Portfolio Management Services

Disclosure Document

Updated as on September 30, 2025

Edelweiss Asset Management Limited
Portfolio Management Services
SEBI Registration Number - INP000004631
CIN: U65991MH2007PLC173409

Key Information and Disclosure Document for Portfolio Management Services provided by

Edelweiss Asset Management Limited

- **This Disclosure Document (the Document) has been filed with the Board 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 Principal Officer designated by the Portfolio Manager is:**

Name : Ms. Rashida Aliakbar Kalolwala

Registered & Corporate Address:

Edelweiss Asset Management Limited

Edelweiss House, Off C.S.T Road, Kalina, Mumbai – 400 098

Tel : 022 - 40979701

Email : PrincipalOfficer.PMS@edelweissmf.com

Date : September 30, 2025

PART- I - STATIC SECTION

1. Disclaimer Clause:

This Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

The distribution of this Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about and to observe any such restrictions.

While Edelweiss Asset Management Limited ("Edelweiss" or "Company" or "Portfolio Manager") 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 mentioned on the first/cover page of this Document. Except as otherwise mentioned in this Document all information herein is as on the date mentioned on the first/cover page of this Document. No part of this Disclosure Document may be duplicated in any form and/or redistributed without the prior written consent of Edelweiss.

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2. Definitions:

In this Disclosure Document, unless the context otherwise requires, the following words and expressions shall have the meaning assigned to them:

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

2. **"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 SEBI from time to time.

3. **"Accredited Investor"** means any person who is granted a certificate of accreditation by an accreditation agency who:

   (i) 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.
   (ii) in case of a body corporate, has net worth of at least fifty crore rupees;
   (iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;
   (iv) 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.

4. **"Advisory Services"** means advising on the portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement.

5. **"Alternative Investment Fund"** shall have the meaning as mentioned under SEBI (AIF) Regulations, 2012.

6. **"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;

7. "**Agreement**" or "**Portfolio Management Services Agreement**" or "**PMS Agreement**" means agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.

8. "**Applicable Law/s**" means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.

9. "**Assets Under Management**" or "**AUM**" means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.

10. "**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.

11. "**Benchmark**" means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.

12. "**Board**" or "**SEBI**" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

13. "**Business Day**" means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.

14. "**Client(s)**" / "**Investor(s)**" means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.

15. "**Custodian(s)**" means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.

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

17. "**Depository Account**" means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.

18. "**Direct on-boarding**" means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.

19.**"Disclosure Document" or "Document"** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.

20.**"Discretionary Portfolio Management Services" or "Discretionary PMS"** 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, wherein the Portfolio Manager exercises or may exercise, any degree of discretion as to the investment of funds or management of the portfolio of Securities of the Client.

21.**"Distributor"** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).

22.**"Eligible Investors"** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.

23.**"Fair Market Value"** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.

24.**"Foreign Portfolio Investors"** or **"FPI"** means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.

25.**"Financial Year"** means the year starting from April 1 and ending on March 31 in the following year.

26.**"Funds"** or **"Capital Contribution"** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.

27.**"Group Company"** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.

28.**"HUF"** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.

29.**"Investment Approach"** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.

30.**"IT Act"** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.

31. "**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.

32. **"Non-discretionary Portfolio Management Services" or "Non-Discretionary PMS"** means portfolio management services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing or on recorded line or by e-mail, invests in respect of the Client's account entirely at the Client's risk.

33. "**Non-resident Investors**" or "**NRI(s)**" shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.

34. "**NAV**" shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.

35. "**NISM**" means the National Institute of Securities Markets, established by the Board.

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

37. "**Portfolio**" means the total holdings of all investments, Securities and Funds belonging to the Client.

38. "**Portfolio Manager**" means Edelweiss Asset Management limited, a company incorporated under the Companies Act, 1956, registered with SEBI as a portfolio manager bearing registration number INP000004631 and having its registered office at Edelweiss House, Off C.S.T Road, Kalina, Mumbai – 400 098.

39. "**Principal Officer**" means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
   (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and
   (ii) all other operations of the Portfolio Manager

40. "**Regulations**" or "**SEBI Regulations**" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.

41. "**Related Party**" means –
   (i) a director, partner or his relative;
   (ii) a key managerial personnel or his relative;
   (iii) a firm, in which a director, partner, manager or his relative is a partner;
   (iv) a private company in which a director, partner or manager or his relative is a member or director;

(v) 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;

(vi) 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;

(vii) 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;

(viii) 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— 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;

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

(x) 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;

42."**Securities**" means security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.

3. Description

3.1 History, Present Business and Background of the portfolio manager.

Edelweiss Asset Management Limited (EAML) was incorporated as a private limited company under the Companies Act, 1956 on August 23, 2007 and was converted into public limited company on January 18, 2008.

EAML has been appointed as the Asset Management Company of Edelweiss Mutual Fund by the Edelweiss Trusteeship Company Limited (Trustee Company) vide Investment Management Agreement (IMA) dated January 30, 2008. EAML also acts as the investment manager for: 1) Edelweiss Alpha Fund, a Category III Alternative Investment Fund having SEBI Registration No. IN/AIF3/13-14/0047; 2) Edelweiss Alternative Investment Opportunities Trust, a Category II Alternative Investment Fund having SEBI Registration No. IN/AIF2/ 17-18/0502. EAML has set up a branch in GIFT City to undertake activities related to fund management for investments into India by overseas investors.

The Company is also registered with SEBI as a Portfolio Manager vide Certificate of Registration No. INP000004631 dated January 20, 2015. The Company provides Discretionary PMS, Non-Discretionary PMS and Advisory Services. The Company also acts as an Alternative Investment Fund Manager to Alternative Investment Funds registered with SEBI and shall act as a Co-investment Portfolio Manager in accordance with applicable law. Strategies are customized 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 invest in particular sector/industry.

Edelweiss Asset Management Limited is a subsidiary of Edelweiss Financial Services Limited. The substantial part of the paid-up capital of Edelweiss Asset Management Limited is held by Edelweiss Financial Services Limited (EFSL), through its subsidiary companies and nominees.

3.2 Promoters of the portfolio manager, directors and their background.

➢ **Promoter:**

Edelweiss Financial Services Limited (EFSL) is one of India's leading diversified financial services groups. It is a public limited company, incorporated under the Companies Act, 1956 and offers a full range of services and transactions expertise, including Portfolio Management Services, merchant banking, insurance, investment advisory services, underwriting of issues etc. It is listed on the BSE and NSE since December 2007.

