

COMPLIANCE POLICY - PMS

BACKGROUND: This Policy is framed in accordance with SEBI Circular No: SEBI/HO/IMD/IMD-1 DOF1/P/CIR/2022/133 dated September 30, 2022 which states that all the Portfolio Managers must have written down policy in compliance with the PMS regulations and Circulars issued thereunder.

OBJECTIVE: The objective of this framework is to put in place a mechanism to ensure that all clients are treated in a fair and equitable manner.

SCOPE: This document outlines the framework adopted by the fund manager in case of specific Scenarios which inter-alia includes the following:

- a) Specific situations (not generic) wherein the orders shall be placed for each client individually or pooled from trading account of Portfolio Manager.
 1. When there is a fresh fund inflow or a partial/complete withdrawal of a particular investor
 2. Sector or particular scrip blocked for trading by the investor
 3. If we don't purchase the security anymore for the new clients due to limiting stock or further BUY on hold.
 4. Price breaches certain threshold, we might not buy/sell a particular scrip for the new clients or for additional investments.
 5. When there is fees due & we don't have sufficient funds in client's accounts, we might exercise selling of securities to realise such due funds at the time of fees being due or quarter end.

- b) Scenarios/situations in which deviation from the allotment of securities as intended at the time of placement of order would be permissible, if at all.
 1. When a particular scrip faces liquidity issues and we are unable to transact in the same.
 2. If a scrip breaches the price range defined to buy/sell during a trading session
 3. If any Order is not executed due to issue at SELLER's end / BUYER's end / System Error / Network issue, the same is intimated to management. That deal is then fixed for the next day or is cancelled depending upon the market environment.
 4. Situation in which we are not able to buy/sell intended lots in a script due to low volume etc. (intended mainly for stocks listed on SME Exchanges), we will allocate the quantity to the clients (in tradable lots) in an alphabetical order on the basis of first alphabet of the script. While selling the same script (At a future date), we will reverse the order of client sequencing (Last in First Out). This is to make system fair & just on best effort basis in unique/exceptional cases. Please note that if the script is already bought without the above mechanism (part of existing folio) & is facing above mentioned challenge while exiting, we will do allocation in an alphabetical order on the basis of first alphabet of the script.

The same has been explained through the table below:

Script Name Alphabet Starting with	Entry Sequencing (Client Name Wise) In Chronological Order	Exit Sequencing (Client Name Wise) In Reverse Order
ABC Ltd.	A to Z	Z to A
DPT Ltd.	D to C	C to D
SKY Ltd.	S to R	R to S

- Second alphabet will be picked when initials start with the same alphabet, then third & so on till the first name initials are exhausted. If the first names are same, it will be picked on the basis of surname. When both names are identical. it will be picked chronologically (account client code wise)
 - 1 lot will be bought/sold till everyone gets minimum 1 lot allocation (For both buy/sell). Post this, we will be allocating the next round on the same basis.
 - This exercise is conducted to avoid any odd lots being allocated to/from investors in an unbiased manner on best effort basis. Stock Alphabet also gives randomness/similar likelihood of every client benefitting from the same mechanism.
- c) Scenarios, wherein, the Portfolio Manager is required to place certain margins / collaterals in order to execute certain transactions, details on how such margins / collaterals shall be segregated / placed from amongst various clients, without affecting the interest of any client.
1. Margins are placed from the fresh funds received for the new investor, while regular margin of 40% of the available cash is taken by custodian against the trade possibility of the available funds.
 2. We trade on actual receipts of funds from the investors and no collateral is required to be placed.
- d) Deviations, if any, shall be on account of exigency only and require prior written approval of the Principal Officer and Compliance officer of the Portfolio Manager with a detailed rationale for such deviation.
1. Deviations from the above, if any, shall be on account of exigency only and shall require prior written approval of the Principal Officer and Compliance officer of the Portfolio Manager with a detailed rationale for such deviation.
 2. Deviation from aforesaid process is analysed and recorded.
 3. Root Cause Analysis (RCA) is done to prevent such deviation in future.

POLICY REVIEW:

This policy has been considered, taken on record and approved by the Board of Directors of the company. The Board of Directors of the company shall review this policy documents and implementation thereof at least once annually or as and when there are any changes introduced by any Regulatory.

Board Approval date:

This is an addendum to Policy approved on 05.04.2023