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

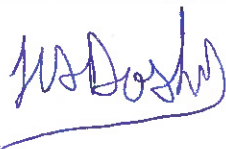
We confirm that:

- (i) the Disclosure Document ("**Document**") forwarded to Securities and Exchange Board of India ("**SEBI**") is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI 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 in the Portfolio Management;
- (iii) The Document has been duly certified by an independent Chartered Accountant as on January 20, 2022.

Name of the Firm:	Morzaria & Associates
Firm Registration number:	129763W
Proprietor:	Vikas Morzaria
Membership Number:	108691
Address:	101, Ratna Kunj, Eksar Road, Borivli (W), Mumbai 400092

A copy of the chartered accountant's certificate, certifying that the disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make a well-informed decision, has been enclosed herein.

**For and on behalf of
White Whale Partners LLP**



Signature of the Principal Officer
Name of the Principal Officer: Mr. Hardik Doshi

Date: January 20, 2022
Place: Mumbai

The Partners
White Whale Partners LLP
206, Prospect Chambers, 2nd Floor,
Dr. D. N. Road, Fort,
Mumbai 400001

Verification of particulars stated in the portfolio management services disclosure document

We have verified the adequacy of the particulars stated in the portfolio management services disclosure document, as at January 18, 2022, prepared by White Whale Partners LLP for the purpose of filing with the Securities and Exchange Board of India (SEBI), in accordance with the Fifth Schedule of the SEBI (Portfolio Managers) Regulations, 2020 to enable the investors to make a well informed decision.

Based on our examination of the books of account, records and documents maintained and produced to us and on the basis of information and explanations given to us, we certify that the particulars stated in the disclosure document are true and fair.

For and on behalf of
Morzaria & Associates
Firm Registration No.: 129763W
Chartered Accountants
VIKAS Digitally signed by
 VIKAS DHIRENDRA
DHIRENDRA MORZARIA
MORZARIA Date: 2022.01.20
 15:49:56 +05'30'
Vikas Morzaria
Proprietor
Membership No: 108691
UDIN: 22108691AAAAAJ4192

Place: Mumbai
Date: January 20, 2022

**WHITE WHALE PARTNERS LLP
DISCLOSURE DOCUMENT**

[As required under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020]

I. Declaration:

- a) This Disclosure Document (hereinafter referred as this “**Document**”) has been filed with the Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 “**Regulations**”).
- b) The purpose of this Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making an informed decision for engaging ‘White Whale Partners LLP’(hereinafter referred as the (“**Portfolio Manager**”)as the portfolio manager.
- c) This Document contains the necessary information about the Portfolio Manager required by an investor before investing. The investor may also be advised to retain this Document for future reference.
- d) The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the correspondence address of the Portfolio Manager are as follows:

PRINCIPAL OFFICER	PORTFOLIO MANAGER
Name: Hardik Doshi	Name: White Whale Partners LLP
Phone: +91 9820201239	Address: 206, Prospect Chambers, 2 nd Floor, Dr. D. N. Road, Fort, Mumbai – 400001, India.
E-mail: hdoshi@whitewhale.in	

Date: January 18, 2022

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III. Contents:

1) Disclaimer

- a) Particulars of this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 as amended till date and filed with SEBI.
- b) This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

2) Definitions

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

- (a) **Agreement:** means the discretionary portfolio management services agreement entered between the Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.
- (b) **Applicable Law/s:** means any applicable statute, law, ordinance, regulation including the Regulations, circular, rule, order, by law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law, as is in force from time to time.
- (c) **Capital Contribution:** means the amounts contributed by the Client for investments in accordance with the terms of the Agreement from time to time during the Term.
- (d) **Chartered Accountant:** means a Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.
- (e) **Client / Investor/s:** means individuals, company, body corporate, partnership firm, association of persons, limited liability partnership, trust, Hindu undivided family and such other persons as may be deemed by the Portfolio Manager, to be eligible to avail of the services of the Portfolio Manager from time to time under the PMS.
- (f) **Disclosure Document or Document:** means this document issued by the Portfolio Manager.
- (g) **Financial Year:** means a period of 12 months commencing on 1st of April and ending on the 31st March of the succeeding year.
- (h) **Management Fee:** means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (i) **Performance Fee:** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

- (j) **Portfolio /Client Portfolio:** means the total holdings of all Portfolio Investments, Securities, goods and funds belonging to the Client in accordance with the Agreement.
- (k) **Portfolio Entity/ies:** means companies, enterprises, entities, bodies corporate, venture capital funds, trusts, limited liability partnerships, partnership firms or any other entities in the Securities in which the monies of the Portfolio are invested subject to Applicable Laws.
- (l) **Portfolio Investments:** means investments in Securities of one or more Portfolio Entity/ies made by the Portfolio Manager on behalf of the clients under the PMS from time to time.
- (m) **Portfolio Manager:** means White Whale Partners LLP having its registered office as 206, Prospect Chambers, 2nd Floor, Dr. D. N. Road, Fort, Mumbai – 400001, India, who pursuant to a contract or arrangement with a Client / Investor, advises or directs or undertakes on behalf of the Client / Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of Securities or goods or the funds of the Client / Investor, as the case may be.
- (n) **Principal Officer:** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager.
- (o) **PMS:** means the discretionary service platform provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement and in accordance with the terms of this Document.
- (p) **PML Laws:** means the Prevention of Money Laundering Act, 2002, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.
- (q) **Product:** means the investment products with the respective investment strategy/features, introduced by the Portfolio Manager from time to time.
- (r) **Regulations:** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.
- (s) **Securities:** shall mean and include securities/instruments of Portfolio Entities including equity shares, quasi equity shares, preference shares, debentures (whether convertible or non-convertible and whether secured or unsecured and whether listed or unlisted), convertible securities, depository receipts, bonds, secured premium notes, government securities, pass-through certificates, treasury bills, units, derivatives, equity linked products, debt, hybrid debt products, mortgage-backed securities, commercial debt papers, notes, units of a trust, units of a mutual fund, units of alternative investment fund and any other instrument falling within the

definition of 'security' under section 2(h) of the Securities Contract (Regulation) Act, 1956.

- (t) **Term:** means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.
- (u) **Termination Fee:** means the termination fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.

Capitalized terms used in this Document but not defined herein (but defined in the Regulations) shall have the same meaning as assigned to them in the Regulations.

3) Description

(i) History, Present Business and Background of the Portfolio Manager

(a) History, Major events and present activities

White Whale Partners LLP is a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008 on December 05, 2017 at Mumbai. It has a portfolio manager license (registration number INP000006970 since January 14, 2020) to offer investment management, portfolio management and advisory services to High Net-worth Individuals (HNIs), institutional clients, corporates and other permissible class of investors. The Portfolio Manager is currently engaged in providing corporate advisory services to companies *inter alia* for fund raising purposes and acting as a facilitator between investors and companies and fostering the development of such companies.

(ii) Partners, Designated Partner, Portfolio Manager and their background

(a) Hardik Doshi, CFA, Principal Officer

Hardik's 19 year career includes 6 years of equity research at Lehman Brothers in New York and 13 years of investing experience in India as head of the investment research team at First Voyager, advisor to the TVF Fund, a large India-focused FII fund. Hardik brings an institutional mindset, a keen assessment into quality of businesses and a strong risk-reward framework across investment opportunities. Hardik holds a degree in Bachelor of Science in business administration from the University of Richmond, summa cum laude, and is a CFA charter holder.

(b) Mr. Kunal Vora, Designated Partner

Mr. Vora has a decade of global investment experience spanning USA, Europe, Middle East and India. His experience includes his role within the core investment team of the Global Value Fund at FM Capital Partners in London, a \$1+ billion hedge fund catering to sovereign wealth funds.

In the year 2004, he joined Marsh McLennan (USA) as risk analyst where he provided risk management solutions for Fortune 500 clients such as ING Clarion and Interpublic Group.

During his tenure with Marsh McLennan (USA), he analyzed risk exposure for operations and business continuity and developed risk programs to mitigate client exposure. In the year 2005, he joined Dealogic (USA) where he worked as research analyst and carried out research in the area of financial market activity and depicted trends in mergers and acquisitions and capital markets in USA and emerging markets. He also presented research to investment teams of clients such as Merrill Lynch, Citigroup, Lehman Brothers and JP Morgan Chase.

