

**WHITE OAK CAPITAL MANAGEMENT CONSULTANTS LLP**

**DISCLOSURE DOCUMENT**

**PORTFOLIO MANAGEMENT SERVICES**

**DISCLOSURE DOCUMENT OF  
PORTFOLIO MANAGEMENT SERVICES**

**BEING OFFERED BY**

**WHITE OAK CAPITAL MANAGEMENT CONSULTANTS LLP**

**KEY INFORMATION AND DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES  
UNDERTAKEN BY WHITE OAK CAPITAL MANAGEMENT CONSULTANTS LLP**

1. This Disclosure document has been filed with the Board along with a certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations 2020.
2. The purpose of this Disclosure document is to provide essential information about the portfolio management services in a manner to assist and enable the Investors in making decisions for engaging a Portfolio Manager.
3. This disclosure document contains necessary information about the Portfolio Manager, required by an Investor before investing and the Investor is advised to retain the Disclosure document for future reference.
4. The name, phone number, e-mail address of the Principal Officer so designated by the Portfolio Manager is:

<b>Name of the Principal Officer</b>	Mr. Parag Jariwala
<b>Phone</b>	022-62308111
<b>E-mail</b>	<a href="mailto:parag.jariwala@whiteoakindia.com">parag.jariwala@whiteoakindia.com</a>
<b>Website:</b>	<a href="http://www.whiteoakindia.com">www.whiteoakindia.com</a>

**Investors should carefully read the entire document before making a decision to invest and should retain it for future reference.**

**Disclosure Document dated – April 06, 2023**

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## **1. Disclaimer**

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

This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

## **2. Definitions**

In this Disclosure Document, unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively:

- (i) “Act” means the Securities and Exchange Board of India Act 1992 (15 of 1992).
- (ii) “Agreement” or “Portfolio Management Services Agreement” or “PMS Agreement” means the agreement executed between the Portfolio Manager and its Clients in terms of Regulation 22 and as per Schedule IV of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 and amendments to the Act from time to time.
- (iii) “Applicable Law” means any applicable Indian statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time. For the avoidance of doubt, the term ‘Applicable Law’ shall include the Regulations.
- (iv) “Board” means the Securities and Exchange Board of India.
- (v) “Bank” means any scheduled commercial bank, with which the Portfolio Manager will open and operate the bank accounts for the purpose of portfolio management services.
- (vi) “Client” or “Investor” means any person who registers with the Portfolio Manager and enters into an agreement with the Portfolio Manager for availing the services of portfolio management.
- (vii) “Custodian” means any entity(s) appointed as custodian by the Portfolio Manager from time to time and on case to case basis to provide custodial services and to act as a custodian on the terms and conditions agreed between the custodian and the Portfolio Manager.
- (viii) “Depository” means a body corporate as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Ltd. (“CDSL”).
- (ix) “Disclosure Document” means this disclosure document issued by White Oak Capital Management Consultants LLP for offering portfolio management services prepared in terms of Regulation 22 and Schedule V of the SEBI (Portfolio Managers) Regulations 2020.
- (x) “Financial year” means the year starting from 1<sup>st</sup> April and ending on 31<sup>st</sup> March of the following year.

- (xi) “Funds” means the moneys placed by the Client with the Portfolio Manager and any accretions thereto including the proceeds of the sale or sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
- (xii) “Initial Corpus” means the value of the funds and the value of readily realizable securities brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.
- (xiii) “Portfolio” means the total holdings of securities managed by the Portfolio Manager on behalf of the client by the Portfolio Manager, on the terms and conditions contained in the agreement and includes any further securities placed by the client with the Portfolio Manager for being managed pursuant to the Agreement, securities acquired by the Portfolio Manager through Investment of Funds and bonus and rights shares in respect of securities forming part of the portfolio, so long as the same is being managed by the Portfolio Manager.
- (xiv) “Portfolio Manager” means White Oak Capital Management Consultants LLP, incorporated under the Limited Liability Partnership Act, 2008 and having its registered office at Unit 6 B2/B3 6<sup>th</sup> Floor, Cnergy Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025
- (xv) “Principal Officer” means a person who has been designated as Principal Officer by the Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations 2020 and he will be responsible for the activities of Portfolio Manager.
- (xvi) “Regulations” means the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020, including rules, guidelines or circulars issued in relation thereto from time to time.
- (xvii) “SEBI” means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act 1992.
- (xviii) “Securities” means and includes Securities as defined under Securities Contracts (Regulation) Act 1956.

Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing portfolio management services.

### **3. Description.**

#### **a) History, Present Business and Background of the Portfolio Manager:**

White Oak Capital Management Consultants LLP (hereinafter referred to as ‘White Oak Capital’) was incorporated on June 06, 2017 at Mumbai. Mr. Prashant Khemka is the founder of White Oak Capital. White Oak Capital is also registered as an Investment Adviser with SEBI and is the Sponsor and Investment Manager to ‘White Oak India Equity Fund’, White Oak India Equity FundII’, White Oak India Select Equity Fund, White Oak India Equity Fund IV and White Oak India EquityFund V, all Category III AIF’s registered with SEBI.

White Oak Capital also acts as Investment Adviser to Acorn Asset Management Ltd, Mauritius and White Oak Capital Partners Pte Ltd, Singapore, which are Investment Managers to various Funds and segregated mandates.

