



ESCORP ASSET MANAGEMENT

DISCLOSURE DOCUMENT DISCRETIONARY

**MAKING YOUR MONEY WORK AS HARD AS
YOU**

ESCORP ASSET MANAGEMENT LIMITED

Registered Office: 60 Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Opp. P J Towers, Fort, Mumbai – 400001

Corporate Office: 7th Floor, Office No. 718A, P J Towers, Dalal Street, Fort, Mumbai – 400001

Landline No: 022 - 6216 6999 | **Email:** info@escorpamc.co.in | **Website:** www.escorpamc.co.in

CIN: L17121MH2011PLC213451 | **SEBI Registration Number:** INP000005372

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

Escorp Asset Management Limited
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Mumbai – 400001
Tel: - 022-22721104; Email: info@escorpamc.co.in

We confirm that:

- i. The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- ii. The disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager.
- iii. The Disclosure Document has been duly certified by an independent chartered accountant O.P.Pareek (Membership No. 014238) Proprietor of M/s V.N. Purohit & Co., 214, New Delhi House, 2nd floor, 27, Barakhamba Road, New Delhi-110 001, on May 20, 2026

(Enclosed a copy of the chartered accountant's certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision)

For Escorp Asset Management Limited

Shripal Shah
(Principal Officer)

Date: May 20, 2026
Place: Mumbai

Dated: 20th May 2026

The Board of Directors
Escorp Asset Management Limited
(CIN: L17121MH2011PLC213451)
60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg, Fort
Maharashtra, India, 400001

Sub: Certificate pursuant of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020

Dear Sir's

We, **V.N. Purohit & Co.**, Chartered Accountants have examined the Disclosure Document for Portfolio Management dated May 21, 2026 prepared in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020 and SEBI Circular No. SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 9, 2025 by **Escorp Asset Management Limited** (SEBI Registered Portfolio Manager INP000005372) having Registered Office address at 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Mumbai - 400001.

Based on our examination of attached Disclosure Document, audited accounts and other relevant records and information furnished by management of the Portfolio Manager, we certify that the disclosure made in the attached Disclosure Document for Portfolio Management are true, fair and adequate to enable the investors to make a well-informed decision.

This certificate is issued at the request of the party concerned.

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

Om Prakash Pareek
Digitally signed by
Om Prakash Pareek
Date: 2026.05.20
18:50:44 +05'30'

O.P. Pareek
Partner
Membership No: 014238
UDIN: 26014238FEASHV6726

Place: New Delhi
Date: May 20, 2026

DISCLOSURE DOCUMENT

(As per Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and SEBI Circular No. SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125)

The Disclosure Document has been filed with the Securities and Exchange Board of India (“the Board”) along with the certificate in the prescribed format, in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020, and SEBI Circular No. SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125.

The purpose of the Disclosure Document is to provide essential information about the Portfolio Management Services in a manner to assist and enable the investors in making informed decisions for engaging the Portfolio Manager.

The Disclosure Document contains the necessary information about the Portfolio Manager that an investor requires before investing. The investor is advised to retain the Disclosure Document for future reference.

This Disclosure document supersedes the earlier Disclosure Document filed with SEBI or provided to Investors

For any clarification, feel free to contact the following:

Name: Mr. Shripal Shah, (Principal Officer)

Address: 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg,
Fort, Mumbai – 400001

Email: info@escorpamc.co.in

Name: Ms Bhoomi Shah (Company Secretary and Compliance Officer)

Address: 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg,
Fort, Mumbai – 400001

Email: info@escorpamc.co.in

Date: May 20, 2026

Place: Mumbai

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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.

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 that:
 - (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 a 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 a net worth of at least fifty crore rupees;
 - (iii) in case of a trust other than a family trust, has a 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. “**Agreement**” or “**Portfolio Management Services Agreement**” or “**PMS**
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Agreement” means an 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.