While working with GBM Investments (UAE), he conducted investment research diversified across equities, fixed income and real estate within emerging markets. He further analyzed macro trends and carried out industry and company specific research to identify opportunities that met internal risk-return parameters. He also provided investment advisory services to emerging market funds and family offices globally and conducted detailed fundamental research for proprietary investments. At FM Capital Partners (UAE), he was responsible for investing in global equity opportunities on behalf of the Global Value Long-Short Equity Fund with over \$1 billion in assets under management. He also conducted fundamental bottom-up research that included valuation analysis, buying and selling targets and hedging strategies. He has published investment research across a variety of topics including capital market activity, macro-economic trends, and industry analysis and company research.

He has completed his Master of Business Administration from the London Business School, where he helped in developing the Value Investing program. While at the London Business School, he was the President of the Investment Management Club where he was responsible for managing the Student Investment Fund, which is a part of the business school's endowment fund. He has a Bachelor of Science from the Stern School of Business at New York University where he was recipient of the Joseph Juran award.

(c) Inner Circle Partners LLP, Partner

Inner Circle Partners LLP (“**Inner Circle**”) is a limited liability partnership incorporated on November 30, 2018 under the Limited Liability Partnership Act 2008. Inner Circle's registered office is at 02, Inner Circle Road, Bistupur, Jamshedpur– 831001, Jharkhand, India. Inner Circle is primarily engaged in the business of providing warehousing and logistics support for various products and commodities across India. Inner Circle has nominated Mr. Shapath Parikh as its designated partner.

(d) Mr. Shapath Parikh, Designated Partner and Compliance Officer

Mr. Shapath Parikh has 18 years of combined experience in investment banking, entrepreneurship and corporate advisory services. He has a Bachelor of Science degree from the Stern School of Business, New York University where he graduated in the year 2001. From 2001 to 2012, Mr. Parikh held senior roles at top investment banks in New York and Mumbai, including Barclays, Nomura and Lehman Brothers, during which time he worked on closing M&A advisory and capital raising transactions worth in excess of \$30 billion in aggregate value. He then founded an entrepreneurial venture in the hotel / hospitality industry before starting White Whale Partners LLP. He also served as a book running lead manager on various IPOs in India while working with Lehman Brothers (Mumbai) and Barclays (Mumbai).

(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis

Not Applicable.

(iv) Details of the services being offered: Discretionary, Non – Discretionary and Advisory

The Portfolio Manager proposes to primarily carry on discretionary portfolio management services and if opportunity arises thereafter, then it also proposes to render non-discretionary portfolio management services and advisory services. The key features of all the said services are provided as follows:

(a) Discretionary Services:

Under the discretionary PMS, our services are being offered under the name “White Whale North Star Portfolio” and “White Whale Liquid Portfolio” (Investment Approach). The choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager’s decision (taken in good faith) in deployment of the Client’s account is absolute and final and cannot be called in question except on the ground of fraud, *malafide action*, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws in force from time to time, including the Regulations. Periodical statements in respect of the Client’s assets under management shall be sent to the respective Clients. White Whale offers investors the option of direct onboarding. The minimum investment amount at PAN level will be INR 50,00,000 (Fifty Lakh Rupees Only) as prescribed by Regulations.

(b) Non-Discretionary Services:

Under the non-discretionary PMS, the assets of the client are managed in consultation with the Client. Under this service, the assets are managed as per the requirements of the Client after due consultation with the Client. The Client has complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager *inter alia* manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client.

(c) Advisory Services:

The Portfolio Manager may provide investment advisory services, in terms of the Regulations, which shall include the responsibility of advising on the portfolio strategy and investment and divestment of individual securities on the Client’s Portfolio, for an agreed fee structure and for a defined period, entirely at the Client’s risk; to all eligible category of Investors who can invest in Indian market. The Portfolio Manager shall be solely acting as an advisor to the Client Portfolio and shall not be responsible for the investment / divestment of Securities and / or any administrative activities on the Client’s 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.

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

(i) All cases of penalties imposed by SEBI or the directions issued by SEBI under Applicable Laws.

I. One-time peak margin penalty imposed by SEBI in January, 2021

(ii) The nature of the penalty/direction.

SEBI imposed a one-time penalty of INR 4,162 on the Portfolio Manager in relation to the new peak margin norms when the Portfolio Manager commenced its portfolio management services. This has already been resolved and the Portfolio Manager does not have any pending penalties.

(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 SEBI or any regulatory agency.

None.

(vi) Any enquiry/ adjudication proceedings initiated by SEBI against the Portfolio Manager or its partners, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its partners, principal officer or employee, under Applicable Laws.

None.

5) Services Offered

I. The present investment objectives and policies including the types of securities in which it generally invests shall be clearly and concisely stated in this Document for easy understanding of the potential investor.

1. WHITE WHALE NORTH STAR PORTFOLIO

(a) Investment Objective

The investment objective of the Portfolio Manager under its PMS is to provide superior and consistent risk adjusted returns for the Client. The Portfolio Manager may invest capital contributions in listed, unlisted equity and debt Securities and any other permissible securities/instruments/products as per Applicable Laws. The Portfolio Manager would seek to generate capital appreciation as well as returns on Client's capital by such investments.

(b) Investment Approach

The Portfolio Manager will invest in public markets in India with a private equity mindset. It will focus on investing in high quality listed companies in India, run by top management teams that can compound capital at healthy rates over a long period of time. The Investment Approach runs a concentrated portfolio of around 15 positions. There is a high emphasis on deep bottom up fundamental analysis in order to deliver differentiated returns.

(c) Type of securities in which Portfolio Manager will invest

The Portfolio Manager will predominantly invest capital contributions in listed securities across different market capitalizations and/or liquid funds (>75% of AUM). Besides this, the Portfolio Manager may also invest in unlisted equity and debt securities and any other permissible securities/instruments/products (<25% of AUM) and as per Applicable Laws.

(d) Benchmark and basis for its choice

Given the multi-cap nature of the strategy, the broadest representative of the market i.e. BSE 500 is more suitable as a benchmark. Hence, the Portfolio Manager will use BSE 500 as a benchmark.

(e) Investment Horizon

Minimum investment horizon is 12 months however; the PMS Strategy is designed to achieve optimum returns over a long period of time, usually 3-5 years.

(f) Risks

Risks associated with this Investment Approach are similar to those mentioned below in (6) Risk factors.

2. WHITE WHALE LIQUID PORTFOLIO

(a) Investment Objective

The investment objective of the Portfolio Manager under the Liquid portfolio is to invest in schemes of liquid/overnight funds that are SEBI registered mutual funds. The Portfolio Manager may invest capital contributions in single or multiple schemes of liquid/overnight funds and any other permissible securities/instruments/products as per Applicable Laws. The Portfolio Manager would seek to generate risk adjusted returns for clients with a low to medium risk profile.

(b) Investment Approach

The Portfolio Manager will invest in liquid/overnight funds in India with a low to medium risk profile mindset. This approach is suitable for investors who are seeking investments in Liquid Schemes of Mutual Funds and cash, and are willing to take low risk.

(c) Investable Instruments

The Portfolio Manager will invest in schemes of liquid funds that are SEBI registered mutual funds with a low to medium risk profile.

Instruments	Indicative allocation (% of net assets)	Risk Profile
Liquid/Overnight Mutual Funds / Cash	0-100%	Low to Medium

(d) Benchmark

Given the nature of the Approach, the Portfolio Manager will use Nifty 10 yr Benchmark G-Sec.

(e) Recommended Investment Horizon

This Approach is suitable for parking of funds for a short-term investment horizon.

(f) Basis of Selection

Selection of Mutual Fund is made on the basis of meeting the liquidity requirements and risk profile of the investors.

(g) Investment Restriction or Constraints

The Portfolio Manager will invest only in Liquid or Overnight Category Mutual Funds under the “White Whale Liquid Portfolio”. The said portfolio will not take exposure to any equity, Fixed Income or derivatives.

(h) Risk Factors

Risks associated with this Investment Approach are similar to those mentioned below in (6) Risk factors. However, some risks pertaining to this approach have been mentioned below:

- The Portfolio Manager will invest in a Liquid Funds and overnight Funds of Mutual Funds. Hence, the performance of the portfolio would depend upon the performance of the underlying assets.
- Any change in the investment policies or fundamental attributes of the underlying assets will affect the performance of the portfolio. Investment in the liquid and overnight funds will have all the risks associated with the debt markets including price risk, credit risk and reinvestment risk.