EFSL commenced its business in 1996 & since then the group has grown from a boutique investment bank into a diversified Indian financial services conglomerates providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. Edelweiss's products and services span multiple asset classes and consumer segments across domestic and global geographies.

The group's research driven approach and proven history of innovation has enabled it to foster strong relationships across all client segments. The group has sizeable presence in large retail segment through its businesses such as Life Insurance, Housing Finance, Mutual Fund and Retail Financial Markets. As of March 2020, the group serves ~20,00,000 strong client base through 10,000 employees based out of more than 400 offices (including eight international offices) in around 190 cities. Together with a strong network of sub-brokers and authorized persons, Edelweiss group has presence across all major cities in India.

➢ **Directors:**

Name	Brief Experience
Mr. Rashesh Shah (Non – Executive Director)	Mr. Rashesh Shah, co-founder of Edelweiss Group, has over three decades of diverse experience in the financial markets and has been instrumental in building Edelweiss into one of India's leading diversified financial services organizations. Mr. Shah is passionate about financial services and the role it plays in translating India's vast savings into investments; thereby powering economic growth and development. A regular commentator on macro-economic policies, Mr. Shah served as President of FICCI, India's apex industry association, in 2017-18. Mr. Shah has also been a part of the High-Level Task Force on Public Credit Registry for India, the Insolvency Law Committee, Executive Committee of the National Stock Exchange as well as the Committee to review Insider Trading Regulations set up by the SEBI – the country's Capital Markets Regulator. An MBA from Indian Institute of Management, Ahmedabad, he also holds a Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi.
Ms. Radhika Gupta (Managing Director & CEO)	Ms. Radhika Gupta started her career at McKinsey & Company, New Jersey, U.S.A. as a Business Analyst, from 2005 to 2006. Post this, she was a part of the Global Asset Allocation team at AQR Capital, Greenwich, U.S.A., as Portfolio Manager, where she garnered her investment experience spanning over developed & emerging equities and fixed income securities, from 2006 to 2009. Ms. Gupta was one of the founding members of Forefront Capital Management Pvt. Ltd., a public market alternative asset management firm from 2009 to 2014, prior to its acquisition by Edelweiss in 2014. From 2014 to 2017 she had been heading Edelweiss Multi Strategy Funds Management Pvt. Ltd. a leading alternative asset manager, and a part of Edelweiss's Global Asset Management business. Since February 2017, Ms. Gupta has taken over as the CEO of

Name	Brief Experience
	Edelweiss Asset Management Limited and has been instrumental in the successful run of the investment management business.
Mr. Sandeep Bhandarkar (Independent Director)	Mr. Sandeep Bhandarkar started his career with ICICI Limited in corporate planning, resources and treasury and thereafter moved to Prudential ICICI Mutual Fund as Head – Sales and Distribution. Since year 2000 Mr. Bhandarkar has taken up a role of an entrepreneur and started two different start-ups, one in fintech and the other in legal tech. Mr. Bhandarkar brings deep experience in the field of finance, strategy and technology. Mr. Bhandarkar holds B. Tech (Mechanical Engineering) from IIT Bombay and PGDM from IIM Ahmedabad.
Mr. Sunil Kakar (Independent Director)	Mr. Sunil Kakar has over 40 years of diversified financial services experience in Banking, Insurance and Non-banking industry. Mr. Kakar was Managing Director & CEO of IDFC Limited from July 2017 to September 2022. He joined IDFC Limited in 2011 as the Group Chief Financial Officer and was responsible for Finance & Accounts, Business Planning and Budgeting, Investor Relations, Resource Raising and Information Technology. He was also a member of IDFC Group's Management Committee. He then moved as Chief Financial Officer of IDFC Bank in October 2015 and was part of core leadership that transitioned the non-bank to a bank. He was a member of the Executive Committee of the IDFC Bank and led Strategic Planning & Budgeting, Finance & Accounts, and Investor Relations. He started his career at Bank of America where he worked for 18 years in various roles, covering Business Planning & Financial Control, Branch Administration and Operations, Market Risk Management, Project Management, and Internal Controls. As a Chief Financial Officer from 1996 to 2001, Mr. Kakar spearheaded the Finance function at Bank of America in India. After Bank of America, Mr. Kakar was the Chief Financial Officer at Max New York Life Insurance Company since 2001 to January 2011. As part of the start-up team in Max New York Life, Mr. Kakar was a key part of core group which led the successful development of the insurance business. He led numerous initiatives including Planning, Investments/Treasury, Finance and Accounting, Budgeting and MIS, Regulatory Reporting and Taxation. Mr. Kakar holds an MBA in Finance from XLRI, Jamshedpur and a degree in engineering from IIT Kanpur.
Dr. Ashima Goyal (Independent Director)	Dr. Ashima Goyal has over three decades of experience. She is Professor Emeritus at the Indira Gandhi Institute of Development Research, has served on several boards and policy committees including as a part-time

Name	Brief Experience
	member of Economic Advisory Council to the Prime Minister and was also a member of India's Monetary Policy Committee. She has been a visiting fellow at the Economic Growth Centre, Yale University, USA and a Fulbright Senior Research Fellow at Claremont Graduate University, USA. She has an M. Phil., MA and BA in Economics from the University of Delhi and holds a PhD in Economics from University of Mumbai.

3.3 Top 10 Group companies/firms of the portfolio manager on turnover basis.

The details of group entities of Edelweiss Asset Management Limited as on March 31, 2025 reckoned on the basis of their total turnover as per the latest audited financial statements as on March 31, 2025 are given below.

Name of Entities

1	Edelweiss Financial Services Limited
2	Edelweiss Tokio Life Insurance Company Limited
3	Ecap Equities Limited
4	ECL Finance Limited
5	Edelweiss Asset Reconstruction Company Limited
6	Zuno General Insurance Limited
7	Nido Home Finance Limited
8	Edelweiss Alternative Asset Advisors Limited
9	Edel Finance Company Limited
10	Edelweiss Rural & Corporate Services Limited

The Portfolio Manager may avail services provided by its group entities from time to time in relation to the operations of Portfolio Management Services. Subject to compliance under applicable laws, such services shall be availed on commercial terms and on an arms-length basis and at mutually agreed terms. Appropriate disclosures, wherever mandated, shall be made by the Portfolio Manager.

3.4 Details of the services being offered

The Portfolio Manager offers Discretionary PMS, Non-Discretionary PMS and 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 Funds managed by it as an Alternative Investment Fund Manager under SEBI (Portfolio Managers) (Fourth Amendment) Regulations, 2021.