6. **“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 have a force of law, as is in force from time to time.
 7. **“Assets Under Management”** or **“AUM”** means the aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.
 8. **“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.
 9. **“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.
 10. **“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.
 11. **“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.
 12. **“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.
 13. **“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 the custody of Securities of the Client.
 14. **“Depository”** means the depository as defined in the Depositories Act, 1996 (22 of 1996).
 15. **“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.
 16. **“Direct onboarding”** means an option provided to clients to be on-boarded directly with the Portfolio Manager without the intermediation of persons engaged in distribution services.
 17. **“Disclosure Document”** or **“Document”** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.
 18. **“Distributor”** means a person/entity who may refer a Client to avail services of
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Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces, or by any other name).

19. “**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.
 20. “**Fair Market Value**” means the price that the Security would ordinarily fetch on sale in the open market on the particular date.
 21. “**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.
 22. “**Financial Year**” means the year starting from April 1 and ending on March 31 in the following year.
 23. “**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.
 24. “**Group Company**” shall mean an entity that is a holding, subsidiary, or associate of a holding company to which it is also a subsidiary.ⁱ
 25. “**HUF**” means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.
 26. “**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 the future by the Portfolio Manager.
 27. “**IT Act**” means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.
 28. “**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.
 29. “**Non-resident Investors**” or “**NRI(s)**” shall mean non-resident Indians as defined in Section 2 (30) of the IT Act.
 30. “**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.
 31. “**NISM**” means the National Institute of Securities Markets, established by the Board.
 32. “**Person**” includes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an
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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.

33. “**Portfolio**” means the total holdings of all investments, Securities, and Funds belonging to the Client.
34. “**Portfolio Manager**” means Escorp Asset Management Limited, a company incorporated under the Companies Act, 1956, registered with SEBI as a portfolio manager bearing registration number INP000005372 and having its registered office at Mumbai.
35. “**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 the Portfolio of Securities or the Funds of the Client, as the case may be; and
 - (ii) all other operations of the Portfolio Manager
36. “**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.
37. “**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, 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

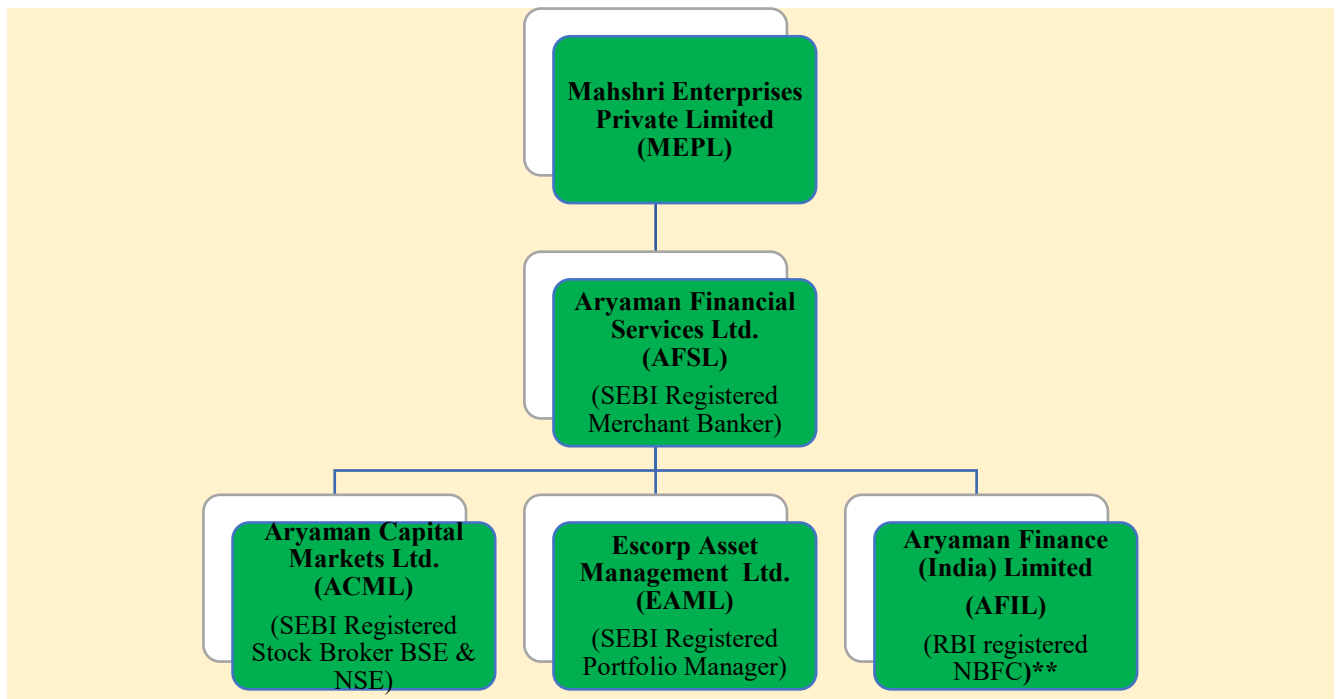
- (b) any person or any entity, holding equity shares:
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity, either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party;
38. “**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