II. 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.

Since there are no associates/group companies of the Portfolio Manager, there are no such policies for making investments in associates/group companies.

6) Risk factors

General Risk:

- Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS will be achieved.
- The Portfolio Manager has no previous experience/track record in the field of portfolio management services and has obtained a license to function as a portfolio manager only in the year 2020.
- Without prejudice to the above, the past performance of the Portfolio Manager does not indicate its future performance.
- Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission, commission, or failure to act, save and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager.
- The Client Portfolio may be affected by settlement periods and transfer procedures.
- The portfolio management service is subject to risk arising out of non-diversification as the Portfolio Manager under its PMS may invest in a particular sector, industry, few/single Portfolio Entity/ies. The performance of the Client Portfolio would depend on the performance of such companies/industries/sectors of the economy.
- Investments could be subject to loss of capital depending on macro and company specific risks.

Other risks arising from the investment objectives investment strategy and asset allocation are stated as under:

Management and Operational Risk:

Reliance on the Portfolio Manager

- The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have

considerable latitude in its choice of Portfolio Entities and the structuring of investments. Furthermore, the team members of the Portfolio Manager may change from time to time.

- The investment decisions made by the Portfolio Manager may not always be profitable.
- Investments made by the Portfolio Manager are subject to risks arising from the investment objectives, investment strategy and asset allocation.

Inter-se different activities: The Portfolio Manager and its affiliates may involve in a variety of advisory, management and investment-related activities including management of alternative investment funds in the future. The Investment Manager and any of its affiliate/group entities may, from time to time, act as investment managers or advisers to entities, companies or funds apart from the portfolio management activities under the PMS. It is therefore possible that the Portfolio Manager and its affiliates may in the course of their business have potential conflicts of interest inter-se different activities.

Exit Load: Client may have to pay a high exit load/Termination Fee to withdraw the funds/Portfolio (as stipulated in the Agreement with the Client). In addition, they may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in line with the Regulations.

Non-diversification risks: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments, however, the Portfolio Manager will attempt to maintain a diversified portfolio in order to minimize this risk. The Portfolio Manager may, however, choose to maintain a concentrated portfolio, especially in the case of a portfolio involving a high proportion of / entirely of unlisted securities.

No Guarantee: Investments in Securities are subject to market risks and Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, the value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

India-related Risks:

Political, economic and social risks: Political instability or changes in the government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The Portfolio Entity's business may be affected by interest rates, currency exchange rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. Nevertheless, the government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the

government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the Portfolio Entity/ies.

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

Covid-19 continues to spread actively across the country. While the lockdown is being gradually released, reversion of the it, could materially impact the growth prospects of the country and the companies we are invested in.

Legal and Tax risks:

Tax risks: Changes in state and central taxes and other levies in India may have an adverse effect on the cost of operating activities of the Portfolio Entities. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes.

Bankruptcy of Portfolio Entity: Various laws enacted for the protection of creditors may operate to the detriment of the PMS if it is a creditor of a Portfolio Entity that experience financial difficulty. For example, if a Portfolio Entity becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the Portfolio Investment to other creditors. If the PMS/Client holds equity securities in any Portfolio Entity that becomes insolvent or bankrupt, the risk of subordination of the PMS'/Client's claim increases.

Change in Regulation: Any change in the Regulations and/or other Applicable Laws or any new direction of SEBI may adversely impact the operation of the PMS.

Risks pertaining to Investments:

Investment in Securities/Instruments

- The Client Portfolio may comprise of investment in unlisted securities, fixed income securities, debt securities/products and in case of such securities, the Portfolio Manager's ability to protect the investment or seek returns or, liquidity may be limited.

- In case of *in-specie* distribution of the securities by the Portfolio Manager upon termination or liquidation of the Client Portfolio, the same could consist of such securities for which there may not be a readily available public market. Further, in such cases, the Portfolio Manager may not be able to transfer any of the interests, rights or obligations with respect to such securities except as may be specifically provided in the agreement with Portfolio Entities. If an *in-specie* distribution is received by the Client from the Portfolio Manager, the Client may have restrictions on disposal of assets so distributed and consequently may not be able to realize full value of these assets.
- Some of the Portfolio Entities in which the Portfolio Manager will invest may get their securities listed with the stock exchange after the investment by the Portfolio Manager. In connection with such listing, the Portfolio Manager may be required to agree not to dispose of its securities in the Portfolio Entity for such period as may be prescribed under the Applicable Law, or there may be certain investments made by the Portfolio Manager which are subject to a statutory period of non-disposal and hence Portfolio Manager may not be able to dispose of such investments prior to completion of such prescribed regulatory tenures and hence may result in illiquidity.
- The Client Portfolio may be invested in listed securities and as such may be subject to the market risk associated with the vagaries of the capital market.
- The Portfolio Manager may also invest in Portfolio Entity/ies, which are new or recently established or are investment vehicles like mutual funds/trusts/ venture capital funds. Such investments may present greater opportunities for growth but also carry a greater risk than is usually associated with investments in listed securities or in the securities of established companies, which often have a historical record of performance.

Risks associated with investments in equity and equity linked securities:

- Equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.
- In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.
- The value of the Client Portfolio, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, spread of Covid pandemic, changes in policies of the government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.
- Client may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.

Risks associated with investments in fixed income securities/products:

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not restricted to:

- **Interest Rate Risk:** As with all debt securities, changes in interest rates affects the valuation of the portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of portfolios.
- **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is a characteristic of the Indian fixed income market.
- **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Because of this risk, debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Rating risks:** Different types of debt securities in which the Client invests, may carry different levels and types of risks. Accordingly, the risk may increase or decrease depending upon its investment pattern, for instance corporate bonds carry a higher amount of risk than government securities. Further, even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.
- **Price volatility risk:** Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these securities may be less liquid than that for other higher rated or more widely followed securities.

Investment and Liquidity Risks: There may be no active secondary market for investments of the kind the Portfolio Manager may make for the Client Portfolio. Such investments may be of a medium-to-long term nature. There are a variety of methods by which unlisted investments may be realized, such as the sale of investments on or after listing, or the sale or assignment of investments to joint-venture partners or to third parties subject to relevant

approvals. However, there can be no guarantee that such realizations shall be achieved and the Portfolio's investments may remain illiquid.

Since the Portfolio may only make a limited number of investments, poor performance by one or a few of the investments could severely adversely affect the total returns of the PMS.

Identification of Appropriate Investments: The success of the PMS as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

7) Client Representation

- (i) The Portfolio Manager commenced its portfolio management services operations from November, 2020. Details are below:

Category of Clients	Associates/Group Companies	Others	Others
	As of 31 st December, 2021	As of 31 st March, 2021	As of 31 st December, 2021
No. of Clients	N/A	24	36
	Funds Managed (INR Cr.)		
Discretionary	N/A	22.46	41.05
Non-Discretionary	N/A	N/A	N/A
Advisory	N/A	N/A	N/A

- (ii) **Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.**

The Portfolio Manager has no transactions with related parties.

8) The Financial Performance of Portfolio Manager(based on audited financial statements)

Profit & Loss Statement

Particulars (INR)	As at March 31, 2019	As at March 31, 2020	As at March 31, 2021
Total Income	9,90,000	11,91,002	30,55,631
Total Expenses	9,93,938	15,88,797	22,37,111
Profit/(Loss) before Tax	(3,938)	(3,97,795)	8,18,520
(-) Provision for Tax	-	-	2,59,000
Profit/(loss) after Tax	(3,938)	(3,97,795)	5,59,520

Balance Sheet

Particulars (INR)	As at March 31, 2019	As at March 31, 2020	As at March 31, 2021
Partner's Capital Total*	5,81,902	2,01,84,107	2,07,43,626
Total Assets	10,68,692	2,09,22,349	3,62,99,449
Less: Liability	4,86,790	7,38,242	1,55,55,823
Net worth	5,81,902	2,01,84,107	2,07,43,626

*Represents Partners' net account balances.

9) Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary Portfolio disclosure of performance indicators calculated using weighted average method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020

The Portfolio Manager recently registered with SEBI and commenced its portfolio management services from November, 2020.