The Client has an option to place funds directly (i.e. other than through a distributor/placement agent) with Portfolio Manager for availing any of the Portfolio Management Services.

Following are the 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 for an agreed fee structure and for a definite period as described in the 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 Portfolios, even if invested under the same Investment Approach, may differ from Client to Client as a result of investment restrictions notified by the Client to the Portfolio Manager from time to time. 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 malafide, 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, money market instruments, units of Mutual Funds and other Securities as specified by SEBI from time to time, on behalf of their Clients. It will not invest in unlisted securities.

Money market instruments include 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 shall be charged to the Clients.
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 Agreement, 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.

Portfolio Manager may invest up to 25% of the assets under management of the Client in unlisted

Securities, in addition to the Securities permitted for Discretionary PMS.

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 approach, investment and divestment of individual Securities in the Client's 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 in unlisted Securities, in addition to the Securities permitted for Discretionary PMS.

(iv) Co-investment Portfolio Management Services:

The Portfolio Manager may act as the Co-investment Portfolio Manager for Category II Alternative Investment Funds (AIFs) under its management. The Portfolio Manager may provide portfolio management services exclusively to the investors of such Category II AIFs, with investments made solely in unlisted securities of investee companies where these Category II AIFs have investments. Additionally, The Portfolio Manager may offer services to investors of other Category I or Category II AIFs sponsored by the same Sponsor(s), as permitted under applicable regulations.

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

(i) 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 except as mentioned below**

(ii) The nature of penalty / direction against the Portfolio Manager: **None except as mentioned below**

(iii) Penalties imposed for any economic offence and/or for violation of any securities laws against the Portfolio Manager: **none except as mentioned below**

(iv) Any pending material litigation/legal proceedings against the Portfolio Manager /key personnel with separate disclosure regarding pending criminal cases, if any: **none except as mentioned below**

(v) Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency: **none except as mentioned below**

(vi) 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:

Sr. No	Names of the Party	*Nature of Dispute
1.	Edelweiss Asset Management Limited	SEBI issued a warning letter dated February 10, 2025 address to Edelweiss Asset Management Limited, regarding offsite alert for Off-site Inspections Cum Surveillance of Portfolio Managers, for the period October 2023 to March 2024 wherein SEBI has highlighted case of administrative warning under SEBI (Portfolio Managers) Regulations, 2020 and circular issued thereunder on account of non-adhering to minimum commitment of 50 lakhs in case of one transmission case. Accordingly, the Company had humbly submitted that the Company was providing the portfolio management services to Ms. Bharti Harish Ashar and Mr. Harish Ratanshi Ashar since December, 2017 and in December, 2017, the minimum amount required to be invested by an investor in a portfolio management scheme was Rs. 25 lakhs. The said limit of Rs. 25 lakhs was increased to Rs. 50 lakhs by SEBI in the year 2020. Since, the initial investment requirement was Rs. 25 lakhs, therefore, the transmission

Sr. No	Names of the Party	*Nature of Dispute
		request was processed by the Company. Therefore, we were compiled as per the provision of PMS regulation.
2.	Edelweiss Asset Management Limited	SEBI issued a show cause notice dated January 04, 2024 to Edelweiss Asset Management Limited (AMC) and its KMPs (Noticees) alleging that the Edelweiss Focused Fund had deviated from the prescribed asset allocation (30 stocks). SEBI issued its Final Order on Oct 25, 2024, pertaining to the Show Cause Notice issued for exceeding the maximum 30 stock limit by Edelweiss Focused Fund as is applicable to under the Focused Fund Category. SEBI has levied a penalty of INR 8 lacs on EAML and INR 4 lacs each on Ms. Radhika Gupta and Mr. Trideep Bhattacharya for the violations. SEBI in its concluding statement has noted that this act does not quantify any disproportionate gain or unfair advantage or consequent loss caused to an investor or group of investors or profit made by the Noticees as a result of the violations committed by the Noticees. Further, there is nothing on record to show that the violations committed by the Noticees are repetitive in nature. While EAML and Mr. Trideep Bhattacharya have paid the penalty on December 7, 2024 and November 27, 2024 respectively, Ms. Radhika Gupta has filed the appeal against the order in Securities Appellate Tribunal (SAT) on December 12, 2024. The appeal matter remains pending.

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

5. Services Offered

5.1 The present investment objectives and policies including the types of securities in which it generally invests: Please refer to the point no. 5.2 Investment Approaches of the Portfolio Manager.

5.2 Investment Approaches of the Portfolio Manager

A. The Discretionary Portfolio Management Investment Approaches being offered are as follows:

a) Edelweiss Event Arbitrage Portfolio Approach

Investment Objective: Edelweiss Event Arbitrage PMS aims to generate absolute returns from specific equity related corporate events e.g. open offer, buyback, merger-demerger, IPO, delisting etc. and thus, provide diversification to its investors beyond traditional long only strategies. The approach aims to identify profitable corporate events and exploit the alpha in individual trades. Such opportunities are traditionally the result of asymmetric information and non-aligned investment objectives across various investor classes. Currently the approach is closed for fresh investments.

Benchmark: Nifty 50 Hybrid Composite Debt 50:50 Index

Strategy: Hybrid

Allocation of portfolio across types of securities:

Asset Class Allocation	Indicative Allocations(%)
Equity and Equity related Securities	0% - 100%
Debt & Money Market Instruments	0% - 100%

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.

Investment Strategy:
The portfolio manager shall adopt several investment strategies to benefit from specific corporate events including but not limited to the following:

(A) Open Offers: To earn a meaningful return from open offers by purchasing shares in the open market when the offer is announced and tendering them to the purchaser at a premium on a later date.

(B) Buybacks: To participate in tender and / or open market buybacks by buying the share in the open market and tendering it to the promoter at the buyback price. The company repurchases outstanding shares from outstanding shareholders.

(C) Merger: To purchase the undervalued target company and hold it till the merger. Merger Transactions are typically based on the swap ratio. Either the target company or the listed parent are not fairly priced, creating an arbitrage opportunity.

(D) Delisting: To participate in the delisting process at an early stage on but after the public announcement and tender the shares in the delisting process or sell them in the open market. Delisting occur when companies decide to delist their stock from stock exchanges in a move to privatize or simply move to the over-the-counter (OTC) markets.

(E) Demerger: To participate in the demerger process that involves the separation of a large company into two or more smaller companies.