(i) **History, present business, and background of the portfolio manager**

About the Group

Escorp Asset Management Limited. It is a subsidiary company of Aryaman Financial Services Ltd, which is the flagship company of the Aryaman Group. Aryaman Group is a Financial Services player having interests in Merchant Banking, Investment Banking, Corporate Advisory, Stock Broking, Market Making, and Equity Investments. The diagram below further illustrates the group’s business model and structure:



MEPL: - Mahashri Enterprises Private Limited, incorporated in November 2006, is engaged in management, trading, and advisory services, including investments and dealing in securities and currency derivatives and is the ultimate holding company. The company is committed to delivering reliable and customer-focused financial solutions, supported by its subsidiary, Aryaman Financial Services Limited, a SEBI-registered Category I Merchant Banker listed on the BSE.

AFSL; our corporate promoter is actively involved in the business of Merchant Banking and has completed various Main Board IPOs, SME IPOs, Open Offers, and Delisting Offers, and many other valuation and corporate advisory activities since the change in management in 2007 – 08. AFSL has been a pioneer in the field of SME IPOs, having been the first Merchant Banker to complete an SME IPO and list the same on an SME Exchange in India. AFSL has received the award for being one of the “Top Performing” Merchant Bankers in the SME Segment from BSE for three years since the beginning of this segment in 2012. The market making and group proprietary investment and trading activity are being carried out through ACML.

AFSL, ACML, and EAML are listed on the BSE Main Board, respectively, and have an aggregate market capitalisation of Rs. 1,341.82 crores (*Source BSE India dated March 31, 2026*)

AFIL: Aryaman Finance (India) Limited is an RBI-registered Non-Banking Financial Company and an emerging financial services company promoted by Aryaman Financial Services Limited (AFSL), a SEBI-registered Category I Merchant Banker listed on BSE, being one of our group company. Established to enhance access to structured financing and allied financial solutions.

About our company

Escorp Asset Management Limited (“EAML”) was originally incorporated as “Escorp Financial Services Pvt. Ltd.” on Feb 13, 2011. The company’s name and main objects have undergone changes from time to time thereafter, and the company was carrying on financial advisory on a small scale until May 2016, when it was acquired by Aryaman Financial Services Ltd. and became its subsidiary. Subsequently, the company’s name and main objects were amended to carry the business of portfolio management, and thereby EAML received SEBI Registration as Portfolio Manager vide certificate dated April 06, 2017.

We propose to provide personal investment advisory, portfolio management (discretionary and non-discretionary), and other advisory services to Institutions, Individuals, HNIs, Family Offices, and Corporates. We believe that our strategy to provide all kinds of personal finance services to all segments of the client base without any discrimination based on the size of the client would position us as a one-stop shop for our current and future client needs.

Our Company operates from its registered and corporate offices located at:

Registered Office: 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400001	Corporate Office: 718-A, P.J. Towers, Dalal Street, Fort, Mumbai - 400001.
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(ii) Promoters of the portfolio manager, directors, and their background

➤ Promoters

“EAML is promoted by Aryaman Financial Services Limited, wherein Mr. Shripal

Shah and Mr. Shreyas Shah are the natural persons exercising control over the corporate promoter and are also serving as Executive Directors of the Company.”