Investment Approach	Return (%)	
	1 Year	Since Inception
White Whale Liquid Portfolio	1.65%	1.65%
Nifty 10 yr Benchmark G-Sec	2.79%	2.79%
White Whale North Star Portfolio	29.93%	38.43%
Nifty 50	24.12%	37.39%

10) Audit Observations

There is no such observation raised by our auditor in the last 3 years.

11) Nature of expenses

The following are the general costs and expenses to be borne by the Clients availing the services of the Portfolio Manager. However, the exact nature of expenses relating to each of the following services is annexed to the Agreement in respect of each of the services provided.

Nature of Expenses	Maximum Indicative Rate (% p.a.) (basis clients daily average assets under management)	
	Option 1	Option 2
Fee Structure for White Whale North Star Portfolio		
Management Fee	2.25% p.a.	1.75% p.a.
Performance Fee	N/A	Up to 15% profit share p.a. over 10% hurdle rate
Termination Fee	As per Regulations: 0-12 months: 3%	As per Regulations: 0-12 months: 3%

	12-24 months: 2% 24-36 months: 1% >36 months: None	12-24 months: 2% 24-36 months: 1% >36 months: None
Brokerage Charges	At Actual	At Actual
Custodian Fee	Not exceeding 0.50% p.a.	Not exceeding 0.50% p.a.
Registrar Fee		
Transfer Agent Fee		
Fund Accounting Charges		
Audit Fee		
Incidental Expenses		
Fee Structure for White Whale Liquid Portfolio		
Fees	Rs.2000/- p.a.	

I. Management fee:

The Management Fee relates to the portfolio management services offered to the Clients. The fee may be a fixed charge or a percentage of the quantum of the funds being managed.

II. Performance fee:

The Performance Fee relates to the share of profits charged by the Portfolio Manager, subject to high water mark principle.

III. Termination fee:

The Portfolio Manager may charge early withdrawal fee as a percentage of the value of the Portfolio /withdrawn Portfolio as per the terms and conditions of a particular Product and in line with the Regulations.

IV. Other fees and expenses:

Custodian fees, costs associated with investor servicing & fund accounting, registrar and transfer agent fees, depository charges, franking, notarization charges, brokerage, any taxes including but not limited to goods and services tax, security transaction tax & other statutory levies, audit fees and legal fees would be charged from the Client Portfolio, based on actual.

12) Taxation

The general information stated below is based on the general understanding of direct tax laws in force in India as of the date of the Disclosure Document and is provided only for general information to the Client only vis-à-vis the investments made through the Portfolio Management Services of the Company. This information gives the direct tax implications on the footing that the securities are/will be held for the purpose of investments. In case the securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be

examined on a case-to-case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/the date of making investment shall endure indefinitely.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Company to induce any client, prospective or existing, to invest in the portfolio management schemes of the Company. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. The Client should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of individual nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the Client is advised to best consult its or his or her own tax consultant, with respect to specific tax implications arising out of its or his or her portfolio managed by the Company.

It is the responsibility of all prospective clients to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the investments.

The following summary is based on the law and practice of the Income-tax Act, 1961 (the "IT Act"), the Income-tax Rules, 1962 (the "IT Rules") and various circulars and notifications issued there under from time to time. The IT Act is amended every year by the Finance Act of the relevant year and this summary reflects changes to the date. The tax rates specified below are for the Financial Year ('FY') 2021-22 (Assessment Year 2022-23) as prescribed under the current provisions of the IT Act. The rates are inclusive of surcharge and health and education cess (unless stated otherwise) and are stated at the highest applicable slabs.

The applicable rate of surcharge in case of foreign companies is 2% where the income exceeds INR 1 crore but is less than or equal to INR 10 crore and is 5% where the income exceeds INR 10 crore. In case of resident companies having total income exceeding INR 1 crore but not exceeding INR 10 crore, surcharge of 7% on income tax is applicable. In case of resident companies having total income exceeding INR 10 crore, surcharge of 12% is applicable. In case of domestic companies opting for special tax rate under Section 115BAA and Section 115BAB of the IT Act, surcharge of 10% is applicable. In case of firms having total income exceeding INR 1 crore, surcharge of 12% is applicable. Surcharge rate for resident and non –resident assesses other than one mentioned above (individuals, HUFs, AOP, BOI)

Income (INR)	Surcharge on Income tax
< 50 lakhs	Nil
50 lakhs – 1 Crore	10%
1 Crore – 2 Crore	15%
2 Crore – 5 Crore	25%
>5 Crore	37%

However, the surcharge rate in case of income arising due to dividend, capital gains on transfer of listed equity shares or unit of an equity-oriented fund or unit of a business trust shall not exceed 15%. Surcharge rate on and Buy Back Distribution Tax ('BBT') is 12%.

In addition to the above, Health and Education Cess at the rate of 4% shall be leviable on aggregate of tax and surcharge. In this Disclosure document, we have assumed that the highest surcharge rate would be applicable to an investor.

Taxation in hands of Clients

I. Characterization of income

Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the Indian Revenue authorities. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as 'business income' or as 'capital gains'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case.

Regarding characterization of income from transactions in listed shares and securities, the Central Board of Direct Taxes ("CBDT") had issued a clarificatory Circular No. 6 of 2016 dated February 29, 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and securities, which are held for more than twelve months would be taxed under the head 'Capital Gains' unless the taxpayer itself treats these as its stock-in-trade and transfer thereof as its business income.

In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F.No.225/12/2016/ ITA.II dated May 2, 2016 stating that income arising from transfer of unlisted shares would be considered under the head 'Capital Gains' irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach. However, the above shall not apply in the following cases: the genuineness of transactions in unlisted shares itself is questionable; or the transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or the transfer of unlisted shares is made along with the control and management of underlying business and the Indian Revenue authorities would take appropriate view in such situations.

II. Taxation of Resident clients

The tax implications in the hands of resident clients on different income streams are discussed below:

Dividend income

Prior to the amendments by the Finance Act, dividends declared by an Indian company were exempt in the hands of all shareholders, irrespective of their residential status. However, the Indian company declaring, distributing or paying the dividends was required to pay a Dividend Distribution Tax ('DDT') of 15% (exclusive of surcharge and health and education cess). The DDT rate was to be on a grossed-

up basis. DDT was the Indian company's liability and not the recipient shareholder's liability.

As per the amendments made by the Finance Act, the Indian Company declaring dividend on or after 1 April 2020, would not be required to pay any DDT on dividend distributed/ paid/ declared to its shareholders. The dividend income shall be taxable in the hands of the shareholders under section 56 of the IT Act under the head 'Income from Other Sources' at the applicable rates (except where DDT and tax under section 115BBDA of the IT Act has been paid). Further, the taxpayer can claim a deduction of interest expenditure under section 57 of the IT Act against such dividend income up to 20% of the dividend income.

Section 80M is introduced by the Finance Act. As per Section 80M, in case any Indian company receives dividend from another Indian company or foreign company or business trust and the dividend is distributed by the first mentioned Indian company before the specific due date (i.e. one month prior to the date of filing tax return under section 139 of the IT Act), then deduction can be claimed by such Indian company of so much of dividend received from such another Indian company or foreign company or business trust.

The Indian Company declaring dividend would be required to deduct tax at 10% (in case of payment to resident investors) and at rates in force i.e. 20% (in case of payment to non-resident investors). In case, the dividend income is paid to FPI, the rate of tax deduction as per section 196D is 20%.

As per the amended provisions, the dividend income (net of deductions, if any) shall be taxable at the following rates:

Resident Investors

Dividend Income earned by	Tax rate for domestic investors
Resident companies (Refer to note 1 and 2)	34.944%
Firms/ LLP	34.944%
Others (Refer to note 3)	As per applicable slab rates and surcharge being restricted to 15%, maximum being 35.88%

Note 1: The Finance Act, has reduced tax rate to 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2018-19 (Assessment Year 2019-20).

Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfillment of conditions prescribed in the said sections

Note 3: The Finance Act has inserted a new section 115BAC in the IT Act. As per the said section, resident Individual and HUF will have an option to pay tax on their total income at the reduced tax rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions. Prior to Finance Act, 2020, dividends declared by a mutual fund were exempt in the hands of all unit holders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the dividends has paid a DDT at rates prescribed under section 115R of the IT Act on the dividends distributed, declared or paid. With effect from 01 April 2020, distributions from mutual fund shall be taxable in the hands of the investor at applicable rates.