**b) Promoters of the Portfolio Manager, Partners and their background:**

Mr. Prashant Khemka is the founder of White Oak Capital holding 51% of the ownership, Mr. Rajendra Khemka (on behalf of RKR Trust) holds 48.99% of the ownership, Ms. Mayadevi Rajendra Khemka holds 0.01% of the remaining ownership.

Prior to setting up White Oak Capital in June 2017, an investment advisory firm in India, Prashant Khemka spent 17 years at Goldman Sachs Asset Management (GSAM), most recently as CIO and lead PM of Global Emerging Markets (GEM) Equity and India Equity strategies.

He won several accolades as the CIO and Lead PM of GS India Equity. He and his fund won several awards including AAA rating from City wire and Elite rating from Fund calibre among others.

In addition to his long-standing India investing experience, Mr. Khemka brings a unique perspective derived across developed and emerging market equities having successfully managed, US and global emerging markets funds for leading institutions, during the last two decades.

Mr. Khemka started his professional investing career in 1998 at SSGA in Boston as senior portfolio officer of Enhanced International equity in the quant group. He started his career at GSAM in 2000 as a research analyst in US Growth Equity, and by 2004 he rose to become Senior Portfolio Manager and Co-Chair of the Investment Committee of the team that managed over \$25bn in US equities.

He returned to Mumbai in 2006 to start GSAM India business and served as the CIO and CEO/Co-CEO of their domestic AMC while launching the offshore GS India strategy in 2007. On the back of his strong performance, in addition to India he was also made the CIO and lead PM of GEM equity in June 2013. During his tenure, he built these businesses to over US\$5bn in AUM with top ranking peer group performance.

Mr. Khemka graduated with honors from Mumbai University with a BE in Mechanical Engineering and earned an MBA in Finance from Vanderbilt University, where he received the Matt Wigginton Leadership Award for outstanding performance in Finance. He was awarded the CFA designation in 2000 and is a fellow of the Ananta Aspen Centre, India.

**Details of Key Investment Management and other personnel:**

Name	Designation	Years of Experience	Brief Profile
Rohit Chordia	Senior Investment Analyst	16	Rohit has over 16 years of total experience with over 14 years in the investment industry having covered the Indian Telecom, Consumers and IT services sectors as a sell-side analyst at Kotak Institutional Equities. Rohit was consistently ranked amongst the top analysts in both his lead coverage sectors in polls conducted by Institutional Investor and Asia Money. Prior to his sell-side stint, Rohit spent a couple of years working with Ameriprise Financial as a financial analyst on areas like competitive intelligence and cost reengineering.

Parag Jariwala	Senior Investment Analyst	14	<p>Parag has over 14 years in institutional equity research Banking and Financial Services Institutions (BFSI) sector. Prior to joining White Oak, he worked as a lead analyst with Religare Capital. Before that he has worked with Macquarie and other domestic sell side firms covering BFSI sector. He was highly rated by marquee institutional clients for his original think pieces and primary research work in the sector.</p> <p>Parag is a chartered accountant and MBA from K J Somaiya Institute of Management of Mumbai University. He also holds CFA charter from the CFA Institute (AIMR).</p>
Sandeep Saraf	Head- Compliance and Legal	14	<p>Prior to joining White Oak Capital Management Consultants LLP in July, 2017 as Head – Compliance and Legal, Sandeep Saraf was heading the Compliance &amp; Company Secretary profile for 2 years at Crest Wealth Management Limited, a boutique Investment Management Firm in Mumbai, India. He began his professional career with Kotak Securities Limited and worked there for close to 5 years and thereafter worked for 1 year with Ladderup Finance Limited and 2 years with Religare Wealth Management Limited and handled Compliance, Risk, Secretarial and Legal profile for multiple businesses including broking, portfolio management service, alternative investment fund, foreign portfolio investment, merchant banking, wealth management and insurance broking.</p> <p>Sandeep holds a professional degree of Company Secretary awarded by the Institute of Company Secretaries of India (ICSI) and holds a Bachelor's degree in Law and Bachelor's degree in Commerce from the University of Goa.</p>

**c) Top 10 Group Companies/ Firms of the Portfolio Manager on turnover basis:**

The details of group/associate companies of the Portfolio Manager on turnover basis for the period ended March 31, 2022.

Sr. No.	Name of the Entities	Status
1	White Oak Capital Partners Pte Ltd (Incorporated in Singapore)	Promoted by Mr. Prashant Khemka
2	Acorn Asset Management Ltd (Incorporated in Mauritius)	Wholly owned subsidiary of White Oak Capital Partners Pte Ltd
3	White Oak Capital Management (UK) Ltd (Incorporated in United Kingdom)	Wholly owned subsidiary of White Oak Capital Partners Pte Ltd
4	White Oak Capital Management (Switzerland) AG (Incorporated in Switzerland)	Wholly owned subsidiary of White Oak Capital Partners Pte Ltd
5	White Oak Investment Management Private Limited	Promoted by Mr. Prashant Khemka
6	GPL Finance and Investments Private Limited	Majority owned subsidiary of White Oak Investment Management Private Limited.

