by the Board in its meeting held on December 12, 2014. Further personal hearing in matter of Adjudication was held on November 14, 2017 at SEBI. In the hearing EBL has sought for inspection of documents. SEBI vide its letter dated January 02, 2018 provided the copies of Bank KYCs. Subsequent hearing was scheduled and conducted on January 18, 2018. EBL had submitted the detailed clarification to SCN vide letter dated January 18, 2018 to Adjudication officer and as per the Minutes EBL filed additional documents on January 22, 2018. In the adjudication proceeding the show-cause notice was disposed of vide Adjudication order No EAD-5/BS/AO/115/ 2017-18 dated February 28, 2018. This matter stands closed. 3. SEBI had issued Notice under Regulation 25 of the SEBI (Intermediaries) Regulations, 2008 dated October 04, 2018 to submit response in the matter of alleged dematerialisation and selling of shares of dormant accounts using forged documents by Yatin Parekh, one of the EBL client and others. Further SEBI initiated enquiry proceedings vide its letter dated March 07, 2019, in the matter of EOW's investigations into alleged fraud involving physical shares & demat accounts. EBL had duly responded to the SEBI letter on October 25, 2018 and had requested for inspection of the documents relied upon by SEBI in the subject matter which was acceded to by SEBI and inspection of documents by EBL was done on February 27, 2019. EBL had responded to the enquiry proceeding notice

		on March 18, 2019, stating that we have sought additional documents for verification. SEBI vide its email dated April 05, 2022 sent the digitally signed hearing notice to NWIL asking it to appear before the Adjudicating Officer on April 12, 2022 in this matter. The hearing was attended by the authorised representatives of NWIL and subsequently NWIL made its written submissions to the AO vide letter dated April 22, 2022. SEBI vide letter dated October 6, 2022, issued a show cause notice ("SCN"), which was replied by NWIL vide its letter dated October 31, 2022. SEBI vide its email dated November 10, 2022 asked NWIL to attend personal hearing through video conference on January 17, 2023. Thereafter, NWIL *vide* an e-mail dated January 27, 2023, filed its written submissions, before the Competent Authority of the SEBI in this matter. SEBI vide its final order dated June 20, 2023 issued warning to NWIL to be careful and diligent in the conduct of business, including recognizing and reporting suspicious transactions. The matter stands closed 4. EBL has been served with Summons issued by Investigation Authority **("IA"),** Securities and Exchange Board of India **("SEBI")** under section 11C (3) of the Securities and Exchange Board of India Act, 1992 in relation to the trading activities of the EBL's client, Bhawarlal Ramnivas Jajoo in the script of Reliance Industries Limited for a period from March 01, 2020 to March 31, 2020. EBL vide its letter dated December 16, 2020 furnished the required information and data alongwith supporting documents and complied with the same. No further communication is received from IA. The investigation is pending. 5. National Stock Exchange of India Limited ("**NSE**") vide its email letter dated March 6, 2021, sought certain information relating to certain dealers and Authorised Person ("**AP**") who had transacted in the scrip of ZEE Entertainment Enterprises Ltd. ("**ZEEL**"). EBL vide its email dated March 6, 2021 provided the required information. Further, SEBI vide its order dated August 12, 2021 held that, Amit Bhanwarlal Jajoo, an authorized person of EBL, and Mr. Manish Jajoo, a dealer of EBL, along with other persons were actively involved in the placement and