- **Mr Shripal Shah** is a promoter director of our company. He completed his graduation in management studies with honours (ranking 7th all over Maharashtra) and is a CFA Charter Holder. He has over 16 years of experience in the Capital Markets.
- **Mr. Shreyas Shah** is a promoter director of our company. He has completed his graduation in management studies and subsequently holds an LLB degree. He has over a decade of experience in the Capital Markets.

➤ **Directors**

- **Mr. Shripal Shah** is also the Whole Time Director of our company. He completed his graduation in management studies with honors (ranking 7th all over Maharashtra) and is a CFA Charter Holder. He has over 16 years of experience in the Capital Markets.
- **Mr. Shreyas Shah** is an Executive Director of our company. He has completed his graduation in management studies and subsequently holds an LLB degree. He has over a decade of experience in the Capital Markets.
- **Mr Darshit Parikh**, aged 31 years, is the Non-Executive Independent Director of our Company. He holds a Bachelor of Commerce degree from Mumbai University, a Bachelor of Laws, and is an Associate Member of the Institute of Company Secretaries of India. He has diversified experience of around 8 years in handling secretarial matters and compliance.
- **Mr. Haresh Sanghvi** aged 63, is a Non-Executive Independent Director of our Company. He is a B.Com, LLB, MBA, and FCS by qualification. He has over 2 decades of industry experience, having worked at senior executive positions at the Mariwala Group for a period of 7 years, the Ajmera Group for a period of 5 years, and the Khatau Group for a period of 7 years.
- **Ms. Supriya Tatkar** aged 63, is a Non-Executive Independent Director of our Company. He is a B. Com, LLB, MBA, and FCS by qualification. He has over 2 decades of industry experience, having worked at senior executive positions at the Mariwala Group for a period of 7 years, the Ajmera Group for a period of 5 years, and the Khatau Group for a period of 7 years.

(iii) **Top 10 Group companies/firms of the portfolio manager on a turnover basis:**

- 1) Aryaman Financial Services Limited
- 2) Aryaman Capital Markets Limited
- 3) Aryaman Finance (India) Limited
- 4) Mahshri Enterprises Private Limited

(iv) **Details of the services being offered: discretionary/ non-discretionary / advisory**

The company is providing discretionary, non-discretionary, and advisory services

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 board or the directions issued by the board under the act, or rules or regulations made thereunder.	None
ii.	the nature of the penalty/direction.	None
iii.	penalties imposed for any economic offence and/ or for violation of any securities laws.	None
iv.	any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.	None
v.	any deficiency in the systems and operations of the portfolio Manager observed by the board or any regulatory agency.	None
vi.	any enquiry/ adjudication proceedings initiated by the board 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, rules, or regulations made thereunder	None

5. Services Offered

Discretionary Portfolio Management Services (DPM Services):

Under DPM Services, the Portfolio Manager shall deploy the Portfolio of its Clients by investing and/or divesting suitably in the Indian capital markets as per the Act and the Regulations. The Portfolio Manager shall act in fiduciary capacity, both as an agent as well as trustee, with regards to the Client's Portfolio consisting of investments, accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value).

The Portfolio Manager will provide DPM Services, which includes the responsibility of managing, renewing and reshuffling the Portfolio, buying and selling of Securities, keeping safe custody of the Securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee's structure, entirely at the risk of the Client.

The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the Client in any type of Securities as defined herein in such markets and make such changes in the investments in such manner as it may deem fit. 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 anytime thereafter except on the grounds of malafide, fraud, conflict of interest, or gross negligence. This Portfolio Manager shall always function in accordance with the relevant Acts, Rules and Regulations, guidelines and notifications in force from time to time.

b) Non-Discretionary Portfolio Management Services:

Under this category, the investment decisions of the Portfolio Manager are guided by the instructions received from the Client under an agreement executed between the Portfolio Manager and the Client. The deployment of Funds is the sole discretion of the Client and is to be exercised by the Portfolio Manager in a manner that strictly complies with the Client's instructions. The decision of the Client in deployment of Funds and the handling of his / her / its Portfolio is absolute and final. The role of the Portfolio Manager, apart from adhering to investments or divestments upon instructions of the Client, is restricted to providing market intelligence, research reports,

trading strategies, trade statistics, and such other material which will enable the Client to take appropriate investment decisions. However, the Portfolio Manager will continue to act and be strictly guided by relevant guidelines, Acts, Rules, Regulations, and notifications in force from time to time. For the purpose of acting on the Client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed to such as e-mail, fax, telephone or suitable and secured message and may include buying and selling securities and monitoring book closures, dividend, bonus, rights, etc. so that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a definite described period, entirely at the Client's risk.

c) Advisory Services:

The Portfolio Manager will provide other advisory services, in terms of the SEBI (Portfolio Manager) Regulations, 2020, which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy and investment and divestment of Client's investment portfolio for an agreed fees structure and for a period hereinafter described, entirely at the risk of the Client, to all eligible category of investors who can invest in Indian capital market including NRIs, PIOs, FIIs, etc. The Portfolio Manager shall be acting as an advisor only to the investment portfolio of the Client and shall not be responsible for the investment/divestment of Securities and /or administrative activities on the Client's investment portfolio. 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. Further, the company proposes to provide other fee-based personal finance advisory services such as Financial Planning, Tax Advisory, Estate Planning, etc.

Option of Direct On-Boarding of Clients

The Portfolio Manager offers the option of direct onboarding to clients under the Discretionary Services / Non-discretionary Services. At the time of onboarding of clients directly, no charges except statutory charges shall be levied for the onboarding. The Client may drop an email to info@escorpamc.co.in to avail the Portfolio Management Services.

The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines

The Portfolio Manager does not envisage investments in the securities of its related parties/associates. In case of any opportunity for such Investments, the Portfolio Manager shall comply with the following limits as provided in accordance with Regulation 24(3A) of SEBI (PMS) Regulations read with SEBI Master circular dated July 16, 2025 and such other circulars/guidelines that may be issued from time to time, following limits/process shall be followed with respect to investments in Associate Companies / Related Parties:

Security	Limit for investment in single associate/related party (as a percentage of the client's AUM)	Limit for investment across multiple associates/related parties (as a percentage of the client's AUM)
Equity	15%	25%
Debt and Hybrid Securities	15%	25%
Equity + Debt + Hybrid Securities	30%	

- (A) Portfolio Manager shall invest upto 30% of Clients asset under management in securities issued by Associate Companies / Related Parties.
- (B) The investments shall be made within the following limits specified by SEBI from time to time:

- (C) The investments shall be made within the following limits specified by SEBI from time to time:
- (D) No investment shall be made in unrated debt securities of Associate companies / Related Parties.
- (E) The limit stated above shall not be applicable for investments in mutual funds managed by any Associate Company / Related Party and /or itself by the Portfolio Manager.
- (F) Prior one-time consent shall be sought from the Clients by the Portfolio Manager for making any investment in securities issued by Associate Company / Related Party.
- (G) Any passive breach shall be rectified within a period of 90 days from the date of the breach.
- (H) However, a client may provide prior positive consent to the Portfolio Manager for waiver from rebalancing of the portfolio to rectify any passive breach of investment limits.
- (I) Hybrid securities includes units of Real Estate Investment Trusts (REITs), units of Infrastructure Investment Trusts (InvITs), convertible debt securities and other securities of like nature

6. Risk factors

A. General Risk 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 Approaches will be achieved, and investors are not being offered any guaranteed returns. The investments may not be suitable for all investors.
 - (3) Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in the 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 Approaches can be restricted in the event of a high asset allocation to cash, when the 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 a few sector(s) under any Investment Approach, there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fail 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
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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 a 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 microeconomic 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, a relatively small number of scrips 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 the 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 a decrease in the spread of floating rate Securities, the price can rise.

- (14) Liquidity or Marketability Risk

The ability of the Portfolio Manager to execute a 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 the 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 on 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 be invested at a lower rate.