7	Whiteoak Capital Asset Management Limited	Wholly owned subsidiary of GPL Finance and Investments Private Limited
8	Whiteoak Capital Trustee Limited	Wholly owned subsidiary of GPL Finance and Investments Private Limited

**d) Details of the services and Investment approaches/strategies being offered:**

White Oak Capital is currently providing discretionary portfolio management services and Advisory services but may in future provide non-discretionary services. The broad details of the services are given as below:

**(a) Discretionary Portfolio Management Services:**

In the case of discretionary portfolio management services, the Portfolio Manager shall independently manage the funds and securities of the Client in accordance with the provisions of the portfolio management service agreement. The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the Client in any type of security as per the executed agreement and make such changes in the investments and invest some or all of the Funds in such manner and in such markets as it deems fit. The Portfolio Managers' decision in deployment of the Clients' account is absolute and final and cannot be called to question or review at any time during the currency of the agreement or at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. Investment under the portfolio management services will be only as per the applicable SEBI regulations. The un-invested parts of the Client's Funds may at the discretion of the Portfolio Manager be held in cash or deployed in liquid fund schemes, exchange traded liquid or index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits, or other short-term avenues for investment. The Client's portfolios under the discretionary services are based on Client's investment objectives and should not be construed as any scheme promoted by the company.

**(b) Non-Discretionary Portfolio Management Services:**

Under this category, the Investment decisions of the Portfolio Manager are guided by the instructions received from the Clients under an agreement executed between the Portfolio Manager and the Client. The deployment of funds and/or securities is the sole discretion of the client and is to be exercised by the Portfolio Manager in a manner that strictly complies with the Clients instruction for execution. The decision of the client in deployment of Funds and/or securities and the handling of his/her/its Portfolio is absolute and final. The role of Portfolio Manager apart from adhering to investments or divestments upon instruction of the Client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the Client to take appropriate investment decision. However, the Portfolio Manager will continue to act and be strictly guided by relevant guidelines, Acts, Rules, Regulations and notifications in force from time to time. For the purpose of acting on the Client's instruction, the Portfolio Manager shall take instructions in writing or through any other medium mutually agreed such as e-mail, fax, telephone etc and may include managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio for an agreed fee structure and for a definite described period, entirely at the Client's risk.



**(c) Advisory Services:**

Under Advisory services, the Portfolio Manager in terms of the Regulations include the responsibility of advising on the portfolio strategy and investment and divestment of individual securities on the Clients' Portfolio, for an agreed fee and for a period as agreed, entirely at the Client's risk; to all eligible category of Investors who can invest in Indian market including NRIs, FIIs, etc.

The Portfolio Manager shall be solely acting as an advisor to the Portfolio of the Client and shall not be responsible for the investment/ divestment of securities and/ or an administrative activity 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. The Portfolio Manager shall not in any event and at any point of time be responsible in any manner whatsoever for any investment decision taken by the Client on the basis of the investment advice provided by the Portfolio Manager.

The Portfolio Manager may act upon any in-house research, commercially available databases & news services, external meetings and visits, third-party & broker research reports, publicly available information etc. Neither the Portfolio Manager nor any of its affiliates (nor any of their respective control persons, directors, officers, employees or agents) shall be liable to the Client or to any other person claiming through the Client for any claim, loss, damage, liability, cost or expense suffered by the Client or any other person arising out of or related to the advisory services provided therein.

**DIRECT ON-BOARDING OF CLIENTS:** White Oak Capital provides the facility for direct on-boarding of clients i.e. on-boarding of clients without intermediation of distributors.

**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 the Board or the directions issued by the Board under the Act or Regulations made there under.	Nil
ii	The nature of the penalty/ direction.	NA
iii	Penalties imposed for any economic offence and/or violation of any securities laws.	Nil
iv	Any pending material litigation/ legal proceedings against the Portfolio Manager/ Key Personnel with separate disclosure regarding pending criminal cases.	Nil
v.	Any deficiency in the systems and operations of the portfolio manager observed by the Board or regulatory agency.	Nil
vi	Any enquiry/ adjudication proceedings initiated by the Board or any regulatory agency against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Regulations.	Nil

## 5. Services Offered.

### (i) Investment Objectives and Policies:

The Portfolio Manager proposes to provide various portfolios/ services based on the mandate of the client as agreed upon between the Portfolio Manager and the Client in the application form / agreement signed by the Client. The investment objectives of the portfolios of the Clients depending on the Clients' needs could fall under any one or more of the following or any combination thereof:

- (a) to seek to generate capital appreciation / regular returns by investing in equity/ debt/ money market instruments / equity related securities and /or units of mutual funds;
- (b) to seek to generate capital appreciation / regular returns by investing exclusively in units of mutual funds;
- (c) to seek to generate regular returns by primarily investing in debt and money market instruments; and
- (d) to seek to generate capital appreciation/ regular returns by investing exclusively in gilt securities issued by the Central/State Government securities.

The type of securities where investments may be made by the Portfolio Manager under any of the above-mentioned Services include the following:

- (a) shares, scrips, stocks, bonds, debentures, debentures stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- (b) derivatives;
- (c) units or any other instrument issued by any collective investment scheme;
- (d) security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002;
- (e) government securities;
- (f) units or any other such instrument issued to the investors under any scheme of mutual fund;
- (g) alternative investment fund or venture capital fund;
- (h) any certificate or instrument (by whatever name called), issued to any investor by any issuer being a special purposes distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;
- (i) such other instruments as may be declared by the Central Government to be securities; and
- (j) rights or interest in securities.