		execution of transactions mentioned hereinabove. SEBI in the order also advised EBL to examine Code of Conduct and employment terms. It is pertinent to state that Mr. Manish Jajoo is not an employee of EBL, but an approved user of the AP. SEBI vide confirmatory order dated February 18,2022 has lifted the restrictions imposed on the Entities vide interim order dated August 12,2021. However, the directions given in the confirmatory order would be subject to the outcome of the appeal proceedings filed by SEBI against the order of SAT dated November 09,2021 before the Hon'ble Supreme Court of India. The proceedings initiated against Noticee Nos. 4, 5 and 8-14 (Jajoo family) stand disposed off without any further directions vide SEBI's final order dated March 31, 2023. The matter is closed 6. SEBI conducted inspection of Depository Participant Operations for the period April 1, 2014 to March 31, 2016 and has issued warning letter vide its letter dated December 05, 2017 advising to be careful in future with regard to discrepancies/observations observed during the inspection. Process has been modified and adequate due diligence mechanism has been put in place to avoid recurrence of such discrepancies. 7. SEBI had conducted joint inspection along with Exchanges in March 2018. Show cause notice (SCN) be issued for the observations pertaining to Margin Trading Facility :-a. Securities have been considered other than Group -1 for MTF, b. Non adherence to leverage and exposure limits while granting MTF facility. Penalty of Rs. 180,10,000 levied as per MCSGFC /Committee. Post the matter was placed with SAT and penalty reduced to Rs 25 Lakhs. We have strengthened our process and systems to ensure non occurrences of such violations. This matter is closed. 8. NSE has conducted Limited Purpose Inspection of Hermoine Financial Services Pvt. Ltd. (one of the Authorised Person affiliated with EBL) for the period 2015-2016. NSE has issued Show Cause Notice (SCN) vide letter dated 03 January 2017 for certain discrepancies observed in the conduct of Hermione Financial subsequently

		Disciplinary Action Committee (DAC) meeting was held and penalty of Rs. 5 Lakhs was levied on EBL vide letter dated 05 May 2017 Show cause notice was received and Penalty of Rs. 5,00,000. levied by the Disciplinary Action Committee. This matter is closed. 9. NSE has conducted the inspection of books of accounts during February 2020. During the course of inspection, NSE has found certain discrepancies regarding margin trading, email IDs and mobile numbers, monthly client securities balances. NSE has levied a penalty of 7,75,500 for above non-compliances observed and issued advisory on other violations. This matter is closed. 10. Nuvama Wealth and Investment Limited (NWIL) is in the receipt of the Show Cause Notice dated June 09, 2023 from National Stock Exchange of India Limited alleging financing of its client transactions through Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance Investment Limited) which is a NBFC registered with RBI. NWIL had duly filled its response on June 30, 2023 and the matter is pending.
2	Nuvama Wealth Management Limited (Formerly known as "Edelweiss Securities Limited") (hereinafter referred to as "**NWML**" or "**ESL**" or "**Edelweiss Securities Limited**")	1. SEBI vide its Letter dated February 26, 2016 bearing reference no. EAD/NP/JS/OW/5696/3/2016 was in receipt of Adjudication Notice with respect to trading in the scrip of Parsvanath Developers Ltd on July 26, 2012 by one of the Client M/s. Gajria Jayna Precision Industries Pvt. Ltd. Necessary clarification was filed with SEBI vide our letter reference no. ESL/COMP/003/2016-17 dated April 11, 2016. 2. SEBI conducted inspection of Books and records of the company for the period April 01, 2013 to December 31, 2014 and has issued warning letter vide its letter dated October 17, 2016. Further SEBI vide its letter dated June 18, 2018 issued Show Cause Notice with respect to Inspection conducted. We have responded with the