(F) IPO: To participate in an IPO in the book building process and subsequently sell in the open market. IPO falls under equity style transactions where an unlisted company is offering to sell its shares at a fixed price to prospective investors for the first time.

The Portfolio Manager intends to invest in cash equities may, and invest any un-deployed funds in liquid/ overnight schemes of Mutual Funds.

Recommended Investment Horizon: The recommended investment horizon for this approach is 18-24 Months.

The portfolio shall be subject to overall risks borne out of investments in equity and equity related securities. At event-specific level, the following risks may emerge:

(A) Open offers are exposed to the risk of oversubscription that may lead the portfolio manager disposing remaining shares in the open market leading to possible losses due to fall in prices.

(B) Mergers may suffer delays in obtaining regulatory approvals affecting their yields

(C) Delisting are exposed to acceptance risk if the bid price is higher than the accepted final price.

The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds which will be subject to interest rate risk arising out of changes in key interest rates in the economy.

b) Edelweiss Structured Solutions Approach (ESS Strategy)

This is an approach 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. Currently the approach is closed for fresh investments.

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

Benchmark: CRISIL Aggressive Credit Debt Term Index
Strategy: Debt

Allocation of portfolio across types of securities:

Asset Class Allocation	**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.

Investment Strategy: The approach entails investment in a combination of fixed income securities, MLDs, equity/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 approach is 3-5 Years.

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 for the investor 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 that 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 ESS Approach:

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 actually 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 approach:

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. **Interest Rate risk:**

   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. **Changes in the composition of the underlying:**

   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. **Creditworthiness of the issuer**

   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. **Credit Risk**

   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. **Conditions in the Indian Equity market may affect the coupon on the debentures.**

   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.

B. The Non-Discretionary Portfolio Management Investment Approach:

Currently the Portfolio Manager does not provide any Non-Discretionary Portfolio Management Investment Approach.

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.

5.3 Policy for investment in Related Parties/Associates/ Group Companies of the Portfolio Manager:

Portfolio Manager will, before investing in the Securities of its related parties/ 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 related parties/ associate / group companies at time of investments will be as per SEBI circular dated August 26, 2022 and amended from time to time. The investments in Securities of the related parties/ associate / group companies would be within the overall framework of Regulations and in terms of Agreement executed with the Client.

The investment restrictions, if any, imposed by the Client, with respect to a particular company or industry or sector, will be considered. It means the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client will be considered after taking into account factors specific to Client.

6. Risk factors

A. General Risks Factors:

(1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.

(2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.

(3) Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager.

(4) The names of the Investment Approach do not in any manner indicate their prospects or returns.

(5) Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.

(6) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.

(7) Each Portfolio will be exposed to various risks depending on the investment objective,

Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.

(8) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.

(9) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

B. Risk associated with equity and equity related instruments:

(10) Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.

(11) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.

(12) Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

C. Risk associated with debt and money market securities:

(13) Interest Rate Risk

Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls, the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.

(14) Liquidity or Marketability Risk

The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.

(15) 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.

(16) Reinvestment Risk

This refers to the interest rate risk at which the intermediate cash flows received from the Securities in the Portfolio including maturity proceeds are reinvested. Investments in fixed income Securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

D. Risk associated with derivatives instruments:

(17) The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such 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 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.

(18) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. 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 of interest rate movements correctly. 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. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

E. Risk associated with investments in mutual fund schemes:

(19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.

(20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.

(21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.

(22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.

(23) The Portfolio Manager shall not responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monitory and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.

(24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.

(25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.

(26) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.

F. Risk arising out of non-diversification:

(27) The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk

arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry. Similarly, the portfolios with investment objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets. Moreover, from the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.

G. Risk arising out of investment in Associate and Related Party transactions:

(28) All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.

(29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.

(30) The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

7. Nature of expenses

The following are indicative types of costs and expenses 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.

7.1 Investment management and advisory fees:

The fee may be a fixed charge or a percentage of the quantum of funds managed or may be linked to the Portfolio returns achieved or a combination of any of these. Profit/performance shall be computed on the basis of highwater mark principle over the life of the investment for charging of performance/profit sharing fees.

High Water Mark Principle:

High water mark shall be the highest value that the Portfolio/account has reached. Value of the Portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly.

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

7.2 Custodian 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.

7.3 Registrar and transfer agent fee.

Charges payable to registrars and transfer agents in connection with effecting transfer of Securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.

7.4 Brokerage and transaction cost.

The investments under the Portfolio Management would be usually done through registered members of stock exchange who charge brokerage. In addition to the brokerage, transaction cost, stamp duty, transaction costs, turnover tax, Securities Transaction Tax or any other tax levied by statutory authority (ies), foreign transaction charges (if any) and other charges on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments would also be levied by the broker. Any entry or exit loads (if any) and all asset management fees applicable on units of Mutual Funds will also be borne by the Clients.

7.5 Operating Expenses:

In addition to the above, the Client shall be liable to pay all operating expenses in relation to its Portfolio. The operating expenses shall include but are not limited to the below. All such operating expenses charged to the Client shall be within the limits prescribed under applicable laws.

i. **Audit Fees**:

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

ii. **Fund accounting charges**:

The charges vary depending on the average investments and Investment Approaches.

iii. **Primary clearing member (PCM) charges (for accounts trading derivatives)**:

The charges vary depending on the investments and Investment Strategies.

iv. **Any other miscellaneous expenses including all applicable taxes and duties:**

Miscellaneous expenses include but are not limited to documentation costs, administrative expenses including stamp duty incurred by Edelweiss Asset Management Limited 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 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 Clients by written communication.

7.6 For Edelweiss Event Arbitrage PMS:

Upfront Fees (including GST)	NIL
Option I	Fixed Management Fee: 1.5% per annum (p.a.) of the daily average assets under management in the portfolio
Option II	Profit Share Fee (charged on High Water Mark basis): • For returns up to 10% per annum (p.a.) before tax - Nil • For returns above 10% per annum (p.a.) before tax - 15%
Custody Fee	**<u>For Resident and Non – Resident Investors</u>** 3 bps per annum (p.a.) of the daily average assets under management in the portfolio
Transaction Charges	**<u>For Resident Investors</u>** • Sale of securities through stock exchange or off-market deal: 4 bps of the transaction value subject to minimum 25 bps/ instruction + NSDL/CDSL charges at actuals • For IPO applications, flat Rs. 200 per transaction • For participating in Rights issue/ Buyback/Open offers, flat Rs. 100 per transaction + NSDL/CDSL charges at actuals • Transactions in mutual funds at Rs. 200 per transaction

	For Non-Resident Investors Purchase and sale of securities at Rs. 100 per transaction
Fund Accounting Fees	4 bps per annum (p.a.) of the daily average assets under management in the portfolio
Brokerage	Brokerage shall be charged at actuals.
Account Opening & Closing	Nil
Account Maintenance	**For Non-Resident Investors** Rs. 1000 per annum (p.a.)
Professional Fees for NRI Clients	Nil
Exit Load	Withdrawal before completion of 2 years, an exit load @ 2% will be charged. Withdrawal after completion of 2 years, no exit load will be charged. Exit load period will continue from date of respective Capital Inflow.