Interest Income

Under the IT Act, interest income should be taxable in the hands of the resident clients as under:

Interest Income received by	Tax rate for domestic clients
Resident companies (refer to note 1 and 2)	34.944%
Firms	34.944%
Others (refer to note 3)	As per applicable slab rates, maximum being 42.744%

Note 1: The Finance Act has reduced tax rate to 25% in the case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2018-19 (Assessment Year 2019-20).

Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfillment of conditions prescribed in the said sections.

Note 3: The Finance Act has inserted a new section 115BAC in the IT Act. As per the said section, resident Individual and HUF will have an option to pay tax on their total income at the reduced tax rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions. Capital gains Assuming the gains arising from sale of capital assets such as shares and securities of the Indian portfolio companies is characterized as capital gains in hands of the resident Client, such Client be liable to pay taxes on capital gains income as under:

Period of holding

Capital assets are classified as long-term assets ("LTCA") or short-term assets ("STCA"), based on the period of holding of these assets. The period of holding of the asset is computed from the date of acquisition to the date of transfer. Depending on the period of holding for which the shares and securities are held, the gains would be taxable as short-term capital gains ("STCG") or long term capital gains ("LTCG"). This is discussed below:

Nature of asset	STCA	LTCA
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For assets being shares in a company or any other security (other than units) listed on a recognized stock exchange in India i.e. equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero coupon bonds	Held for not more than 12 months	Held for more than 12 months
For assets being shares of a company (other than shares listed on a recognized stock exchange in India) and immovable property being land or building	Held for not more than 24 months	Held for more than 24 months
For assets other than those specified above	Held for not more than 36 months	Held for more than 36 months

Taxation of capital gains

Depending on the classification of capital gains, the resident clients would be chargeable to tax as per the IT Act as under:

Nature of Income	Tax rate for beneficiaries who are resident companies	Tax rates for resident individuals/HUF/ AOP/BOI	Tax rates for other residents (Firms, LLPs)
STCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which Securities Transaction Tax ("STT") has been paid	17.472%	17.940%	17.472%
Other STCG	34.944% (Note 1)	42.744%	34.944%
LTCG on transfer of (i) listed equity shares on a recognised stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which STT has been paid (Note 2)	11.648% (without indexation)	11.960% (without Indexation)	11.648% (without indexation)

LTCG on transfer of listed securities [other than units of mutual funds, listed bonds and listed debentures] and on which STT has not been paid	11.648% (without indexation) or 23.296% (with indexation), whichever is lower	14.248% (without indexation) or 28.496% (with indexation), whichever is lower	11.648% (without indexation) or 23.296% (with indexation), whichever is lower
LTCG on transfer of listed bonds and listed debentures (Note 3)	11.648% (without indexation)	14.248% (without indexation)	11.648% (without indexation)
LTCG on transfer of units of mutual fund (listed or unlisted) other than equity oriented fund	23.296% (with indexation)	28.496% (with indexation)	23.296% (with indexation)
LTCG on transfer of unlisted securities (other than unlisted bonds and unlisted debentures)	23.296% (with indexation)	28.496% (with indexation)	23.296% (with indexation)
LTCG on transfer of unlisted bonds and unlisted debentures	23.296% (without indexation)	28.496% (without indexation)	23.296% (without indexation)

Note 1: As per the Finance Act, 2020, corporate tax at the rate of 29.120% should be applicable for the financial year 2020-21 in the case of domestic companies having total turnover or gross receipts in the financial year 2018-19 not exceeding INR 400 crores. As per the Taxation Laws (Amendment) Ordinance, 2019 No. 15 of 2019, companies may opt for beneficial tax rate of 25.168% in case of existing domestic companies (as per section 115BAA of the Act) and 17.16% for new domestic manufacturing companies (asper section 115BAB of the Act) subject to prescribed conditions. The Finance Act, 2020 has inserted a new section 115BAC in the IT Act. As per the said section, Individuals and HUFs will have an option to pay tax on its total income at the reduced tax rates. The income would however have to be computed without claiming prescribed deductions or exemptions.

Note 2: The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust, with effect from April 1, 2018. As per section 112A of the IT Act, the LTCG above INR 0.01 crore on following transfers shall be taxable at 10%: listed equity shares (STT paid on acquisition and transfer); and units of equity oriented mutual fund and business trust (STT paid on transfer)

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains.

The CBDT has issued a notification on October 1, 2018, specifying the transactions where the condition of STT on acquisition would not apply for applying tax rate of 10% on transfer of listed equity shares.

Further, the CBDT has clarified by way of FAQs that long-term capital gains in case of FPIs will be determined in the same manner as in the case of resident taxpayers.

Note 3: The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) without indexation on long-term capital gains arising on sale of listed bonds and debentures.

Note 4: In case of an individual or HUF, being a resident of India, where the total income as reduced by such long term capital gains or short term capital gains is below the maximum amount which is not chargeable to income-tax then such long term capital gains or short term capital gains shall be reduced by such shortfall amount and only the remaining balance of such long term capital gains or short term capital gains shall be subject to tax at the applicable rate.

Note 5: For the purpose of calculation of long-term capital gains (with indexation), the base year for indexation has been shifted from 1981 to 2001. In other words, if an asset is acquired prior to 01 April 2001, the fair market value as on 01 April 2001 will have to be considered as the cost of acquisition and the indexed cost of acquisition will have to be worked out accordingly with the cost of inflation for the year 2001. The CBDT has vide Notification No. SO 1790(E) [No. 44/2017 (F.No. 370142/11/2017 – TPL)] dated 05 June 2017 notified the revised cost inflation index u/s. 48 of the IT Act.

III. Taxation of Non-Resident clients

A non-resident investor would be subject to taxation in India only if; it is regarded a tax resident of India; or being a non-resident in India, it derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued in India in terms of the provisions of the IT Act.

Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company should be treated as a tax resident in India if its place of effective management (“POEM”) is in India in that year. The Finance Act, 2016 provided that the said amended provisions are effective from April 1, 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The CBDT had vide its Circular dated January 24, 2017 issued guiding principles for determination of POEM of a company (“POEM Guidelines”). The POEM Guidelines lays down emphasis on POEM concept being 'substance over form' and further provides that place where the management decisions are taken would be more important than the place where the decisions are implemented for determining POEM. The CBDT had vide circular dated 23 February 2017 clarified that provisions of Sec 6(3)(ii) relating to POEM would not apply to companies having turnover or gross receipts less than Rs. 50 crore during the Financial Year.

Tax Treaty Benefits

As per Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance

Agreement (“Tax Treaty”) between India and the country of residence of the offshore investor to the extent of availability of Tax Treaty benefits to the offshore clients. However, no assurance can be provided that the Tax Treaty benefits would be available to the offshore investor or the terms of the Tax Treaty would not be subject to amendment or reinterpretation in the future.

Tax Residency Certificate (“TRC”)

Section 90(4) of the IT Act provides that in order to claim Tax Treaty benefits, the offshore investor has to obtain a TRC as issued by the foreign tax authorities. Further, the offshore investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC. The details required to be furnished are as follows:

- Status (individual, company, firm, etc.) of the assessee;
- Nationality (in case of an individual) or country or specified territory of incorporation or registration (incase of others);
- Assessee’s tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident;
- Period for which the residential status, as mentioned in the TRC, is applicable; and
- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

The additional information prescribed above may not be required to be provided if it already forms a part of the TRC.

The taxability of income of the offshore investor, in the absence of Tax Treaty benefits or from a country with which India has no Tax Treaty, would be as per the provisions of IT Act as discussed below:

Dividend Income

As per the amendments in The Finance Act 2020, the dividend income would be taxable directly in the hands of investors. Deduction of interest expense should be allowed under section 57 of IT Act against such dividend income, with overall capping of 20% of dividend income. Such net dividend income should be chargeable to tax at the rate of 20% as per the provisions of the IT Act.

However, if treaty benefits are available, gross amount of dividend should be chargeable to tax at the rates stated in treaty.

Prior to Finance Act, 2020, dividends declared by a mutual fund were exempt in the hands of all unitholders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the dividends has paid a DDT at rates prescribed under section 115R of the IT Act on the dividends distributed,

declared or paid. With effect from 01 April 2020, dividends from mutual fund shall be taxable at applicable rates.