		corrective actions taken for the observations in the administrative warning letter vide our letter dated November 16, 2016. We submitted our clarification to Show Cause Notice of SEBI vide our letter dated July 04, 2018. In addition to the above ESL sought Personal hearing in this matter and was attended by Authorised Persons of ESL on July 26, 2018. ESL filed Settlement Application which was consented by SEBI for Rs 35,31,537/-. Thus, the matter stands settled. 3. Adjudication proceedings in the matter of investigation in trading in the scrip of M/s Pipapav Defence & Offshore Engineering Co Ltd. In the Adjudication proceedings, it was mentioned that Edelweiss Securities Ltd has failed to exercise due skill and care while dealing with the client. There was no corrective action required to be taken at our end as the orders were placed by the person authorised by the client. We have also accordingly replied to SEBI vide our letter dated April 11, 2016. The said letter was noted for careful compliance by the Board in its meeting held on May 12, 2016. Personal hearing was held on December 19, 2016 at SEBI. SEBI vide AO order dated January 31, 2017 disposed the Show Cause Notice. Thus the matter is closed. 4. SEBI has conducted Joint Inspection for CM, F&O and CD Segments (F.Y. 2020-21 & 2021-22) and assigned Joint Inspection case to NSE for post Inspection Enforcement action. NSE, after considering ESL's explanations and submissions, has imposed a penalty of Rs 1,15,000 vide its correspondence no NSE/INSP/MCSGFC-69/CMFOCDS/20-21&21-22/ACT/11933 dated August 30,2022. The necessary corrective measures have been taken place.
3	Nuvama Clearing Services Limited (Formerly known as "Edelweiss Custodial Services Ltd") (Hereinafter referred to as "ECSL" or "NCSL")	1. SEBI jointly with the Clearing Corporations had conducted Joint Inspection of Clearing Business for the period April 2020 to December 2021 and raised certain observations vide its letter dated March 30, 2022. The same has been responded by ECSL to SEBI on April 08, 2022. SEBI has assigned the Joint Inspection case to NSE Clearing Ltd. (NCL) for post inspection Enforcement Action. NCL has vide its letter dated June 22, 2022 inter alia intimated about the further actions proposed on ECSL for the observations. ECSL vide its letter dated July 04, 2022 had duly responded

		to NCL with its comments / supporting to reconsider our submission and no actions be initiated on ECSL. Personal hearing was conducted before the Member and Core Settlement Guarantee Fund Committee (MCSGFC) of NCL on August 02, 2022. MCSGFC has passed an order to levy penalty of Rs 8,85,000/- (Rs 7,50,000 + GST) and given advice on some of the observations which was communicated by NCL vide its mail September 29, 2022 which has been debited from NCSL Settlement account. The Inspection is closed as on date. 2. NCL Regular Inspection for the period January 1, 2018 to June 30, 2020, NSE Clearing Limited (NCL) conducted an inspection and issued Letter of Observations which was duly responded by ECSL on 22-07-2021. Thereafter NCL has issued a show cause notice (SCN) on 24-08-2021 seeking explanation on the various observations made during the inspection of ECSL's books and informed that the matter is being placed before the Member and Core Settlement Guarantee Fund Committee (MCSGFC) of NCL and opportunity of personal hearing is given. ECSL have responded to the SCN on 08-09-2021. Personal hearing was concluded before the Member and Core Settlement Guarantee Fund Committee (MCSGFC) of NCL on 06-10-2021 and in pursuance thereof ECSL submitted its written submission on 13-10-2021. NCL had further sought clarifications on certain points vide its letter dated 17-03-2022 which are duly responded by ECSL vide its letter dated 27-04-2022 to NCL. NCL had further sought clarifications on certain points vide its letter dated 22-09-22 which ECSL is under process to respond. 3. NCL IAR HY Sept 2021, NCL levied penalty of Rs 4000/- for the observations as highlighted by Internal Auditors 4. NCL IAR HY March 2022, NCL has raised observations and intimated to provide CA certification for certain points which ECSL had provided to NCL. 5. Edelweiss Custodial Services Ltd v/s Trading Member - Anugrah Stock and Broking Pvt. Ltd. (Anugrah) The MCSGF Committee of NCL passed an order dated October 20, 2020 stating that post detailed scrutiny of NSE and the quantum