D. Risk associated with derivative instruments

(17) The use of a 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 the decision of the 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 the 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, as well as illiquidity risk, whereby the Portfolio Manager may not be able to sell or purchase derivatives 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 that 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 the liquidity of the scheme's investments, which at times may 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 be 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 monetary 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 that 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 the 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 an investment objective to invest in a specific sector/industry would be exposed to the risk associated with such a sector/industry, and its performance would be dependent on the performance of such a sector/industry. Similarly, the portfolios with an investment objective to have larger exposure to certain market capitalization buckets would be exposed to the risk associated with the 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 the portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found to have a conflict of interest with the transactions in any of the client's portfolios.
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- (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 on an arm's length basis.
- (30) The Portfolios may invest in their Associates/ Related Parties relating to portfolio management services, and thus, a 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 an arm's 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

a) Investment / Portfolio Management and Advisory Fees:

The fees relate to Portfolio Management Services offered to Clients. The fees are (as a percentage) related to the Net Asset Value (NAV) of the Portfolio under investment management, and may be fixed, variable, or a combination of both. In case fees are variable, the basic principles for the calculation of fees are as follows:

- The fees are charged upon exceeding the benchmark rate as specified in the PMS agreement.
- The fee shall be computed on the basis of the high-water mark principle over the life of the Portfolio.
- High water mark shall be the highest value that the Portfolio has reached. The value of Portfolio for the computation of the high water mark shall be taken to be the value on the date on which performance fees are charged.
- Performance-based fee would be only on the increase in Portfolio value in excess of the previously achieved high water mark.

Upfront Fee / Exit Fee: The Portfolio Manager may also charge an upfront (entry) fee at the time of subscription and exit fees at the time of redemption of the Portfolio by the Client. The actual fees charged by the Portfolio Manager for each Client shall be determined separately as specified in the Agreement, and the fees may vary from Client to Client. Further, the fees chargeable for the new Portfolio introduced by the Portfolio Manager shall be given separately. Service tax and statutory levies would be levied separately as per the prevailing rates from time to time.

b) Custodian / Depository Fees:

The charges relate to opening and operation of Depository Accounts, custody and transfer charges for securities, dematerialisation and rematerialisation, and other charges in connection with the operation and management of the Depository Accounts.

c) Registrar and Transfer Agent Fees:

Charges payable to registrars and transfer agents in connection with the transfer of securities, including stamp duties, cost of affidavits, notary charges, postage stamps, and courier charges, and other related charges, would be recovered.

d) Brokerages and Transaction Fees:

The brokerage charges and other charges like service tax, stamp duty, transaction fees, including bank charges, turnover tax, securities transaction tax, or any other tax levied by statutory authorities on the purchase and sale of securities, and entry or exit loads (if any) on units of Mutual Funds. We confirm that all such charges will be debited to client accounts at actuals only, and no additional levy will be charged by us on the same.

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 dividends, interest on securities, income from units of mutual funds, etc., from investments made in India is subject to the provisions of tax deduction at source (TDS). Residents without a Permanent Account Number (PAN) are subjected to a higher rate of TDS.

In the case of non-residents, any income received or accrued or arises, or deemed to be received or accrued 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 a PAN or tax residency certificate (TRC) of the country of their residence are currently subjected to a higher rate of TDS.

The Finance Act, 2021, introduced a special provision to levy a higher rate for TDS for residents who are not filing an income-tax return in time for the previous two years, and the 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 the 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 units) and units of equity-oriented mutual funds, units of UTI, and 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 fewer	Twenty-four (24) or fewer	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 fewer	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

Definition of Specified Mutual Fund:

Before 1st April 2025:

“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.

On and after 1st April 2025:

“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).*

• **Definition of debt and money market instruments:**

“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 an oriented fund or business trust**

The Finance Act 2018 changed the method of taxation of long-term capital gains from the 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 an oriented fund or units of a business trust are 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 the tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Further, to avail such a concessional rate of tax, STT should also have been paid on the acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring the fulfilment of the precondition of chargeability to STT.

Long-term capital gains arising on transactions 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, are 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 up to 31 January 2018, a mechanism has been provided to “step up” the COA of Securities. Under this mechanism, COA is substituted with FMV, where the sale consideration is higher than the FMV. Where the sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

Specifically, in the case of long-term capital gains arising on the sale of shares or units acquired originally as unlisted shares/units up to 31 January 2018, COA is substituted with the “indexed COA” (instead of FMV) where the sale consideration is higher than the indexed COA. Where the 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 a 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gains arising out of the redemption of units.