The above-mentioned securities are illustrative in nature. Investments can be made in various equity and equity related securities including convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-

cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, units of alternative investment funds, exchange traded funds (“ETFs”) and other eligible modes of investment as may be permitted by the Regulations from time to time.

The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of mutual funds/ liquid ETF. Investments can be made in listed, unlisted, convertible, non-convertible, secured, unsecured, rated or unrated or of any maturity, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (“IPOs”), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc.

The debt category will include all types of debt securities including but not limited to securitised debt, pass through certificates, debentures (fixed, floating, variable coupon, and equity index /stocks/stocks basket linked), bonds, government securities issued or guaranteed by Central or State Government, non-convertible part of partially convertible securities, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, units of SEBI registered alternative investment funds and venture capital funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements etc. as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time.

Asset classes for investment will always be subject to the scope of investments as may be agreed upon between the Portfolio Manager and the Client by way of any agreement, explicit or implied including this disclosure document, addenda thereof, other documents and communications in writing and emails duly authenticated and exchanged between the client and the Portfolio Manager.

Presently the Portfolio Manager is predominantly investing in Listed Equity Shares on stock exchanges in India.

**(ii) Investment Approach/Strategies:**

Investment objectives and strategies may vary from client to client. The investment objectives of the client are understood and captured from the application form and the client agreement. The application form/client agreement captures the client’s expectation of returns and risk tolerance and other terms. Further, depending on the individual client requirements and specifications, the portfolio can be tailor made.

**Diversification Policy:** The Portfolio Manager has a diversification policy in place, which covers the following considerations in manging of Client’s funds and mitigating risk that could arise from non-diversification.

- Portfolio construction basis Investment Approach objectives.
- Number of securities and level of concentration of securities basis percentage, sectors/industry.
- Adhering with limits of investment prescribed under the applicable Regulation
- Client’s guidance on limits/restriction for investment in securities
- Nature of securities viz. equity, debt, liquid, and market capitalization/sector/industry etc
- Liquidity nature of the securities

The Portfolio Manager offers the following types of Investment Approaches/Strategies.

## 1. White Oak India Equity Portfolio Approach

**Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in 'listed securities' in India. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive values. A great business, in our view, is one that is well managed, scalable, and generates superior returns on incremental capital. Valuation is attractive when the current market price is at a substantial discount to intrinsic value.

**Portfolio composition:** The portfolio composition would consist of primarily listed securities (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time.

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, market capitalization and liquidity. We seek to:

- a) Maintain a balanced portfolio of select companies agnostic to benchmark
- b) Ensure alpha generation is a function of stock selection
- c) Consciously avoid market timing or sector rotation or other such top down bets
- d) Understand, monitor and contain residual factor risks that are by-product of stock selection

**Salient features:** The portfolio will be invested in companies across market capitalizations, with generally a higher weightage in the portfolio of mid and small caps.

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Medium to long term

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors).

## 2. White Oak India Select Equity Portfolio Approach.

**Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in listed securities in India. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive values. A great business, in our view, is one that is well managed, scalable, and generates superior returns on incremental capital. Valuation is attractive when the current market price is at a substantial discount to intrinsic value.

**Portfolio composition:** The portfolio composition would consist of primarily listed securities (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time.

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, market capitalization and liquidity. We seek to:

- a) Maintain a balanced portfolio of select companies agnostic to benchmark
- b) Ensure alpha generation is a function of stock selection
- c) Consciously avoid market timing or sector rotation or other such top down bets
- d) Understand, monitor and contain residual factor risks that are by-product of stock selection

**Salient features:** The portfolio will be invested in companies across market capitalizations. The portfolio will be concentrated and typically consist of 5-20 stocks.

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Medium to long term

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

### 3. White Oak India Pioneers Equity Portfolio Approach.

**Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in listed securities in India. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive values. A great business, in our view, is one that is well managed, scalable, and generates superior returns on incremental capital. Valuation is attractive when the current market price is at a substantial discount to intrinsic value.

**Portfolio composition:** The portfolio composition would consist of primarily listed securities (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time.

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, market capitalization and liquidity. We seek to:

- a) Maintain a balanced portfolio of select companies agnostic to benchmark
- b) Ensure alpha generation is a function of stock selection
- c) Consciously avoid market timing or sector rotation or other such top down bets

- d) Understand, monitor and contain residual factor risks that are by-product of stock selection

**Salient features:** The portfolio will be invested in companies across market capitalizations, with generally a higher weightage in the portfolio of large caps.

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Medium to long term

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

#### 4. White Oak India Pioneers Equity Portfolio Approach – STP Plan.

**Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in listed securities in India. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive values. A great business, in our view, is one that is well managed, scalable, and generates superior returns on incremental capital. Valuation is attractive when the current market price is at a substantial discount to intrinsic value.

**Portfolio composition:** The portfolio composition would consist of primarily listed securities (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time. The client funds, upon sign-up of the client for portfolio management services, will be deployed in liquid mutual fund(s). Thereafter, periodically as per the terms of the client agreement, the Funds will be systematically redeemed from the liquid mutual fund(s) and deployed in listed equity securities, so that the client's portfolio composition would ultimately consist of 80% to 100% of listed securities in India.

