ESCORP
ASSET MANAGEMENT

WRITTEN DOWN POLICY

ESCORP ASSET MANAGEMENT LIMITED

SIGNATORIES

Version	Prepared by	Reviewed by	Confirmed by	Approved by
1.0	**Ms. Meloni Shah** **Senior Manager**	**Mr. Shripal Shah** Executive Director & Chief Financial Officer	Board of Directors	
2.0	**Ms. Anjali Gorsia** Chief Regulatory Officer – Aryaman Finance Group	**Mr. Shripal Shah** Executive Director & Chief Financial Officer	Board of Directors	

VERSION CONTROL

Version	Date	Description	Description of Changes
1.0	30-12-2023	Written Down Policy	Adoption
2.0	15-01-2025	Written Down Policy	Annual review

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

I. INTRODUCTION

A. Escorp Asset Management Limited (the "**Company**") has formulated written down policy ("**Policy**") pursuant to SEBI Circular No SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/133 dated 30th September 2022 regarding written down policy in compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("**SEBI PMS Regulations**")

B. This Policy is intended to be in conformity with the provisions of the SEBI PMS Regulations as on the date of its adoption. However, if due to subsequent modifications in the SEBI PMS Regulations or any other applicable law, a provision of this Policy or any part thereof becomes inconsistent with the SEBI PMS Regulations, the provisions of SEBI PMS Regulations as modified shall prevail.

II. APPLICABILITY

A written policy for portfolio management services is a document that outlines the procedures and guidelines for managing a portfolio of investments. It should include information on the investment objectives, risk tolerance, and constraints of the portfolio. The policy should also outline the investment strategies, role and responsibilities of various teams engaged in fund management, dealing, compliance, risk management, Backoffice, etc., with regard to management of client funds and securities including the order placement, execution of order, trade allocation amongst clients and other related matters as well as the criteria for selecting and monitoring investments.

The Portfolio Managers are required to ensure compliance with the same. This Policy is applicable to all Directors and Employees of the Company.

Nothing in this Code, in any company policies and procedures, or in other related communications (verbal or written), creates or implies an employment contract or term of employment.

III. INTERPRETATION

Any reference in this Code to:

- any gender, whether masculine, feminine or neuter, shall be deemed to be construed as referring to the other gender or genders, as the case may be;
- singular number shall be construed as referring to the plural number and vice versa; and
- month shall mean to be a calendar month.

Reference to statutory/ regulatory provisions shall be construed as meaning and including references also to any amendment or re-enactment thereof for the time being in force

IV. SCOPE

The policy aims to address the following:

- Roles & Responsibilities of Team
- Situations/Scenarios

Roles & Responsibilities of Team

The Company and its employees shall act honestly, fairly and in the best interests of its clients and in the integrity of the market.

A. **Fund Management** – The company have appointed "HDFC Bank Limited" as his Custodian. HDFC is responsible for Fund Management of Clients of Escorp.

B. **Dealing** – The company has constituted a dealing team constitute a dealing team (DT) which shall be responsible for order placement and execution of all orders. DT further divided in two one into decision making team and one for order placement and execution of all orders in accordance with the aforesaid policies of the Portfolio Manager. All trades to be executed are sent to Brokers through authorized email ids and a trail of all trade order is maintained for record.

C. **Compliance** – The holding company M/s Aryaman Financial Services Limited has appointed Ms. Anjali Gorsia as the Group Chief Regulatory Officer, with concurrent responsibility for overseeing regulatory compliance for the subsidiary company. Her responsibilities include monitoring compliance with the provisions of the Companies Act, applicable rules, regulations, notifications, guidelines, and instructions issued by the Board or the Central Government, as well as addressing investors' grievances.

   Additionally, Ms. Bhoomi Shah has been appointed as the Company Secretary of the subsidiary company and designated as the Compliance Officer in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time

D. **Risk Management -** Risk management in portfolio management services involves identifying, assessing, and prioritizing potential risks to the portfolio, and then implementing strategies to mitigate or manage those risks. This can include diversifying investments, regularly reviewing and rebalancing the portfolio. It also includes monitoring and reporting on the portfolio's performance and risk exposures. The goal of risk management in portfolio management is to optimize returns while managing the potential for losses. Principal Officer and Senior Manager of Escorp monitors Portfolio of Clients on Daily Basis.

E. **Back Office -** The back office of portfolio management services is responsible for the administrative and operational tasks that support the front office, which is responsible for making investment decisions and managing the portfolio. The back-office functions include tasks such as settlement, Trade Processing, Accounting & Reporting, and Operations & Technology. Overall, the back-office functions are critical to the smooth operation of portfolio management services and are essential for maintaining the integrity and reputation of the organization providing the service. The company have appointed “HDFC Bank Limited” as his Custodian. HDFC is responsible for Back-Office related work. Further Client level checks are done by the Company staff.

F. **Trade Allocation** – We at the company is currently providing Discretionary services, Non-discretionary and Advisory services to our clients and execute trade on the behalf of clients as Fund Manager and manage each client’s account accordingly. Our clients give us the authority to do so in written. Hence, there is no trade allocation done. The account is wholly maintained by the Fund Manager on client’s behalf.

The company maintains a robust process and system to ensure that trade allocation is transparent, fair and equitable to all clients. Additionally, Escorp communicates the trade allocation process and methodology to the clients, and ensure that the trade allocation is consistent with the investment objectives and risk tolerance of the client, and with the regulatory requirements.