No deduction under Chapter VI-A or rebate under Section 87A will be allowed from

the above long-term capital gains.

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

Long-term capital gains in respect of capital assets (all securities and units other than listed shares and units of equity-oriented mutual funds and business trusts) are 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 the cost of acquisition as adjusted by the 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 the Finance Act, 2017, the base year for indexation purposes has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take the Fair Market Value of the asset as on that date. Further, it provides that the 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 the 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 assets 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 of 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 transactions 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 assets irrespective of the 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 assets, then any gain/loss arising from the 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 the facts of the case. Any expenses incurred to earn such interest income should be available as a 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 satisfies one of the 4 four. The following elements are tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
 - It results in direct/indirect misuse or abuse of the IT Act;
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- 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 an 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 the place of residence of a party, or the location of a transaction, or the 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 the 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 issued clarifications on the implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as follows:

- 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 the 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:
 - the name and address of the entity, TIN assigned to the entity by the country of its residence; and
 - 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
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- 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 the portfolio management fee.

9. Accounting policies

The 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 receipts, 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 a historical cost basis.
- (3) Transactions for the 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 is recorded and reflected in the financial statements for that year.
- (4) All expenses will be accounted on a 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 a mutual fund. Securities transaction tax, demat charges, and Custodian fees on purchase/ sale transactions would be accounted as expenses 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 a 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 losses 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
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and the historical cost of the Securities. For derivatives, 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 an accrual basis. Further, mutual fund dividends shall be accounted for on a 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 is 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 the 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 the Association of Portfolio Managers in India (APMI) from time to time.
 - (17) Unlisted equities are valued at prices provided by an independent valuer appointed by the Portfolio Manager based on 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
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norms applicable to the mutual funds.

The Investor may contact the customer service 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 a change in the market practice followed for the valuation of similar Securities. However, such changes would be in conformity with the Regulations.

10. Investor Services

I. Investors who wish to provide feedback or send their Queries or Grievances may lodge the same between 10:00 a.m. to 07:00 p.m. on a Working Day through any of the following methods:

- (i) Call – Investor Support Help Desk on 022 - 62166999
- (ii) Website – Investors can visit the website of the Portfolio Manager at <https://www.escorpamc.co.in/> and lodge their complaint through the Contact us page.
- (iii) Visit the office of the Portfolio Manager to register their grievances. Oral complaints, if any, should be followed by submission of a written complaint; or
- (iv) Email: Investors can send their grievance through email at info@escorpamc.co.in
- (v) Physical Letter: Write to the Senior Management Office at

Name: Mr. Shripal Shah, Director
Address: 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg,
Fort, Mumbai – 400001
Email: info@escorpamc.co.in

Investors shall ensure that they quote their PMS Account Code in every correspondence with the Portfolio Manager regarding their Queries or Grievances. Anonymous Queries will not be addressed in terms of this Grievance Redressal Mechanism.

The officer mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this officer is invested with the necessary authority, independence, and wherewithal to handle investor complaints. The complaints by investors should be sent to the above-mentioned address to Mr. Shripal Shah, the Investor Relations Officer.

II. Grievance redressal and dispute handling mechanism.

(i) Through Portfolio Manager:

The Portfolio Manager shall attend to and address any client's query or concern as soon as possible to mutual satisfaction and provide the necessary resolution in a reasonable manner and time. The portfolio manager shall take adequate steps for redressal of grievances of the investors within Twenty-One (21) calendar days of the date of the receipt of the complaint and keep SEBI informed about the number, nature, and other particulars of the complaints received.

(ii) Through SCORES Portal:

Clients may also register/lodge their grievances with the Securities and Exchange Board of India (SEBI) on SCORES (SEBI Complaints Redressal System) Portal, i.e., <https://scores.sebi.gov.in/>.