		of securities to be re-instated, will be intimated by NSE to ECSL for further action and also has levied a penalty of Rs 1 Lakh to be paid within 15 days of the order. ECSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal (SAT) and SAT by its order dated November 05, 2020 directed ECSL to currently give undertaking to NCL that ECSL will deposit Rs 212 cr or other amount directed by Tribunal after disposal of Appeal. The Undertaking is provided to NCL and the amount of INR 212 Crs is blocked from our Deposits with NCL. The matter is currently under hearing stage before SAT 6. Edelweiss Custodial Services Ltd v/s Trading Member - Anugrah Stock and Broking Pvt. Ltd. (Anugrah) EOW passed a direction marking lien on ECSL's Settlement Account to the tune of Rs 460.32 Crs. ECSL challenged this direction before the Bombay High Court and High Court directed the Magistrate to decide ECSL's interim application. ECSL had filed Miscellaneous Application before the 47th Additional Chief Metropolitan Magistrate's Court at Esplanade, Mumbai challenging the EOW's direction. At the interim stage, the Magistrate has lifted the lien on ECSL's Clearing Account on ECSL's undertaking to keep assets worth Rs 460.32 Crs belonging to the Group unencumbered assets and the said lien order has been set aside. The matter is currently under hearing stage. In or about February 2022 due to business exigencies, ECSL was required to sell one of the securities listed in the Undertaking however the ACMM Court vide its order dated April 21, 2022 rejected the said Interim Application. Being aggrieved, ECSL had filed a Criminal Writ Petition before Bombay High Court. Upon hearing the submissions, the court passed an order recording the withdrawal of Application while keeping the rights of ECSL to approach an appropriate forum for substitution of security, if ECSL has any other security for substitution open. ECSL has filed Misc Application in the Session Court on October 04, 2022 granting permission for replacement of assets given inthe undertaking and EOW has filed its Say on the same. The matter is currently under hearing stage. 7. Edelweiss Custodial Services Ltd v/s Trading Member – Vrise Securities Pvt Ltd (Vrise), ECSL received letter from

		EOW related to enquiry being conducted on complaint by Yes Bank against Vrise regarding the Bank Guarantees and was duly responded. Further received notice for hearing and was attended by authorised representatives. Relevant documents are submitted to EOW. We have not heard from EOW after this till date. 8. Edelweiss Custodial Services Ltd v/s Trading Member - V-Rise Securities Private Limited (Vrise) During the year ended March 31, 2020, NSE Clearing Limited (NCL) conducted an inspection and issued a show cause notice directing the Company to reinstate the collateral (worth Rs. 29.33 crore) of Vrise which were liquidated by the Company for non-payment of obligation towards trades executed by Vrise. ECSL filed an appeal against the impugned order of NCL with Securities Appellate Tribunal (SAT) and SAT by its order dated February 26, 2020 granted a stay on the matter until the matter is disposed off and directed CM to maintain its unutilised and free collateral with NCL above INR 24 crores till the appeal has been decided. The Undertaking is provided to NCL and the amount of INR 24 Crs is blocked from our Deposits with NCL. The matter is currently under hearing stage. 9. Edelweiss Custodial Services Ltd v/s Trading Member - Indianivesh Shares & Securities Pvt Ltd (Indianivesh), The MCSGF Committee of NCL passed an order in favor of ECSL and considering that ECSL has taken reasonable steps as per its Risk Management Policy, the Committee decided not to levy penalty on ECSL. ECSL had initiated invocation of Fixed Deposits of Rs 100.75 Crs placed with HDFC Bank by Indianivesh which HDFC Bank, inter alia refused to make the payment. ECSL had in order to safeguard its interest had filed the Arbitration Petition with the Hon'ble Court against Indianivesh and HDFC Bank. The Bombay High Court on May 4, 2020 has passed an order of injunction restraining HDFC Bank from liquidating the Fixed Deposits of Rs.100.75 Crs by any party. In the interim ECSL has quashed the question of appointing / suggesting / nominating any mediator by Indianivesh and have duly responded. ECSL has filed an arbitration petition against the bank and Indianivesh with the Hon. High Court –