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, market capitalization and liquidity. We seek to:

- a) Maintain a balanced portfolio of select companies agnostic to benchmark
- b) Ensure alpha generation is a function of stock selection
- c) Consciously avoid market timing or sector rotation or other such top down bets
- d) Understand, monitor and contain residual factor risks that are by-product of stock selection

**Other Salient features:** Staggered listed equity portfolio construction. The portfolio will consist of companies across market capitalizations, with generally a higher weightage in the portfolio of large caps.

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Medium to long term

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

#### **5. White Oak India Liquid Portfolio Approach.**

**Investment Objective:** To predominantly make investments into Liquid Mutual Funds and Overnight Funds and to facilitate investors to take cash deployment into equity strategies.

**Portfolio Composition:** Overnight and Liquid Mutual Funds, and other money market mutual funds. The strategy will strictly not be permitted to take any direct exposures to fixed income securities other than direct plans of liquid and overnight mutual funds. The strategy will also strictly not be permitted to invest in duration or credit linked funds offered by mutual funds.

**Other Salient features:** Investment Approach is typically for clients wanting to invest their funds temporarily in Liquid Mutual Funds and Overnight Funds, before investing the same into other Listed Equity Investment Approaches.

**Portfolio Benchmark:** CRISIL Composite Bond Fund Index

As prescribed by SEBI for investment approaches covered under the 'Debt' Strategy.

**Investment Horizon:** Short to Medium term

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

#### **6. WhiteOak India Business Leaders PMS Portfolio Approach.**

**Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in listed securities in India. The investment strategy is long only with a bottom up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive values. A great business, in our view, is one that is well managed, scalable, and generates superior returns on incremental capital. Valuation is attractive when the current market price is at a substantial discount to intrinsic value.

**Portfolio Composition:** The portfolio composition would consist of primarily 25-40 listed securities agnostic to benchmark (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time.

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, market capitalization and liquidity. We seek to:

- a) Maintain a balanced portfolio of select companies agnostic to benchmark

- b) Ensure alpha generation is a function of stock selection
- c) Consciously avoid market timing or sector rotation or other such top down bets
- d) Understand, monitor and contain residual factor risks that are by-product of stock selection

**Other Salient features:** The Portfolio would consist of large and midcap listed securities as its investment universe (top 200 companies by market capitalization) and it will typically invest 0%-33% in midcap companies and balance in top 100 companies by market capitalization.

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Medium to long term

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

## **7. White Oak India Pioneers Equity ESG Portfolio Approach.**

**Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in listed securities in India. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive values. To assess the quality of a business, we seek to determine the long-term sustainability of return on capital, potential scalability of the business, execution capability of the management, and the organization's corporate governance culture.

Since sustainability of returns and corporate governance form an important element of our investment philosophy, the investment approach integrates Environment, Social, and Governance ("ESG") factors in decision-making process in selection of any security in the portfolio. Focus would be on businesses with industry-leading environmental compliance practices and those that demonstrate ethical business conduct and fair dealings with stakeholders.

**Portfolio composition:** The portfolio composition would consist of primarily listed securities (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time.

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness and sustainability of the business, upside potential, market capitalization and liquidity. We seek to:

- a) Maintain a balanced portfolio of select companies agnostic to benchmark.
- b) Ensure alpha generation is a function of stock selection.
- c) Consciously avoid market timing or sector rotation or other such top-down bets.
- d) Understand, monitor and contain residual factor risks that are by-product of stock selection.



**Salient features:** The portfolio will be invested in companies across market capitalizations (with generally a higher weightage in the portfolio of large caps) and evaluate businesses with respect to their commitment on managing ESG issues effectively as well as integrating ESG into their risk management process and on their approach to making ESG a strategic priority.

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Medium to long term

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

## 8. White Oak India Digital Leaders Portfolio Approach.

**Investment Objective and Strategy:** To invest in companies that are emerging as leaders in the digital era by being at the forefront of innovation and technology implementation in their respective sectors.

**Portfolio composition:** Generally, 80% by market-cap weight in companies that are:

- (a) Increasingly incorporating digital technologies in their daily operations
- (b) Investing in Research and Development (R&D), ahead of their peers
- (c) Investing in new technologies like AI, Blockchain, Machine Learning, Augmented Reality (AR)/ Virtual Reality (VR)
- (d) Delivering world-class customer experience through new channels
- (e) Enabling 'Digital India' and developing products for the digital ecosystem
- (f) Facilitating automation in India as well as globally

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, market capitalization and liquidity. We seek to:

- a) Maintain a balanced portfolio of select companies agnostic to benchmark
- b) Ensure alpha generation is a function of stock selection
- c) Consciously avoid market timing or sector rotation or other such top-down bets
- d) Understand, monitor and contain residual factor risks that are by-product of stock selection

**Salient features:** The portfolio will be invested in companies across market capitalizations. The portfolio will be typically consisting of 40 to 50 stocks.

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Medium to long term

## 9. Research Picks I Portfolio Approach.

**Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in listed securities in India. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive values. A great business, in our view, is one that is well managed, scalable, and generates superior

return on incremental capital. Valuation is attractive when the current market price is at a substantial discount to intrinsic value.