8. Taxation

A. General

The following information is based on the tax laws in force in India as of the date of this Disclosure Document and reflects the Portfolio Manager's understanding of applicable provisions. The tax implications for each Client may vary significantly based on residential status and individual circumstances. As the information provided is generic in nature, Clients are advised to seek guidance from their own tax advisors or consultants regarding the tax treatment of their income, losses, and expenses related to investments in the portfolio management services. The Client is responsible for meeting advance tax obligations as per applicable laws.

B. Tax deducted at source

In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.

In the case of non-residents, any income received or accrues or arises; or deemed to be received or accrue or arise to him in India is subject to the provisions of tax deduction at source under the IT Act. The authorized dealer is obliged and responsible to make sure that all such relevant compliances are made while making any payment or remittances from India to such non-residents. Also, if any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. Non-residents without PAN or tax residency certificate (TRC) of the country of his residence are currently subjected to a higher rate of TDS.

The Finance Act, 2021 introduced a special provision to levy higher rate for TDS for the residents who are not filing income-tax return in time for previous two years and aggregate of TDS is INR 50,000 or more in each of these two previous years. This provision of higher TDS is not applicable to a non-resident who does not have a permanent establishment in India and to a resident who is not required to furnish the return of income.

C. Long term capital gains

Where investment under portfolio management services is treated as investment, the gain or loss from transfer of Securities shall be taxed as capital gains under section 45 of the IT Act.

Period of Holding

The details of period of holding for different capital assets for the purpose of determining long term or short term capital gains are explained hereunder:

Securities	Position upto 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than twelve (12) months	More than twelve (12) months	Long-term capital asset
	Twelve (12) months or less	Twelve (12) months or less	Short-term capital asset
Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term capital asset
	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture)	More than Thirty-six (36) months	More than twenty-four (24) months	Long-term capital asset
	Thirty-six (36) months or less	Twenty-four (24) or less	Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months		Long-term capital asset
	36 months or less	Any period	Short-term capital asset

- <u>**Definition of Specified Mutual Fund:**</u>

  <u>Before 1st April 2025:</u>

  *"**Specified Mutual Fund**" means a Mutual Fund by whatever name called, where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.*

  <u>On and after 1st April 2025:</u>

  *"**Specified Mutual Fund**" means, —*

  (a) a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments; or

  (b) a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a).

- <u>**Definition of debt and money market instruments:**</u>

*"**debt and money market instruments**" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.*

- **Definition of Market Linked Debenture:**

  *"**Market Linked Debenture**" means 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 the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.*

- **For listed equity shares in a domestic company or units of equity oriented fund or business trust**

  The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of equity oriented fund or business trust.

  As per section 112A of the IT Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10% , provided such transfer is chargeable to STT. This exemption limit has been increased from INR 1 lakh to INR 1.25 lakh and tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.

  Long term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, is also taxed at a rate of 10%. This benefit is available to all assessees. This tax rate is increased from 10% to 12.5%.

  The long term capital gains arising from the transfer of such Securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to "step up" the COA of Securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

  Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the "indexed COA" (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date

of transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.
The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.

No deduction under Chapter VI-A or rebated under Section 87A will be allowed from the above long term capital gains.

- **For other capital assets (securities and units) in the hands of resident of India**

  Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.

  As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take Fair Market Value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as Fair Market Value as on 1 April 2001.

- **For capital assets in the hands of Foreign Portfolio Investors (FPIs)**

  Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.
  Long term capital gains, arising on sale of listed shares in the company or units of equity oriented funds or units of business trust and subject to conditions relating to payment of STT, are taxable at 10% as mentioned in para 12.10.2 above. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

- **For other capital asset in the hands of non-resident Indians**

  Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from 23 July

2024.

D. Short term capital gains

Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

Short term capital gains in respect of other capital assets (other than listed equity shares of a company or units of equity oriented fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

The Specified Mutual Funds or Market Linked Debentures acquired on or after 1 April 2023 will be treated as short term capital asset irrespective of period of holding as per Section 50AA of the IT Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 50AA of the IT Act with effect from 23 July 2024.

E. Profits and gains of business or profession

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the IT Act. The gain/ loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

Interest income arising on Securities could be characterized as 'Income from other sources' or 'business income' depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

F. Losses under the head capital gains/business income

In terms of section 70 read with section 74 of the IT Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

G. General Anti Avoidance Rules (GAAR)

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- It results in directly / indirectly misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

In such cases, the tax authorities are empowered to reallocate the income from such arrangement, or recharacterize or disregard the arrangement. Some of the illustrative powers are:

- Disregarding or combining or recharacterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure; or
- Recharacterising equity into debt, capital into revenue, etc.

The GAAR provisions would override the provisions of a treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the Income-tax Rules, 1962. The Income- tax Rules, 1962 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

On 27 January 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (LOB) in a tax treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

H. FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May. The reporting financial institution is expected to maintain and report the following information with respect to each reportable account:

(a) the name, address, taxpayer identification number and date and place of birth;

(b) where an entity has one or more controlling persons that are reportable persons:

  (i) the name and address of the entity, TIN assigned to the entity by the country of its residence; and

  (ii) the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.

(c) account number (or functional equivalent in the absence of an account number);

(d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and

(e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and other reportable accounts (i.e. under CRS).

I. Goods and Services Tax on services provided by the portfolio manager

Goods and Services Tax (GST) will be applicable on services provided by the Portfolio Manager to its Clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards portfolio management fee.

TAX IMPLICATIONS FOR THE DIFFERENT CATEGORIES OF INVESTORS

The following information is based on the law in force in India at the date hereof. This information is neither a complete disclosure of every material fact of the Income-tax Act, 1961 (Act) nor does constitute tax or legal advice. This information is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. 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 approach and should not be construed as investment advice.