Interest

Under the IT Act, interest income should be taxable in the hands of the non-resident clients as under:

Interest Income received by	Tax rate for the clients
Foreign companies	43.68%
Firms	34.944%
Others	As per applicable slab rates, maximum being 42.744%

The above rates would be subject to availability of Tax Treaty benefits, if any.

In case the investments made by the non-resident Indian ('NRI') Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI clients opt to be governed by these provisions under the IT Act, the interest income from specified assets should be taxable at the rate of 28.496% on gross basis. 'Specified asset' means shares in an Indian Company, debentures issued by an Indian public Company, deposits with an Indian public Company and any security of the Central Government as defined in Public Debt Act.

As per the IT Act, interest on rupee denominated corporate bonds and government securities payable to FPI would be subject to tax at the rate of 5.46% if following conditions are satisfied:

- Such interest is payable on or after 1 June 2013 and 1 July 2020
- Rate of interest does not exceed the rate notified by Central Government

If the above concessional tax rate is not available, then the interest income would be subject to tax rate at the rate of 21.84% for FPI clients.

Capital Gains

Assuming the gains arising from sale of capital assets such as shares and securities of the Indian portfolio companies is characterized as capital gains in hands of the non-resident Client, such Client be liable to pay taxes on capital gains income as under:

Period of holding: Period of holding of investment in the hands of non-resident investor will be same as resident clients stated above.

Taxation of capital gains: Depending on the classification of capital gains, the non-resident clients would be chargeable to tax as per the IT Act as under:

Nature of Income	Tax rate for beneficiaries who are non-resident companies	Tax rates for non-resident individuals/HUF/AOP/BOI	Tax rates for other non-residents (Firms, LLPs)
STCG on transfer of (i) listed equity share on a recognized stock exchange, (ii) to be	16.38%	17.940%	17.472%

listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which STT has been paid			
Other STCG	43.68%	42.744%	34.944%
LTCG on transfer of (i) listed equity shares on a recognized stock exchange, (ii) to be listed equity shares sold through offer for sale or (iii) units of equity oriented mutual fund and on which STT has been paid (Note 1)	10.92% (without indexation)	11.960% (without indexation)	11.648% (without indexation)
Long-term capital gains on transfer of listed bonds / listed debentures or other listed securities (other than units of mutual fund) on which STT has not been paid (Note 2 & 3)	10.92% (without indexation)	14.248% (without indexation)	11.648% (without indexation)
LTCG on transfer of units of mutual fund (listed or unlisted) other than equity oriented fund	21.84% (with indexation)	28.496% (with indexation)	23.296% (with indexation)
LTCG on transfer of unlisted securities	10.92% on gains computed in INR (without indexation)	14.248% on gains computed in INR (without indexation)	11.648% on gains computed in INR (without indexation)

Note 1: The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust, with effect from April 1, 2018. As per section 112A of the IT Act, the LTCG above INR 0.01 crore on following transfers shall be taxable at 10%: listed equity shares (STT paid on acquisition and transfer); and units of equity oriented mutual fund and business trust (STT paid on transfer)

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains.

The CBDT has issued a notification on October 1, 2018, specifying the transactions where the condition of STT on acquisition would not apply for applying tax rate of 10% on transfer of listed equity shares.

Further, the CBDT has clarified by way of FAQs that long-term capital gains in case of FPIs will be determined in the same manner as in the case of resident taxpayers.

Note 2: Based on judicial precedents, non-residents may avail the concessional tax rate (as mentioned above). However, the possibility of Indian Revenue Authorities

disregarding the said position and applying a tax rate of 20%(plus applicable surcharge and cess) cannot be ruled out.

Note 3: The Indian tax authorities may seek to apply a higher rate of 20% (plus applicable surcharge and cess) without indexation on long-term capital gains arising on sale of listed bonds and debentures.

Note 4: In case of a non-resident individual or HUF where the total income as reduced by such long term capital gains or short term capital gains is below the maximum amount which is not chargeable to income-tax then such long term capital gains or short term capital gains shall be reduced by such shortfall amount and only the remaining balance of such long term capital gains or short term capital gains shall be subject to tax at the applicable rate.

Note 5: For the purpose of calculation of long-term capital gains (with indexation), the base year for indexation has been shifted from 1981 to 2001. In other words, if an asset is acquired prior to 01 April 2001, the fair market value as on 01 April 2001 will have to be considered as the cost of acquisition and the indexed cost of acquisition will have to be worked out accordingly with the cost of inflation for the year 2001. The CBDT has vide Notification No.SO 1790(E) [No. 44/2017 (F.No. 370142/11/2017 – TPL)] dated 05 June 2017 notified the revised cost inflation index u/s. 48 of the IT Act.

In case the investments made by the NRI Clients are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI clients opt to be governed by these provisions under the IT Act,(i) any income from LTCA other than a specified assets should be taxable at 20% (plus applicable surcharge and cess) and (ii) any long-term capital gains on specified asset should be taxable at the rate of 10% (plus applicable surcharge and cess).

As per Section 115F of the IT Act, long term capital gains arising to a non-resident Indian on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in any specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. "Foreign exchange asset" means any specified asset which the assessee has acquired or purchased with, or subscribed to in, convertible foreign exchange.

IV. Other relevant provisions for resident as well as non-resident clients under the IT Act

If gains are categorized as business income: If the gains are categorized as business income, it shall be taxable at the slab rate highest being 42.744% in case of clients beings individual/HUF/AOP/BOI (resident as well as non-resident), and at the rate of 34.944% in case of resident and non-resident clients other than stated above. For a foreign company it shall be taxable at the rate of 43.68%.

Proceeds on buy-back of shares by company: As per the Section 10(34A) of the IT Act, gains arising on buy-back of shares (both listed and unlisted) are exempt in the hands of clients. However, as per section 115QA of the IT Act, a distribution tax at the rate of 23.296% is payable by an Indian company on distribution of income by

way of buy-back of its shares if the buyback is in accordance with the provisions of the Companies Act, 2013. Such distribution tax should be payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, CBDT notified final buyback rules by inserting new Rule 40BB to IT Rules for determining the amount received by the Indian company in respect of issue of shares.

Deemed Sale Consideration on sale of unquoted shares: As per Section 50CA of IT Act, if there is a transfer of unquoted shares of a company at a value lesser than the Fair Market Value ('FMV'), then the FMV would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued rules for computation of FMV for the purpose of section 50CA of the IT Act. The taxability of such gains would be as discussed above. As per the Finance (No. 2), Act, 2019 the above provision shall not apply to any consideration received / accruing on transfer from such class of persons and subject to fulfillment of conditions as may be prescribed.

Deemed income on investment in shares / securities of unlisted companies in India: Section 56(2)(x), provides that any assessee receives any property (including shares, debentures etc.) without consideration or for inadequate consideration in excess of INR 0.005 crore as compared to the FMV shall be taxable in the hands of the recipient as Income from Other Sources. Rule 11UA provides mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act. As per the Finance (No. 2), Act, 2019, the above provision shall not apply to any sum of money or any property received from such class of persons and subject to fulfillment of conditions as may be prescribed. Notification in this regard is awaited. Such income is categorized as other income, it shall be taxable at the slab rate highest being 42.744% in case of clients beings individual/HUF/AOP/BOI (resident as well as non-resident), and at the rate of 34.944% in case of resident and non-resident clients other than stated above. For a foreign company it shall be taxable at the rate of 43.68%.

Issue of shares at a premium by a private company: In case, a resident subscribes to the shares of an Indian closely held company at a premium and the total consideration for subscription exceeds the face value of such shares, the difference between the total consideration for subscription and FMV of such shares would be considered as income from other sources. The same would be subject to tax in the hands of the investee companies under section 56(2)(viib) of the IT Act. For the above purposes, the FMV of shares would be determined as per detailed rules prescribed or as may be substantiated by the Company to the satisfaction of the tax officer based on the value of assets and liabilities, whichever is higher.

Redemption premium: There are no specific provisions under the IT Act, with regard to the characterization of the premium received on redemption of debentures. Considering the fact that the securities are held as a capital asset, premium on redemption of securities can either be treated as 'interest' or as 'capital gains'. The characterization of premium on redemption of securities as interest or a capital gains has to be decided based on factors surrounding the relevant case. Taxability of

'interest' and 'capital gains' in the hands of the investors is provided in earlier paragraphs.