**Portfolio Composition:** The portfolio composition would consist of typically 30 to 80 listed securities agnostic to benchmark (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time.

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of market capitalization and liquidity. We seek to:

- a) Maintain a balanced portfolio of select companies' agnostic to benchmark
- b) Ensure alpha generation is a function of stock selection
- c) Consciously avoid market timing or sector rotation or other such top-down bets
- d) Understand, monitor and contain residual factor risks that are by-product of stock selection

**Other Salient features:** The Portfolio would consist of market cap agnostic listed securities as its investment universe (top 1000 companies by market capitalization)

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Medium to long term

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

## 10. Research Picks II Portfolio Approach.

**Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in listed securities in India. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive values. A great business, in our view, is one that is well managed, scalable, and generates superior returns on incremental capital. Valuation is attractive when the current market price is at a substantial discount to intrinsic value.

**Portfolio Composition:** The portfolio composition would consist of typically 40 to 90 listed securities agnostic to benchmark (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time.

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, we seek to:

- a) Maintain a balanced portfolio of select companies' agnostic to benchmark
- b) Consciously avoid market timing or sector rotation or other such top-down bets
- c) Understand, monitor and contain residual factor risks that are by-product of stock selection

**Other Salient features:** The Portfolio would consist of market cap agnostic listed securities as its investment universe (typically 500 companies by market capitalization)

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Long term.

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

## 11. Key Picks Portfolio Approach.

**Investment Objective and Strategy:** The objective of the strategy is to achieve long term capital appreciation by primarily investing in listed securities in India. The investment strategy is long only with a bottom-up stock selection approach. The investment philosophy is, that outsized returns are earned over time by investing in great businesses at attractive values. A great business, in our view, is one that is well managed, scalable, and generates superior returns on incremental capital. Valuation is attractive when the current market price is at a substantial discount to intrinsic value.

**Portfolio Composition:** The portfolio composition would consist of typically 25 to 75 listed securities agnostic to benchmark (generally 80% to 100%) but the Portfolio Manager may invest in other securities as may be permissible under the SEBI (Portfolio Managers) Regulations 2020 and/or similar applicable regulation as amended from time to time.

The basis of portfolio composition and a company's weight in the portfolio is typically a function of a combination of greatness of business, upside potential, market capitalization and liquidity. We seek to:

- a) Maintain a balanced portfolio of select companies' agnostic to benchmark
- b) Understand, monitor and contain residual factor risks that are by-product of stock selection

**Other Salient features:** The Portfolio would consist of market cap agnostic listed securities as its investment universe (Typically top 750 companies by market capitalization)

**Portfolio Benchmark:** S&P BSE 500 TR

As prescribed by SEBI for investment approaches covered under the 'Equity' Strategy.

**Investment Horizon:** Long term.

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

**Risk Factors:** Detailed risk related to investment in the Investment Approach are included as a part of this Disclosure Document under point 6 (Risk Factors)

**(iii) Investment in securities of associates/related parties:**

The Portfolio Manager will not be guided and adhere with PMS Regulations before investing in equity and debt/hybrid securities of its associates/related parties.

Currently some of the employees of the Portfolio Manager have invested their personal funds in the above Investment Approaches

**6. Risk Factors:**

**General Risk Factors:**

- (i) Investments in Securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- (ii) The past performance of the Portfolio Manager in any Portfolio is not indicative of the future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.
- (iii) The performance of the Portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- (iv) The performance in the equity portfolios may be adversely affected by the performance of individual companies, changes in the market place, company specific and industry specific and macroeconomic and regulatory factors.
- (v) The performance of the assets of the Client may be adversely affected by the performance of individual securities, changes in the market place and industry specific and macroeconomic factors.
- (vi) The debt investments and other fixed income Securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- (vii) Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
- (viii) The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities which may expose the Client's Portfolio to liquidity risks.
- (ix) Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/ counter party.
- (x) Portfolio services using derivatives, futures and options are affected by risk different from those associated with stock and bonds. Such investments are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements

in the underlying security may have a large impact on the value of derivatives and futures and options. Some of the risks relate to mis-pricing on the improper valuation of derivatives and futures and options and the inability to correlate the positions with underlying assets, rates and indices. Additionally, the derivatives and future and options market is nascent in India.

- (xi) The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the portfolio management services. All Portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.
- (xii) Investment decisions made by the Portfolio Manager may not always be profitable.
- (xiii) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
- (xiv) The arrangement of pooling of funds from various clients and investing them in Securities could be construed as an 'Association of Persons' ("AOP") in India under the provisions of the Income-Tax Act 1961 and taxed accordingly.
- (xv) In case of investments in schemes of mutual funds, alternative investment funds and venture capital funds, the Client shall bear the recurring expenses and performance fee, if any, of the portfolio management services in addition to the expenses of the underlying schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying schemes in the same proportions.
- (xvi) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situations, the Clients may suffer opportunity loss.
- (xvii) The Portfolio Manager has no previous experience or track record as a portfolio manager.
- (xviii) The investment objectives of one or more of the investment profiles could result in concentration of a specific asset/asset class/sector/issuer etc., which could expose the Clients' Portfolio to risks arising out of non-diversification, including improper and/or undesired concentration of investment risks.