Income Tax

The tax rates applicable to different categories of tax payers are as follows:

A. Individual, Hindu Undivided Family, Association of Persons or Body of Individuals — Tax Rate (as below) + surcharge + cess

Total Income	**Tax Rates**
Up to Rs. 250,000 *(a) (b)	NIL
Rs. 250,001 to Rs. 500,000 (c)	5%
Rs. 500,001 to Rs. 1,000,000	20%
Rs. 1,000,001 and above	30%

(a) In the case of a resident individual of the age of 60 years or above but below 80 years, the basic exemption limit is Rs 300,000.

(b) In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs. 500,000.

(c) A rebate up to Rs.60,000 for resident individual having total Income up to Rs. 12,00,000

Special tax rate for Individual and HUF

The Finance Act, 2023 has provided an option to Individuals and HUF for payment of taxes at the following reduced rates from Financial Year 2020-21 and onwards (subject to certain conditions)

Total Income (Rs)	**Tax Rate**
Up to 4,00,000	Nil
From 4,00,001 to 8,00,000	5%
From 8,00,001 to 12,00,000	10%
From 12,00,001 to 16,00,000	15%
From 16,00,001 to 20,00,000	20%
From 20,00,001 to 24,00,000	25%
Above 24,00,000	30%

B.	Partnership Firms & Indian Companies	30% *+ surcharge + cess
C.	Non-resident Indians	30% + surcharge + cess
D.	Foreign companies	40% + surcharge + cess

E. Categories mentioned below:

Category	Rate of Surcharge** and Cess Applicable
Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Portfolio Investors where the net taxable income exceeds Rs 50,00,000 is up to Rs. 1,00,00,000 for the relevant year	Surcharge at the rate of 10 % is leviable on Tax amount. Total amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.
Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Portfolio Investors where the net taxable income is in excess of Rs. 1,00,00,000 but does not exceed Rs 2,00,00,000 for the relevant year	Surcharge at the rate of 15 % is leviable on Tax amount. The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.
Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Portfolio Investors where the net taxable income is in excess of Rs. 2,00,00,000 but does not exceed Rs 5,00,00,000 for the relevant year	Surcharge at the rate of 25 % is leviable on Tax amount. The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.
Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Portfolio Investors where the net taxable income is in excess of Rs. 5,00,00,000 for the relevant year	Surcharge at the rate of 37 % is leviable on Tax amount*** The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.
Companies where the net taxable income does not exceed Rs. 1,00,00,000	No surcharge to be levied. Total amount of tax to increase by way of health and education cess at the rate of 4%.
Companies where the net taxable income is in excess of Rs. 1,00,00,000 but less than Rs. 10,00,00,000	Surcharge at the rate of 7% is leviable on Tax amount (2% in case of Foreign Company). The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.

Companies where the net taxable income exceeds Rs. 10,00,00,000	Surcharge at the rate of 12% is leviable on Tax amount (5% in case of Foreign Company). The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.

*Domestic companies to be taxed at 25% for AY 2021-22 where its turnover or gross receipts during FY 2019-20 does not exceed Rs.400 crores. The Companies may also be liable (wherever applicable) to be taxed at concessional corporate tax rate of 25.17% or less than 25% owing to the recent amendments brought about in the Act.

** surcharge shall be subject to marginal relief.
*** For individuals opting for special tax rate under new regime, the rate of surcharge shall be capped at 25% for income above Rs. 2,00,00,000.

Capital Gains Tax

A. Long Term Capital Gains Tax

<u>For Individuals, HUF, Partnerships Firm and Domestic Companies</u>

As per the Act, the period of holding for short term capital asset in respect of units of equity oriented mutual fund schemes or listed Security is less than or equal to 12 months and in case of other Securities, it is less than or equal to 24 months w.e.f. 23rd July 2024. A capital asset other than a short term capital asset is considered as long term capital asset. As per Act, in case of shares of unlisted company, the period of holding is 24 months or more for classifying unlisted shares as Long Term Capital Asset.

As per the Act, any long-term capital gains as per Section 112A exceeding Rs. 1.25 lacs as per Finance Act 2024 w.e.f 23rd July 2024 arising from the sale of equity shares or units of an equity-oriented fund where such transaction of sale is held on recognized stock exchange and STT has been paid on acquisition and transfer of such capital asset at the time on acquisition and transfer of such capital asset shall be chargeable to tax at the rate of 12.5% (plus applicable surcharge and cess).

Long-term capital gains in respect of other Mutual Fund (not covered u/s 50AA) units will be chargeable under Section 112 of the Act, at concessional rate of tax, at 12.5% (plus applicable surcharge, cess). For units acquired for Mutual Funds covered u/s 50AA of Income Tax Act, 1961 post 1st April, 2023 all gains shall be deemed short term.

B. Short Term Capital Gains Tax

For Individuals, HUF, Partnerships Firm and Indian Companies

Short-term Capital Gains is added to the total income. Total income including short-term capital gain is chargeable to tax as per the relevant slab rates. However, tax on short term capital gains as per Section 111A on sale of equity shares or units of equity oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax, would be at 20% (plus applicable surcharge and an cess).

Provisions regarding Dividend income and Bonus stripping

According to the provisions of Section 94(7) of the Act, losses arising from the sale/transfer of Securities/units purchased within 3 months prior to the record date (for entitlement of dividends) and sold within 3 months in case of Securities and within 9 months in case of units after such date, is disallowed to the extent of income on such units claimed as tax exempt.

According to the provisions of Section 94(8) of the Act, if an investor purchases units within 3 months before the record date (for entitlement of bonus) and sells/redeems the units within 9 months after that date, and by virtue of holding the original units, he becomes entitled to bonus units, then the loss arising on transfer of original 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 units.

Tax Deduction at Source on Capital Gain

No income-tax is deductible at source from income by way of capital gains under the present 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).

Tax Deduction at Source on Dividend

Finance Act, 2020 has made an amendment to the Act and has abolished distribution tax on dividend or income distributed by domestic Companies, mutual funds etc. Accordingly, the same will now be liable to TDS as under and fully taxable in the hands of the investors:

- TDS of 10% on dividend declared and distributed to a resident shareholder by Indian Company. However, if the said shareholder is an individual, then no TDS will be done if the aggregate of dividend distributed or paid or likely to be distributed or paid to him / her during the financial year under consideration does not exceed ten thousand rupees and the said payment / distribution is made by any mode other than cash.
- TDS of 10% on income distributed to resident unit holders in respect of units of a mutual fund, units from the administrator of specified undertaking or units of specified company. However,

TDS is not applicable if such an amount paid or credited does not exceed ten thousand rupees.