(iii) Through the Online Dispute Resolution (“LODR”) mechanism:

Disputes between Clients (including institutional/corporate clients) and Portfolio Managers can be resolved in accordance with the ODR mechanism or by harnessing online conciliation and/or online arbitration as specified in the Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated 20 December 2023, as updated from time to time.

III. *Dispute Settlement Mechanism*

All disputes, differences, claims and questions whatsoever, which may arise under the Agreement between the Client and the Portfolio Manager and/or their respective representatives or any clause or anything contained therein or otherwise in any way relating to or arising from the Agreement shall, in the first place be settled by mutual discussions between the parties, failing which the same shall be referred to a sole arbitrator and such arbitration shall be in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. Such Arbitration proceedings shall be held in Mumbai and conducted in the English language.

The Agreement with the Client shall be governed and construed in accordance with the Laws of India and shall be subject to the exclusive jurisdiction of the courts at Mumbai. The Agreement and the rights and liabilities of the parties shall always be subject to the Act, the Regulations, the Rules and guidelines of SEBI and other concerned authorities.

11. Details of the diversification policy of the portfolio manager

The Portfolio Manager invests the funds of the clients in accordance with the stated investment objectives of the respective strategy. Further, no investments are proposed to be made in securities issued by associate/related parties of the Portfolio Manager. Portfolio diversification of a client is done by judiciously investing the corpus in an optimum number of securities – based on the client’s risk profile – and deploying the funds across sectors and market cap.

The Portfolio Manager diversification policy includes the following considerations in managing the Client’s funds and mitigating risk that could arise from non-diversification.

- a) Portfolio construction basis Investment Approach objectives.
 - b) Number of securities and level of concentration of securities based on percentage, sectors/industry.
 - c) Adhering to the limits of investment prescribed under the applicable Regulation.
 - d) Client’s guidance on limits/restrictions for investment in securities
 - e) Nature of securities, viz., equity, debt, liquid, and market capitalisation/sector/industry, etc.
 - f) Liquidity nature of the securities
-

Part-II- Dynamic Section

12. Client Representation

(i)

Category of clients	No. of clients	Funds managed (Rs. In Lacs)	No. of clients	Funds managed (Rs. In Lacs)	No. of clients	Funds managed (Rs. In Lacs)	Discretionary / Non Discretionary (if available)
	31st March 2026		31st March 2025		31st March 2024		
Associate / Group Companies (Last 3 Years)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others (Last 3 Years)	5	1999.51	02	175.35	01	88.24	Discretionary

(ii)

There are no related party transactions with respect to PMS activities; however, the following key related party relationships/transactions exist:

- We share our office premises with our corporate promoter and group companies
- We may enter into transactions (on arm's length) from time to time for routine business operations or funding requirements.
- Further, we wish to note that currently we do not propose to use the services of our associate firms for broking services for PMS activities; however, if we decide to do so, we will make a specific disclosure in this document.

13. Financial Performance

(in lacs)

Particulars	FY 2026	FY 2025
Income	443.74	1959.74
Expenses	78.72	47.60
Profit before Tax	365.01	1912.14
Profit after Tax	298.13	1628.40

14. Performance of Portfolio Manager

Particulars	2026	2025	2024
Portfolio Performance (%), Net of all fees charged and levied by the portfolio manager.	1.29%	-2.49%	25.33%
Benchmark Performance %	-3.12%	5.11%	24.85%

15. Audit Observations

The following are the details of Audit observations during the preceding 3 years:

Audit Period	Audit remarks/observations
April 01, 2023 – March 31, 2024	NIL
April 01, 2024- March 31, 2025	NIL
April 01, 2025- March 31, 2026	NIL

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

Two of our associate/group companies are listed on the BSE main board, respectively. The Portfolio Manager does not propose to invest in securities issued by associates or related parties. Therefore, this clause is not currently applicable to the Company.

The company has obtained the required consents from clients for any potential transactions that may be executed in the near future.

FOR ESCORP ASSET MANAGEMENT LIMITED

SHRIPAL SHAH
(Director)
DIN: 01628855

SHREYAS SHAH
(Director)
DIN: 01835575

Place: Mumbai
Date: May 20, 2026