**Specific Risk Factors:**

- (i) **Market Risk:** The Value of the Portfolio will react to the securities market movements. The investor could lose money due to fluctuation in the value of Portfolio in response to factors such as economic and political developments, changes in interest rates and perceived trends in securities market movements and over longer periods during market downturns.
- (ii) **Market Trading Risks - Absence of Active Market:** Although Securities are listed on the exchange(s), there can be no assurance that an active secondary market will develop or be maintained.
- (iii) **Lack of Market Liquidity:** Trading in Securities on the exchange(s) may be halted because of market conditions or for reasons that in the view of the exchange Authorities or SEBI, trading in a particular Security is not advisable. In addition, trading in Securities is subject to trading halts caused by extra ordinary market volatility and pursuant to exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the market necessary to maintain the listing of Securities will continue to be met or will remain unchanged. ETF may

trade at prices other than NAV: ETF may trade above or below their NAV. The NAV or ETF will fluctuate with changes in the market value of Scheme's holdings of the underlying stocks. The trading prices of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand of ETF. However, given that ETF can be created and redeemed only in creation units directly with the mutual fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to availability of arbitrage possibility.

- (iv) **Regulatory Risk:** Any changes in trading regulations by the exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV for ETFs. In the event of a halt of trading in market the Portfolio may not be able to achieve the stated objective.
- (v) **Asset Class Risk:** The returns from the types of Securities in which the Portfolio Manager invest may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison of the general securities markets.
- (vi) **Performance Risk:** Frequent rebalancing of Portfolio will result in higher brokerage/ transaction cost. Also, as the allocation to other Securities can vary from 0% to 100%, there can be vast difference between the performance of the investments and returns generated by underlying securities.
- (vii) **Interest Rate Risk:** Changes in interest rates may affect the returns/ NAV of the liquid/debt scheme of mutual fund in which the Portfolio Manager may invest from time to time. Normally the NAV of the liquid scheme increases with the fall in the interest rate and vice versa. Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the NAV of the units of the liquid/ debt funds.
- (viii) **Credit Risk:** Credit risk refers to the risk that an issuer of fixed income security may default or may be unable to make timely payments of principal and interest. NAV of units of the liquid scheme is also affected because of the perceived level of credit risk as well as actual event of default.
- (ix) **Model Risk:** Investments in the Market Linked Debentures (MLDs) are also subject to model risk. The MLDs are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the Securities selected for hedging may significantly differ from the returns predicted by the mathematical models.
- (x) **Investments in Derivative Instruments:** As and when the investments are done in derivative market, there are risk factors and issues concerning the use of derivatives that the investors should understand. Derivative products are specialized instrument that require investment technique and risk analysis different from those associated with stocks. The use of derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivative requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "Counter Party") to comply with the terms of the derivative contract. Other risks in using derivatives include but are not limited to:

- (a) **Credit Risk:** This occurs when a counterparty defaults on a transaction before settlement and therefore it involves negotiation with another counter party, at the then prevailing (possibly unfavourable) market price, in order to maintain the validity of the hedge. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement but one takes the performance risk on the exchange.
- (b) **Market Liquidity:** This risk is where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.
- (c) **Model Risk:** This is the risk of mis-pricing or improper valuation of derivatives.
- (d) **Basis Risk:** This risk arises when the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets. The risk of loss associated with futures contracts is potentially unlimited due to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a derivative contract may result in an immediate and substantial loss or gain. However, the Portfolio Manager will not use derivative instruments, options or swap agreements for speculative purposes or to leverage its net assets and will comply with applicable SEBI Regulations. There may be a cost attached to buying derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling physical shares. The possible lack of a liquid secondary market for a derivatives contract may result in inability to close the derivatives positions prior to their maturity date.
- (xi) **Illiquidity Risk:** The corporate debt market is relatively illiquid vis-a-vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Further, liquidity may occur only in specific lot sizes. Liquidity in a Security can therefore suffer. Even though the Government securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. Trading in specified debt securities on the Exchange may be halted because of market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in the specified debt security is not advisable. There can be no assurance that the requirements of the securities market necessary to maintain the listing of specified debt security will continue to be met or will remain unchanged. In such a situation, the Portfolio Manager at his sole discretion will return the Securities to the Client.
- (xii) **Zero Return Risk:** Returns on investments undertaken in structured securities would depend on occurrence /non-occurrence of the specified event. Thus, returns may or may not accrue to an investor depending on the occurrence/non-occurrence of the specified event.
- (xiii) **Redemption Risk:** The payoffs as envisaged in structured securities are such that the Client may lose a part/entire amount invested.
- (xiv) **Risk of Real Estate investment:** Investment in Securities of companies investing in real estate is subject to risk of fluctuations in real estate prices. Portfolio returns are dependent on real estate market. Investor could lose money if real estate prices go down at the time of maturity.
- (xv) **Identification of Appropriate Investments:** The success of the Investment strategy of White



Oak Capital would 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 LLP may invest, and other factors outside the control of the LLP. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the LLP.