- From A.Y. 2021-22 (FY 2020-21) onwards, any income distributed by mutual fund to resident unit holders, will be subject to TDS under section 194K of Income Tax Act,1961 @ 10.0%.

Tax Deduction at Source on Interest other than Securities

TDS is deducted on interest income at the rate of 10% for interest income if in excess of Rs. 50,000from Bank and Rs.10,000 from others in case of resident investors.

Tax Deduction at Source on Interest from Securities

TDS is deducted on interest income from securities at the rate of 10% in case of resident investors. However, TDS is not applicable if such an amount paid or credited does not exceed ten thousand rupees.

In case of debentures issued by a company in which public are substantially interested (which includes a listed Company as well) to resident individual and HUF, TDS is to be withheld at the rate of 10% where interest income is above five thousand rupees. Accordingly, no TDS is to be withheld in the case of debentures issued by the aforesaid Company to a resident individual and HUF if the interest on such debentures does not exceed five thousand rupees and such an interest is given by an account payee cheque.

Advance Tax installment obligations

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

9. Accounting policies

Following accounting policies are followed for the portfolio investments of the Client:

A. Client Accounting

(1) The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.

(2) The books of account of the Client shall be maintained on an historical cost basis.

(3) 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.

(4) All expenses will be accounted on due or payment basis, whichever is earlier.

(5) The cost of investments acquired or purchased shall include brokerage, stamp charges and any charges customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.

(6) Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

B. Recognition of portfolio investments and accrual of income

(7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.

(8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.

(9) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.

(10) 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.

(11) 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.

(12) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.

(13) 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.

C. Valuation of portfolio investments

(14) Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.

(15) Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.

(16) Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.

(17) Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.

(18) In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

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

The Portfolio Manager may change the valuation policy for any particular type of security consequent to any regulatory changes or change in the market practice followed for valuation of similar Securities. However, such changes would be in conformity with the Regulations.

a) 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 Agreement. Issues related to the frequency at which fees are charged and how they are calculated will also be as defined in the Agreement with each Client. The fixed management fee will be as agreed in the Agreement terms and conditions. The performance fees as agreed with the Client in the Agreement will be based on returns over a hurdle rate as agreed in the Agreement, with a high watermark. Performance fees will be charged on performance over the hurdle rate, management fee and any costs of trading. They will be charged quarterly or annually.

b) Brokerage: The Client understands that Edelweiss Asset Management Limited shall conduct all Securities transactions with its registered brokers or any registered broker at a brokerage/commission in line with market practices. Each Client shall keep Edelweiss Asset Management Limited indemnified of such charges.

c) Other Expenses: In addition to the above, the Client shall be liable to pay all operating expenses in relation to its Portfolio. All such operating expenses charged to the Client shall be within the limits prescribed under applicable laws. All applicable taxes shall be charged separately.

d) 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.
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.

10. Investors services

10.1 Details of the investor relation officer:

Name: Mr. Mr. Asif Khan

Add: Edelweiss House, Off C.S.T. Road, Kalina,
Santacruz (E), Mumbai 400 098

Correspondence address:

Edelweiss House, Off C.S.T. Road, Kalina,
Santacruz (E), Mumbai 400 098

Tele: 022 - 40979703

E-mail: InvestorRelations.PMS@edelweissmf.com

10.2 Grievance redressal and dispute settlement mechanism.

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 the Portfolio Manager on the designated email id: InvestorRelations.PMS@edelweissmf.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 five working days of receipt of the grievances through an email.

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

If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms: -

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with 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.

11. Details of the diversification policy of the portfolio manager

The Portfolio Manager follows a rule-based approach to investments. In this approach, stocks are eliminated by analyzing past data and selected based on rules / bottom-up research approach. This results in a well-diversified portfolio with broad based caps for weightages on individual stocks as well as sectors.

Part-II- Dynamic Section

12. Client Representation

12.1 CATEGORIES OF CLIENTS SERVICED FOR LAST 3 YEARS:

	No. of clients			Funds managed (Rs. cr)			
Category of clients	**As on March 31, 2025**	**As on March 31, 2024**	**As on March 31, 2023**	**As on March 31, 2025**	**As on March 31, 2024**	**As on March 31, 2023**	**Discretionary / Non – Discretionary / Advisory / Co-investment**
Associates / Group Companies	NA	NA	NA	NA	NA	NA	**Discretionary**
	NA	NA	NA	NA	NA	NA	**Non- Discretionary**
	NA	NA	NA	NA			**Advisory**
Others	**7.00**	106	178.00	3.19	86.11	114.81	**Discretionary**
	-	0	-	-	0	-	**Non- Discretionary**
	-	0	1.00	-	0	59.12	**Advisory**
Total	**7.00**	106	**179.00**	**3.19**	86.11	**173.93**	

12.2 Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India: Basis of the audited financial statement as at March 31, 2025 is as stated under Capital Account transaction during the year:

Sr. No.	Nature of Transaction	Related Party Name	2024-25 (INR in millions)
1	Dividend Paid	Edelweiss Financial Services Limited	**410.51**
		Edel Finance Company Limited	**43.09**
2	Cost reimbursements paid to	Edelweiss Financial Services Limited	**0.40**
		Edelweiss Rural and Corporate Services Limited	**37.23**
		ECap Equities Limited (formerly known as Edel Land Limited)	**1.28**
		ECL Finance Limited	**55.87**
3	Cost reimbursements received from	Edelweiss Trusteeship Company Limited	**0.10**
4	CSR Paid to	EdelGive Foundation	**5.05**
5	Income on account of sale of business	Edelweiss Global Wealth Management Limited	**8.40**
6			
7	Directors sitting fees	Suresh Gurumani	**0.81**
		Manjit Singh	**0.64**
		Karan Datta	**0.48**
		Sandeep Bhandarkar	**0.62**
		Sunil Kakar	**0.20**
8	Remuneration paid to	Key Management Personnel	**100.48**
9	Share based payment accrual to	Key Management Personnel	**14.63**
	Balances **with related**		

	parties		
	Nature **of Transaction**	Related **Party Name**	**2024-25 (INR in millions)**
10	Trade payables to	Edelweiss Financial Services Limited	**0.03**
		ECap Equities Limited (formerly known as Edel Land Limited)	**0.02**
		Edelweiss Rural and Corporate Services Limited	**3.50**
11	Security Deposit placed with	ECL Finance Limited	**18.59**
12	Other payables - ESOP and Gratuity	Edelweiss Financial Services Limited	**4.49**
		EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)	**0.81**

13. Financial Performance

The Financial Performance of the portfolio manager based on audited financial statements and in terms of procedure specified by the Board for assessing the performance.