Dividend stripping: In terms of Section 94(7) of the IT Act, losses arising on sale of securities or units of a mutual fund purchased within a period of 3 months prior to the record date for entitlement of exempt dividends and sold within a period of 3 months (or 9 months in case of units of mutual funds) after such record date, is to be ignored to the extent of the dividend received or receivable on such securities or units for the purpose of computing the taxable income

Bonus stripping: In terms of Section 94(8) of the IT Act, where additional units of mutual fund have been issued to any person without any payment, on the basis of existing units held by such person, the loss on sale of the original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired within a period of 3 months prior to the record date fixed for the receipt of additional units and sold within 9 months from such record date. However, the loss so ignored shall be considered as the cost of acquisition of all or any of the additional units held on the date of sale of such units.

Minimum Alternate Tax: The IT Act provides for levy of Minimum Alternate Tax ('MAT') on corporate if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income-tax payable in a financial year. This credit should be eligible to be carried forward for 15 years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year. As per the Taxation Laws (Amendment) Ordinance, 2019 No. 15 of 2019, MAT should not apply in case of domestic companies exercising option under section 115BAA and section 115BAB of the Act. If MAT is held to be applicable to the clients, then income receivable by such clients from their investment in the Fund shall also be included to determine the MAT. The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

Capital Gains Tax implications on conversion of convertible debentures: Conversion of debentures of a company into shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the Fund on conversion of convertible debentures of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible debenture would be deemed to be the cost of acquisition of such equity shares. Further, the holding period of the equity shares would commence from the date of subscription of debentures irrespective of date of conversion.

Capital Gains Tax implications on conversion of preference shares: Conversion of preference shares of a company into equity shares of that company is not regarded

as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the Fund on conversion of convertible preference shares of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible preference shares would be deemed to be the cost of acquisition of such equity shares. Further, the period of holding of the convertible preference shares will be considered for determining the period of holding of the resultant equity shares.

Securities Transaction Tax

Particulars	Payable by Purchaser	Payable by Seller
Delivery based purchase/sale transaction in equity shares or a unit of business trust entered into in a recognized stock exchange	0.1%	0.1%
Non-delivery based sale transaction in equity shares or units of equity oriented fund or unit of a business trust entered in a recognized stock exchange	N.A.	0.025%
Delivery based sale transaction of unit of equity oriented fund	N.A.	0.001%
Sale of options in securities	0.125% of the difference between the strike price and settlement price of the option (In case option is exercised)	0.05%
Sale of futures in securities	N.A	0.01%
Sale of a unit of an equity oriented fund to the Mutual Fund	N.A.	0.001%
Sale of unlisted units of a business trust under an offer for sale	N.A	0.2%

Withholding at a higher rate

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number ("PAN"), then tax is required to be deducted by the payer at higher of the following i.e. rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents.

As per Rule 37BC of the ITR, the following details and documents are prescribed:

- Name, e-mail id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and

- Tax identification number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Carry-forward of losses and other provisions

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.

General Anti Avoidance Rule (“GAAR”)

GAAR provisions have been introduced in chapter X-A of the IT Act (effective from Financial Year beginning on April 1, 2017), which provides that an arrangement whose main purpose is to obtain tax benefit and which also satisfies at least one of the four specified test as mentioned below, can be declared as an ‘impermissible avoidance arrangement’.

- Arrangement creates rights or obligations, which are not ordinarily created between persons dealing at arm’s length price;
- Arrangement directly or indirectly results in the misuse or abuse of the provisions of the IT Act;
- Arrangement lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- Arrangement is entered into, or carried out, by means, or in a manner, which are not ordinarily employed by bonafide purposes.

The GAAR provisions would override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the IT Rules. The IT Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 30 million. On January 27, 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

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

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:

- the name, address, taxpayer identification number [(‘TIN’) (assigned in the country of residence)] and date and place of birth [‘DOB’ and ‘POB’ (in the case of an individual)];
- 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, DOB, POB of each such controlling person and TIN assigned to such controlling person by the country of his residence;
- account number (or functional equivalent in the absence of an account number);
- account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- 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).

Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting

The Organization of Economic Co-operation and Development (‘OECD’) released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting.

MLI is an agreement negotiated under Action 15 of the OECD/G20 BEPS Project. As opposed to bilateral Double Taxation Avoidance Agreements, the MLI is intended to allow jurisdictions to swiftly amend their tax treaties to include the Tax Treaty-related BEPS recommendations in multiple Tax Treaties. MLI seeks to curb tax planning strategies that have the effect of shifting profits to low or no tax jurisdictions, supplements or modifies existing tax treaties etc.

The final impact of the MLI on a Tax Treaty is dependent on both the contracting states to the Tax Treaty having deposited their respective instruments of ratification with their final MLI Positions with the OECD Depository. The MLI includes both mandatory provisions (i.e. the minimum standards under the BEPS Project) as well as non-mandatory provisions.

India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs. The Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement Tax Treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on

ratification as well as positions adopted by both the countries signing a Tax Treaty. On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. The MLI entered into force from 1 October 2019 and operational with effect from the financial year beginning from 1 April 2020 in respect of certain treaties signed by India.

Once MLI evolves and is implemented in future, one would need to analyze its impact at that point in time on the existing tax treaties that India has entered into with other countries. There is limited guidance or jurisprudence at present on how the above will be interpreted by the Revenue authorities and applied.

Proposed change in the India tax regime

The Government of India intends to replace the current Income-Tax Act, 1961 with a new direct tax code ('DTC') in consonance with the economic needs of the country. The task force is in the process of drafting a direct tax legislation keeping in mind, tax system prevalent in various countries, international best practices, economic needs of the country, among others. At this stage, it is not possible to comment on the final provisions that the new DTC will seek to enact into law and consequently, no views in that regard are being expressed. There can be no assurance as to the implications of the final new DTC for the Company and its investors.

13) Accounting and Valuation Policies

Accounting Policy:

The following policy shall be followed while preparation of reports and accounts of clients:

- I. Trades will be accounted on trade date (T) accounting basis. Sale of security can be from only settled stock.
- II. The cost of acquisition in case of listed securities which are introduced as part of the corpus would be accounted at the previous day's/last available closing price on NSE/BSE.
- III. Investments acquired or sold by the Portfolio Manager shall include brokerage, Stamp duty, and other similar/incidental charges. Securities Transaction Tax ('STT') shall not be included in the cost of investments and shall be debited to the client's Income & Expenditure Account.
- IV. Bonus shares/units to which the Client becomes entitled shall be recognized only when the original shares/units on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- V. Rights entitlement shall be recognized only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-rights basis.
- VI. Other Corporate Action entitlement shall be calculated and accounted based on the end of the day ('EOD') position prevailing before the ex-date. For other investments, which are not quoted on NSE or BSE, dividend income shall be recognized on the date of receipt
- VII. In respect of all interest-bearing investments, income shall be accrued on a day-to-day

basis as it is earned. Therefore, when such investments are purchased, interest earned for the period from the last interest due date up to the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.

- VIII. In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out ('FIFO') method shall be followed.
- IX. Whenever Client specific unit allocation will be provided by the fund Manager (PMS), same will be used on that day for deal allocation.
- X. Transactions for purchase or sale of investments shall be recognized 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.
- XI. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the portfolio obtains its enforceable obligation to pay the price or, in the event of a sale, when the portfolio obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the securities sold.
- XII. Management fees are debited to the profit and loss account in accordance with the terms of the respective agreements.
- XIII. Performance fees if applicable would be booked as per the frequency and data provided by client/Portfolio manager.
- XIV. All other expenses payable by the client shall be accrued as per the frequency and data provided by client/Portfolio manager.
- XV. Financial year end will be followed as 31st March or such other day as may be prescribed by regulatory authorities
- XVI. The Portfolio Manager can adopt any specific norms or methodology for valuation of investments or accounting the same on a case specific basis.
- XVII. The accounting policies and standards as stated above may be modified from time to time by the Portfolio Manager, subject to such modifications being in conformity with the applicable regulations.