		Mumbai and the court has granted an interim relief. ECSL filed a Commercial Arbitration Application before the Bombay High Court under Section 11 of the Arbitration and Conciliation Act, 1996 and Sole Arbitrator and Justice S. J. Vazifdar (Retd.) to adjudicate the disputes. Being aggrieved, Indianiveshfiled a SLP before Hon'ble Supreme Court challenging the said appointment. Subsequently Consent Terms were executed between ECSL and Indianivesh by which all disputes and/or claims in respect of the aforesaid issues were resolved. Accordingly, the Arbitration Petition filed by ECSL with the Bombay High Court against Indianivesh and HDFC Bank Ltd. was disposed of vide order dated December 14, 2021. Further Indianivesh has also made an application to withdraw the SLP before the Hon'ble Supreme Court which was duly accepted by SC. The matter stands resolved as on date. 10. SEBI had conducted inspection of DDP operations for the period from April 01, 2017 to December 31, 2018. Post inspection, SEBI issued a letter providing findings in the Inspection which was duly responded. Subsequently SEBI issued Administrative Warning vide its letter dated August 07, 2019 in the matter. The Company has responded to Administrative Warning letter vide its letter dated September 06, 2019 detailing the comments/ explanations on corrective steps taken. The Company has since strengthened the processes and systems as well as the compliance mechanism in the requisite areas to avoid the recurrence of such discrepancies 11. SEBI had conducted inspection of Custody operations for the period from April 01, 2017 to March 31, 2018. Post inspection, SEBI issued a letter dated March 28, 2019 providing findings in the Inspection raised by the external auditor M/s MGB & Co LLP. The Company has responded to said SEBI letter vide its letter dated April 26, 2019 detailing the comments / explanations on corrective steps taken. The Company has since strengthened the processes and systems as well as the compliance mechanism in the requisite areas to avoid the recurrence of such discrepancies.

Note 1: The cases referred to are related to Nuvama Wealth and Investment Limited [Formerly known as Edelweiss Broking Limited (EBL)] which is amalgamated with its Holding Company, Edelweiss Financial Advisors Limited, pursuant to the Orders of the Hon'ble High Court of Gujarat at Ahmedabad, under the scheme of arrangement vide its order dated March 30, 2012 under Section 391 and 394 of the Companies Act, 1956. Further Edelweiss Financial Advisors Limited is merged with Edelweiss Broking Limited with effect from February 13, 2015

*The above tabular information on enquiries and adjudication proceedings pertain to the Portfolio Manager's promoter and group companies for the last five years.

Annexure 2

i. List of Related Parties as on March 31, 2023;

(A)	**Names of related parties by whom control is exercised**	
	Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)	Holding company
	Edelweiss Financial Services Limited (Upto March 26, 2021)	Ultimate holding company
	PAGAC Esctasy Pte Limited (w.e.f. March 27, 2021)	Ultimate holding company
	Edelweiss Global Wealth Management Limited (w.e.f. March 27, 2021 upto March 31, 2022)	Parent of holding company
(B)	**Names of related parties who exercise significant influence over the Company's Holding company**	
	Edelweiss Financial Services Limited (w.e.f. March 27, 2021 upto March 30, 2023)	
(C)	**Fellow subsidiaries with whom the Company has transactions:**	
1	Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited)	
2	Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)	
3	Nuvama Clearing Services Limited (Formerly Edelweiss Custodial Services Limited)	
(D)	**Subsidiaries/Fellow Subsidiary/ Associate/JV of Entity exercising significant influence over holding Company with whom the Company has transactions - (w.e.f. March 27, 2021** upto March 30, 2023)	
1	Edelweiss Rural & Corporate Services Limited (formerly Edelweiss Commodity Services Limited)	
2	ZUNO General Insurance Limited (formerly Edelweiss General Insurance Company Limited)	
3	Edelweiss Tokio Life Insurance Company Limited	
4	Edel Finance Company Limited	
5	Ecap Equities Limited	
6	Edelweiss Asset Management Limited	
7	ECap Equities Limited	
8	Edelweiss Multi Strategy Fund Advisors LLP	
9	Edelcap Securities Limited	
(E)	**Key Management Personnel (KMP):**	
	Mr. Anshu Kapoor - MD & CEO	
	Mr. Manish Khatri - CFO (w.e.f. May 14, 2021)	
	Ms. Devanshi Shah - CS (w.e.f. October 20,2021)	