Summarized Financial Statements – Balance Sheet **(in millions)**

	As at	**As at**	**As at**
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
ASSETS			
Financial assets			
(a) Cash and cash equivalents	22.42	84.85	32.68
(b) Trade receivables	155.11	143	120.84
(c) Investments	1730.32	1778.74	1419.69
(d) Other financial assets	31.99	29.79	27.92
(e) Assets held for sale	-	213.21	-
	1939.84	2249.59	1601.13
Non-financial assets			
(a) Current tax assets (net)	106.52	38.86	74.57

(b) Deferred tax assets (net)	26.69	-	-
(c) Property, Plant and Equipment	23.24	21.68	12.24
(d) Capital work-in-progress	-	-	5.46
(e) Intangible assets under development	-	0.64	7.21
(f) Right to use assets	179.25	193.12	197.56
(g) Other Intangible assets	563.11	659.33	655.97
(h) Other non- financial assets	79.18	120.56	337.27
	977.99	1,034.19	1290.28
TOTAL ASSETS	2917.83	3283.78	2891.41
LIABILITIES			
Financial liabilities			
(a) Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	96.31	186.58	249.99
(b) Borrowings (other than debt securities)	-	-	-
(c) Lease liabilities	210.43	217.88	215.09
(d) Other financial liabilities	506.14	452.60	388.15
	812.88	857.06	853.23
Non-financial liabilities			
(a) Provisions	27.67	15.28	12.79
(b) Other non-financial liabilities	22.50	24.69	25.06

	50.17	39.97	37.85
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	722.16	733.43	733.43
(b) Other equity	1332.62	1653.32	1266.90
	2054.78	2386.75	2,000.33
TOTAL LIABILITIES AND EQUITY	2917.83	3283.78	2891.41

Summarized Financial Statements – Profit and Loss Account

	For the year ended	For the year ended	For the year ended
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Revenue from operations			
Interest income	-	-	-
Fee and commission income	2223.32	1833.78	1668.48
Net gain on fair value changes	239.81	702.76	491.80
Total Revenue from operations	2463.13	2536.54	2160.28
Other income	9.18	8.67	6.64
Total Revenue	2472.31	2545.21	2166.92
Expenses			
Finance costs	23.73	23.88	14.51
Employee benefits	1031.23	979.16	731.05

expense			
Depreciation, amortisation and impairment	71.20	69.38	52.81
Other expenses	702.93	1096.59	1190.67
Total expenses	1829.09	2169.01	1989.04
Profit before tax	643.22	376.20	177.88
Tax expenses:			
Current tax	114.83	-	-
Profit after tax	528.39	376.20	177.88
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)	(5.62)	2.53	(1.21)
Other Comprehensive Income	(5.62)	2.53	(1.21)
Total Comprehensive Income	522.77	378.73	176.67

14. Performance of Portfolio Manager

Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

[Provided that this sub-clause shall not apply in case of the Co-investment Portfolio Manager.]

(a) 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 Approach	Performance* (Approach vs. Benchmark)	(April 1st 2024 till March 31st, 2025)	(April 1st 2023 till March 31st, 2024)	(April 1st 2022 till March 31st, 2023)
Edelweiss Smart Asset Allocation Approach (Discretionary) ***Note: The strategy is not accepting fresh investments from clients.***	Approach	NA	29.67%	2.34%
	CRISIL Multi Asset Index 3 CRISIL Liquid Fund Index changed to Nifty Multi Asset - Equity: Debt: Arbitrage: REITs/InVITs (50:20:20:10) Index w.e.f. April 1, 2023	NA	23.61%	1.13%
Edelweiss Event Arbitrage Portfolio Approach	Approach	0.92%	7.66%	5.24%
	CRISIL Liquid Fund Index changes to Nifty 50 Hybrid Composite Debt 50:50 Index w.e.f. April 1, 2023	7.85%	18.87%	2.39%
Edelweiss Structured Solutions Approach (Discretionary)	Approach	16.69%	6.60%	9.18%
	CRISIL Liquid Fund Index changed to CRISIL Aggressive Credit Debt Term Index w.e.f. April 1, 2023	10.47%	11.11%	8.71%
Edelweiss Focused Mid & Small Cap Portfolio Approach	Approach	NA	26.74%	-9.49%
	NIFTY MidSmallcap 400 TRI Index changed to NIFTY 50 TR Index w.e.f. April 1, 2023	NA	30.08%	0.59%
Edelweiss Focused Mid & Small Cap Portfolio Approach - Series II (Earlier known as Rubik Equity Portfolio)	Approach	NA	24.64%	-9.37%
	NIFTY MidSmallcap 400 TRI Index changed to NIFTY 50 TR Index w.e.f. April 1, 2023	NA	30.08%	0.59%

*** Portfolio Performance is net of all costs and fees.**

15. Audit Observations

Audit observations of the preceding 3 years

- SEBI vide its letter SEBI/HO/IMD-II/IMD-11 DOFII/P/OW/2022/45832/1 dated August 29, 2022 issued 3 warning cases and 2 deficiency cases for the inspection period April 2020 to March 2021 to Edelweiss Asset Management (Portfolio Managers).

- SEBI vide its letter SEBI/HO/IMD/IMD-SEC-1 /P/OW/2024/27602/1dated August 30, 2024 issued an advisory letter for the inspection period April 1, 2022 to March 31, 2024 to Edelweiss Asset Management (Portfolio Managers).

- SEBI vide its letter SEBI/IMD/SEC-2/OW/P/2025/04447/1 dated February 10, 2025 issued an administrative warning letter for the inspection period October 1, 2023 to March 2024 to Edelweiss Asset Management (Portfolio Managers).

16. Details of investments in the securities of related parties of the portfolio manager

The details of investment of client's funds by the portfolio manager in the securities of its related parties or associates.

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
2	Edelweiss Structured Solutions Approach (ESS Strategy)	Edelweiss Asset Reconstruction Company Limited	1.68	2.91	99.89%
		Edelweiss Overnight Fund - Direct Plan - Growth	0.00	0.00	0.11%

- For Edelweiss Asset Management Limited

Sl. No.	Director	Signature
1	Ms. Radhika Gupta	
2.	Mr. Sunil Kakar	

Date: 30-09-2025
Place: Mumbai