Valuation Policy:

Detailed security/asset-wise valuation policy, procedure & methodology for Investments

The valuation policy, procedure & methodology adopted by the Investment Manager for investments in securities/assets made on behalf of its Client is stated as under:

For the purpose of this document, National Stock Exchange (NSE) has been selected as the Principal Stock Exchange and Bombay Stock Exchange (BSE) has been selected as the Secondary Stock Exchange.

Equity and Equity Related Instruments

Type of Security	Valuation Policy
Traded Equity (fully or partly paid up) / ETFs	Traded Equity (whether fully or partly paid up) and ETFs shall be valued at the last quoted closing price on the Principal stock exchange. If no trade is reported on the Principal stock exchange on a particular valuation date, securities shall be valued at the last quoted closing price on the Secondary stock exchange. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the Principal stock exchange or Secondary (if not traded on the Principal stock exchange) on the previous day and so on.
Convertible Preference Shares (fully or partly paid up) Convertible Debentures (fully or partly paid up)	<ul style="list-style-type: none"> — Value as per Closing price on Principal Stock Exchange. — In the absence of price on the Principal Stock Exchange, the price at which it was traded on Secondary Stock Exchange would be adopted. — If the security is not traded on the valuation day on either of Principal or Secondary Stock Exchanges, then the previous day price on these exchanges would be used. — In case of unlisted securities, they will be valued at cost.
“Rights” Entitlement	<p>Post rights exercise date (ex-rights date) till actual listing of rights shares on the exchanges (say period of ~7-10 days),</p> <ul style="list-style-type: none"> — the value of the “rights” entitlement should be valued based on difference between ex-rights price of underlying security and rights offer price as detailed below: $V_r = n \times (P_{ex} - P_{of})$ Where V_r = Value of rights ; n = No. of rights offered ; P_{ex} = Ex-rights price ; P_{of} = Offer price <p>In case the rights offer price is greater than the ex-rights price, the value of the rights share is to be taken as zero.</p> <ul style="list-style-type: none"> — Where rights entitlements/renunciations are being listed & traded (whether traded on the valuation date or not), the rights entitlement should be valued at the traded price. — Upon Application being made, the shares applied (against rights entitlement) will be valued at closing price on Principal Stock Exchange & In the absence of price on the Principal Stock Exchange, the price at which it was traded on Secondary Stock Exchange would be adopted. Application for additional shares, if any, will be valued at cost. — Post allotment, if the shares acquired as part of rights issue are traded separately, then the closing price shall be used for valuation. Where these shares are not treated pari passu with the existing shares, suitable adjustment should be made to the value of these shares. <p>If the rights are on non-traded shares or unlisted shares, these</p>

	shall be valued by an independent valuer appointed by the Valuation Committee.
Equity and Equity related securities under lock-in period/ pending listing	Equity shares that are under lock-in would be valued at last quoted traded closing price of security on the Principal or Secondary Stock Exchange. Equity shares pending listing would be valued at allotment price
Suspended Security	<p>If a listed security is suspended for a certain period, then up to 30 days, the last traded price would be used for valuation and after 30 days, the valuation methodology would be decided on a case to case basis and approved by the Valuation Committee.</p> <p>Securities suspended due to corporate actions like merger/demerger/scheme of arrangement will be valued as elaborated separately in this policy.</p>
Corporate Actions: De-merger/ Merger/ Amalgamation/Scheme of Arrangement	<p>Following possibilities arise which influence valuation of securities due to corporate actions:</p> <p>Demerger</p> <ul style="list-style-type: none"> — If both the shares are traded immediately on de-merger, both the shares are valued at last quoted closing price of respective stocks — Shares of only one company continue to be traded on de-merger: <ul style="list-style-type: none"> — Traded shares shall be valued at last quoted closing price of the respective stocks and the other security is to be valued at last quoted closing price on the day before the demerger less value of the traded security post de merger. If in an extremely unlikely and exceptional situation, if value of the share of de merged company is equal or in excess of the value of the pre demerger share, then the nontrade share is to be valued at zero. — Both the shares are not traded on de-merger: Based on the last quoted closing price of the shares of the de-merged company prior to demerger, the value of the shares of the demerged and resulting companies will be computed. Hence, the share price of the demerged company prior to demerger will be allocated between the post-demerger companies on an appropriate basis like Price Earnings ratio, or net worth, or any other measure, as per the decision of the Valuation Committee. <p>Merger/Amalgamation/ Scheme of Arrangement</p> <p>Till the shares of the resulting Company are traded, value of the shares will be decided on a case to case basis depending on the terms of merger/amalgamation/scheme of arrangement and would have to be approved by the Valuation Committee. In case of a complex situation, the valuation committee may review the pricing and if needed engage an independent</p>

	valuer.
Warrants	In case warrants are not traded, they will be valued at cost till they get traded. Traded warrants shall be valued based on the closing price. In case, the amount payable on exercise of the warrants is higher than the value of the share, the value of the warrants is to be taken as zero. Value of warrant = value of share on exercise of warrant – exercise price

Mutual Funds & Fixed Income Instruments

Type of Security	Valuation Policy
Domestic Mutual Fund Units	Units of Mutual Funds shall be valued based on latest declared NAV per unit by the respective fund houses on AMFI website.
Bank Fixed Deposits	Bank Fixed Deposits will be valued at cost.
Fixed Income / Debt / Bonds	All types of Government Securities (G-Sec), State Development Loans (SDL), Treasury Bills (T-Bill), Commercial papers (CP), Certificate of Deposits (CDs), Corporate Bonds, Tax Free/Taxable Bonds, Non-Convertible Preference Shares/debentures and Perpetual Bonds will be valued by independent valuer appointed by the Valuation Committee.

14) Investors services

- (i) Details of investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:

Name:	Mr. Hardik Doshi
Address:	206 Prospect Chambers, D.N. Road, Fort, Mumbai 400001
Telephone No.:	+91 9820201239
Email Address:	hdoshi@whitewhale.in

Name:	Mr. Kunal Vora
Address:	206 Prospect Chambers, D.N. Road, Fort, Mumbai 400001
Telephone No.:	+91 9833002744
Email Address:	kvora@whitewhale.in

- (ii) Investors opting for a direct plan, may contact the Portfolio Manager directly at the above mentioned details.
- (iii) Grievance redressal and dispute settlement mechanism:
- The investment relation officer(s) will be the interface between the Portfolio Manager and the Client. In case the Client is not satisfied with the redressal by the Portfolio Manager or otherwise, the Client may lodge a complaint on SEBI's web-based complaints redress system (SCORES).

- Grievances, if any, that may arise pursuant to the Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations, 1993 and any amendments made thereto from time to time. However, all legal actions and proceedings are subject to the jurisdiction of court in Mumbai only and are governed by Indian laws.

The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Client remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Client and the Portfolio Manager shall abide by the following mechanisms:

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled through arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any amendment thereof. Such arbitration proceedings shall be held in Mumbai and the process as described in the Agreement or any supplemental agreement thereto shall be followed.

15) General

Prevention of Money Laundering

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and also any laws enacted by the government of India from time to time or any rules, regulations, notifications or directions issued there under and the investor is duly entitled to invest the said funds.

To ensure appropriate identification of the Client(s) under its KYC policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek information, record investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client is holding the funds/Securities in his name is legally authorized/entitled to invest the said funds through the services of the Portfolio Manager, for the benefit of the beneficiaries.

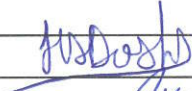


The Portfolio Manager will not seek fresh KYC from the Clients who are already KYC Registration Agency ("KRA") compliant and the ones who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded.

The Portfolio Manager and its partners, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with the provisions of the PML Laws and KYC policy and/or where the Portfolio

Manager believes that transaction is suspicious in nature within the purview of the PML Laws and/or for reporting the same to Financial Intelligence Unit – India (FIU-IND).

Notwithstanding anything contained in this Document, the provisions of the Regulations, PML Laws and the guidelines there under shall be applicable. Clients/Investors are advised to read this Document carefully before entering into an Agreement with the Portfolio Manager.

For and on behalf of WHITE WHALE PARTNERS LLP

Mr. Hardik Doshi, CFA		
Mr. Kunal Vora		
Mr. Shapath Parikh (as a nominee designated partner of Inner Circle Partners LLP)	:	 Inner Circle Partners LLP

Place: Mumbai

Date: January 18, 2022


Partner