The Wealth Management Business undertaking was demerged from Edelweiss Global Wealth Management Limited (EGWML) into Edelweiss Securities Limited (ESL) vide NCLT order dated March 31, 2022. Accordingly, all related party balances outstanding as at March 31, 2022 relating to Wealth Management Business undertaking of EGWML are considered to be transacted with ESL and disclosed accordingly.

ii. The details of transactions of the Company with its related parties during the year ended 31 March, 2023 are given below: (Amount in Thousands)

Sr. No.	Particulars	Holding company	Entities who exercise significant influence over holding company	Fellow Subsidiaries	Parent of Holding Company	Subsidiaries/ Fellow Subsidiaries/ Associate/ JV of Entity exercising significant influence over holding company	KMPs
1	**Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)**						
	Issue of share capital	**90,000**	-		-	-	-
	Employee Stock Option Scheme (ESOP) expenses paid to	**19,653.51**	--		-	-	-
	Shared Technology cost paid to	**21,622.83**	-		-	-	-
	Rent Paid to	**8,459.33**	--		-	-	-

	- Advertisement and business promotion	**4888.44**			**-**	**-**	**-**
	Insurance expense paid to	**92.15**	**--**		**-**	**-**	**-**
	Other expenses paid to	**62.90**	**-**		**-**	**-**	**-**
2	**Edelweiss Financial Services Limited**						
	- ESOP/ESAR expenses paid to	**-**	**5,800.98**		**-**	**-**	**-**
	- Management and other fees	**-**	**5,315.40**		**-**	**-**	**-**
3	**Nuvama clearing services limited (Formerly known as Edelweiss Custodial Services Limited**						
	-Rent paid to	**-**	**-**	**10,089.16**	**-**	**-**	**-**
4	**Edelweiss Rural & Corporate Services Limited**						
	- Computer expenses	**-**	**-**		**-**	**33.06**	**-**

5	**ZUNO general insurance limited (formerly known as Edelweiss general insurance company limited)**						
	Insurance expenses paid to	**-**	**-**		**-**	**2,244.42**	**-**
6	**Edelweiss Tokio Life Insurance Company Ltd**						
	Insurance expenses paid to	**-**	**-**		**-**	**1,113.51**	**-**
7	**Edelweiss Alternative Asset Advisors Limited**						
	- Management and other fees				**-**	**85.06**	**-**
8	**Nuvama Wealth and investment Limited (Formerly Edelweiss Broking Limited**						
	- Commission and Brokerage	**-**	**-**	**14,838.04**	**-**	**-**	**-**
	- Management and other fees			**96.99**	**-**	**-**	**-**

	-Other expenses paid to	**-**	**-**	**40.26**	**-**	**-**	**-**
9	**Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investment Limited)**						
	-Short term loan taken	**-**	**-**	**84,600.00**	**-**	**-**	**-**
	-Short term loan repaid	**-**	**-**	**84,600.00**	**-**	**-**	**-**
	-Finance cost	**-**		**204.38**	**-**	**-**	**-**
	-Management and other fees			**1961.07**	**-**	**-**	**-**
	Other expenses paid to	**-**	**-**	**855.74**	**-**	**-**	**-**
10	**Ecap Equities Limited**						
	-Management and other fees				**-**	**55,275.10**	**-**
	-Other expenses paid to	**=**	**-**	**-**	**-**	**28.02**	**-**
11	**Edel Finance Company Ltd.**						
	-Management and other fees			**-**	**-**	**56,674.49**	**-**
12	**Short term employee**	**-**	**-**	**-**	**-**	**-**	**42,754.28**

	benefits incl.Perks						
The Balances payables/receivables from the related parties of company as on March 31, 2023 are as below:							
Sr.no	**Particulars**	**Holding Company**	**Entities who exercises significant influence over holding company**	**Fellow Subsidiaries**	**Parent of Holding company**	**Subsidiaries/Fellow subsidiaries/ Associate/ JV of Entity exercising significant influence over holding company**	**KMPs**
1	Nuvama Wealth Management Limited (Formerly Edelweiss securities Limited)						
	-Trade payable and net	9,489.85	-	-	-	-	-
	-ESIOP expenses payble	4,549.88	-	-	-	-	-
2	Nuvama Clearing Services Limited(Formerly Edelweiss custodial Services Limited)						
	-Tarde receivable ,net	-	-	1,653.44	-	-	-
3	Nuvama Wealth and investmen						

	t Limited(Formerly Edelweiss Broking Limited)						
	-Trade payables ,net	**-**	**-**	**2,944.28**	**-**	**-**	**-**
4.	**Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investment Limited)**						
	-Trade receivable , net	**-**	**-**	**1,157.16**	**-**	**-**	**-**