Situations/Scenarios

1. **Specific Situations -** There are several specific situations in which orders for a portfolio management service may be placed for each client individually or pooled from the trading account of the portfolio

manager. These include:

A. **Different Risk Appetite**: If clients have different risk appetites, orders may be placed individually to reflect the specific risk tolerance and investment objectives of each client.
B. **Restrictions on Investments**: Some clients may have restrictions on the types of investments they can make, such as religious or ethical considerations. In these cases, orders may be placed individually to ensure compliance with these restrictions.
C. **Tax Considerations**: Different clients may have different tax situations and may want to invest in different types of securities for tax reasons. Orders may be placed individually to reflect these tax considerations.
D. **Compliance**: If the portfolio manager is managing portfolios for different clients, compliance with regulations such as segregation of client assets may require placing orders individually for each client.
E. **Large Volume Orders**: If the portfolio manager is placing large volume orders, it may be more efficient to pool the orders for all clients to negotiate better prices.
F. **Similar Investment Objective**: If the clients have similar investment objectives and risk appetite, it might be more efficient and cost-effective to place orders pooled from trading account of the portfolio manager.

It is worth noting that the portfolio manager should have a robust process and system to segregate the assets and maintain proper record keeping, in case of pooled orders, to ensure compliance with SEBI PMS Regulations.

2. **Situations in which deviation from the allotment of securities -** There are several scenarios or situations in which deviation from the allotment of securities as intended at the time of placement of order would be permissible. These include:

A. Market conditions: If market conditions change significantly after the order has been placed, it may be necessary to deviate from the original allotment in order to achieve the desired portfolio balance or risk management objectives.
B. Unforeseen events: Unforeseen events such as natural disasters, political crises, or company-specific news may affect the value of certain securities and make deviation from the original allotment necessary.
C. Compliance: If there are changes in regulations or compliance requirements that affect the original allotment, deviation may be necessary to ensure compliance.
D. Liquidity: If the securities originally intended for the allotment are not available or the prices have changed significantly, deviation may be necessary in order to maintain liquidity in the portfolio.
E. Rebalancing: If the portfolio manager needs to rebalance the portfolio for reasons such as changes in risk appetite or investment objectives of the client, deviation from the original allotment may be necessary.
F. Client instructions: If the client provides specific instructions that deviate from the original allotment, the portfolio manager may need to follow these instructions.

It is worth noting that any deviation from the original allotment should be well-documented and communicated to the client with an explanation of the reasons for the deviation. Additionally, the portfolio manager should ensure that any deviation is consistent with the investment objectives and risk tolerance of the client, and with the regulatory requirements.

3. Margin Requirements – There are several scenarios in which a portfolio manager may be required to

place certain margins or collaterals in order to execute certain transactions. These include:

A. **Margin trading**: If a portfolio manager engages in margin trading, they may be required to place collateral to cover potential losses on the trades.
B. **Futures and options trading**: If a portfolio manager engage in trading of futures or options, they may be required to place margins or collaterals to cover the potential losses on the trades.
C. **Short selling**: If a portfolio manager engages in short selling, they may be required to place collateral to cover the potential losses on the trades.

In order to ensure that the segregation of margins/collaterals does not affect the interest of any client, Escorp have a robust and transparent process in place, such as:

1. **Segregated Accounts**: Keeping the margins/collaterals in separate accounts, which are clearly identifiable and properly documented to ensure that they are not mixed up with the assets of the clients.
2. **Proper Record Keeping**: Maintaining accurate and complete records of the transactions, including the nature of the collateral and the transactions that it relates to, in order to ensure that the collateral is properly allocated and returned to the right client.
3. **Transparency:** Communicating to the clients about the use of margin/collaterals and how it is being managed, to ensure that the clients are aware of the use of their assets and any potential risks.
4. **Prioritizing the Interest of clients**: Prioritizing the interest of the clients and ensuring that their assets are protected and not misused in any manner.

Escorp should ensure that they have the proper systems and controls in place to manage margins/collaterals in a manner that is transparent, fair, and in the best interests of their clients.

4. Deviations on account of Exigency **-** Deviations from the intended allotment of securities should be made only in exceptional circumstances and with the prior written approval of the Principal Officer and Compliance Officer of the Portfolio Manager. The rationale for such deviation should be clearly documented and communicated to the client. This is to ensure that any deviation is made in the best interest of the client and in compliance with all relevant regulations and laws.
When seeking approval for deviation, the portfolio manager should provide a detailed rationale for the deviation, including:

- The reasons for the deviation, such as market conditions, unforeseen events, compliance requirements, or client instructions
- The potential impact of the deviation on the client's portfolio, including any risks or benefits.
- The steps that have been taken to minimize the impact of the deviation on the client's portfolio.
- Any alternatives that have been considered and why they were not chosen
- The expected duration of the deviation and any plans for returning to the original allotment or collateral requirements.

The Principal Officer and Compliance Officer should review the rationale provided by the portfolio manager and assess whether the deviation is in the best interest of the client and is in compliance with all relevant regulations and laws. Escorp should also ensure that proper systems and controls is in place to manage any deviation and to minimize any potential impact on the client's portfolio.

Once the deviation has been approved, the portfolio manager should communicate the deviation to the client, including the rationale for the deviation and any potential impact on the client's portfolio. Escorp should ensure that the deviation is regularly reviewed and that the client's portfolio is returned to the original allotment or collateral requirements as soon as feasible.

V. REVIEW

The Policy on Written down shall be reviewed Annually or as and when any change is advised by the Regulator.

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