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

Nuvama Asset Management Limited
(Formerly known as "ESL Securities Limited")
801- 804, Wing A, Building No. 3, Inspire BKC, G Block,
Bandra Kurla Complex, Bandra East, Mumbai – 400 051
Tel: (022) –4009 4400
Email: NAML.PMS.PO@nuvama.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, M. P. Chitale & Co., Chartered Accountants having its office at 1/11, Prabhadevi Industrial Estate, 1st Floor, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi Mumbai MI. 400025 [Phone number: 43474301-43474303] having firm Registration No. 101851W vide certificate issued dated August 01, 2023 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 Nuvama Asset Management Limited
(Formerly known as "ESL Securities Limited")
(Portfolio Manager)

Nuvama Asset Management Limited

Anshu Kapoor
Principal Officer
Address: 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai –400 051

Date: August 01, 2023
Place: Mumbai

M. P. Chitale & Co.
Chartered Accountants
1/11, Prabhadevi Ind. Estate, 1st Flr., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 • Tel.: 43474301-43474303

The Principal Officer
Nuvama Asset Management Limited,
801- 804, Wing A, Building No. 3,
Inspire BKC, G Block, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

Certificate under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

1. We have been requested by management of Nuvama Asset Management Limited ('the Company'/'the Portfolio Manager') to certify the contents of Disclosure Document dated July 31, 2023 for portfolio management services of the Company which is prepared by the Company in accordance with the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the SEBI Regulations'). We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI") and to the clients of the Company.

Management's responsibility

2. The management of the Company is responsible for the maintenance of the books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of Disclosure Document.

3. The preparation of Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is the responsibility of the management of the Company.

Auditor's responsibility

4. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

5. For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us

to believe that the aforementioned Disclosure Document is not in compliance with the SEBI Regulations.

a) The list of persons classified as group companies and list of related parties of the company are as per audited financial statements available on the Company website;
b) The promoters and directors' qualifications, experience, ownership details are as confirmed by the Portfolio Manager and have been accepted without further verification;
c) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to penalties or litigations against the Portfolio Manager, as mentioned in the Disclosure Document;
d) We have reviewed the figures for performance disclosed in the Disclosure Document on the basis of performance data spooled from Wealth Spectrum by the Company;
e) We have reviewed the transactions with the related parties during the quarter ended June 2023 as per the list of related parties and transactions data provided by the Portfolio Manager;
f) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to the investment objectives and policies / investment philosophy;
g) We have reviewed nature of fees and expenses as per the agreements and representations provided by the Company; and
h) We have verified the financial figures disclosed in the Disclosure Document with the audited financial statements for the respective years.

Conclusion

6. Based on the procedures performed as stated above, evidence obtained and information and explanations provided by the Company, nothing has come to our attention that causes us to believe that the Disclosure Document is not, in all material aspects, in compliance with the SEBI Regulations.

Based on our review of attached Disclosure Document, audited annual accounts of the Portfolio Manager and its other group companies and its other relevant records and information furnished by the Portfolio Manager along with representation provided, we certify that the disclosures made in the attached Disclosure Document for Portfolio Management are true, fair and adequate to enable the investors to make a well informed decision.

7. This certificate is issued solely to comply with Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as amended from time to time) and may not be suitable for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons other than being part of Disclosure Document without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior written consent.

For M.P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W

Vidya Barje
Partner
M. No. 104994
Mumbai, August 01, 2023
UDIN: 23104994BGWVIZ6766