- (xvi) Specific Risk factors and Disclosures pertinent to Structured Notes & Securitised debt instruments:
- (a) Presently, secondary market for such securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such Securities. This could limit the ability of the investments to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
  - (b) Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The credit enhancement stipulated represents a limited loss cover to the Investors. These certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the issuer or the seller or the originator, or the parent or any affiliate of the seller, issuer and originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the credit enhancement and thereby the Investor pay outs may get affected if the amount available in the credit enhancement facility is not enough to cover the shortfall. On persistent default of an obligor to repay his obligation, the Seller may repossess and sell the underlying asset. However, many factors may affect, delay or prevent the repossession of such asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that obligor.
  - (c) The structured notes like the index linked securities, in which funds are proposed to be invested in, are high risk instruments. A small movement in returns generated by the underlying index could have a large impact on their value and may also result in a loss.
  - (d) The issuer of equity index linked securities or any of its agents, from time to time may have long or short positions or make markets including in NIFTY indices, futures and options (hereinafter referred to as "Reference Assets") (and other similar assets), they may act as an underwriter or distributor of similar instruments, the returns on which or performance of which, may be at variance with or asymmetrical to those on the securities, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets). The foregoing activities of '*the issuer of index linked securities*' or any of its agents and related markets (such as the foreign exchange market) may affect the value of the Securities. In particular, the value of the securities could be adversely impacted by a movement in the Reference Assets, or activities in related markets, including by any acts or inactions of 'The Issuer of index linked securities' or any of its Agents;
  - (e) The equity Index linked securities, even after being listed, may not be marketable or may not have a market at all;



- (f) The returns on the structured securities, primarily are linked to the S&P CNX Nifty Index and/or any other equity benchmark as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the securities (including the amount if any, payable on maturity, redemption, sale or disposition of the Securities) the security holder may receive no income/return at all or negative income/return on the Security, or less income/return than the Security-holder may have expected, or obtained by investing elsewhere or in similar investments.
- (g) The return on investment in Securities would depend on the prevailing market conditions, both domestically as well as internationally. The returns mentioned in the term sheets are indicative and may or may not accrue to an investor accordingly.
- (h) In equity index linked securities, in the event of any discretions to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or if for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the investor, and no liability there for will attach to the issuer of equity index linked securities /asset management company;
- (i) There is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such equity index linked securities over the life and/or part thereof or upon maturity, of the securities.
- (j) At any time during the life of such Securities, the value of the Securities may be substantially less than its redemption value. Further, the price of the Securities may go down in case the credit rating of the Company or issuer goes down.
- (k) The Securities and the return and/or maturity proceeds hereon, are not guaranteed or insured in any manner by the Issuer of equity index linked securities.
- (l) The Issuer of equity index linked securities or any person acting on behalf of the Issuer of equity index linked securities, may have an interest/position as regards the Portfolio Manager and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind.
- (m) The Issuer of equity index linked securities or any of its agents, have the legal ability to invest in the units offered herein and such investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the investor, and/or its assets.

## 7. Client Representation.

### (i) Details of Clientele and Funds Managed as on March 31, 2022:

Category of Clients	No of Accounts	Funds Managed in Discretionary Services (In INR Crores)	Funds Managed in Non-Discretionary Services (In INR Crores)	Funds Under Advisory (In INR Crores)
Associated/Group Companies (Last 3 years)	Nil	N.A.	N.A.	N.A.
Others (Last 3 years)				
Individual	5100	5592.04	N.A.	
Corporate (FPI)*	1	4369.45	N.A.	
Corporate (Domestic)	594	2528.7	N.A.	2 client – 395.38
Grand Total	5695	12490.18	Nil	298.86

\* The client is being separately managed basis a separate Investment Management Agreement and the assets of the client are not pooled/will not be pooled for the purpose of trade with trades of any other investor availing Portfolio Management Services from the Portfolio Manager.

### (ii) Disclosure in respect of transactions with related parties as on March 31, 2022.

#### a. Related Parties and their Relationship:

Nature of Relationship	Name of the Party
Group / Associate Company	White Oak Investment Management Private Limited
Group / Associate Company	WhiteOak Capital Asset Management Limited
Group / Associate Company	GPL Finance and Investments Private Limited
Group / Associate Company	WhiteOak Capital Trustee Limited
Group / Associate Company	White Oak Capital Partners Pte. Ltd.
Group / Associate Company	Acorn Asset Management Ltd

**b. Significant transactions with related parties as per un-audited balance sheet on March 31, 2022:**

Name of the related party	Nature of transactions	Amount for the year ended 31 <sup>st</sup> March 2022
White Oak Investment Management Private Limited	Operation support service	5,04,15,790
	Referral Fees	6,50,000
WhiteOak Capital Asset Management Limited	Sub Licensing fees	15,27,021
GPL Finance and Investments Private Limited	Operation support service	89,54,164
	Referral Fees	-
White Oak Capital Partners Pte. Ltd.	Investment Advisory Service	44,59,39,003
Acorn Asset Management Ltd	Investment Advisory Service	5,30,45,023

**c. Amount due to/from related parties**

Name of the related party	Nature of transactions	Amount for the year ended 31 <sup>st</sup> March 2022
White Oak Investment Management Private Limited	Operation support service	1,33,73,282
WhiteOak Capital Asset Management Limited	Sub Licensing fees	59,279
GPL Finance And Investments Private Limited	Operation support service	4,67,776
White Oak Capital Partners Pte. Ltd.	Investment Advisory Service	32,59,16,078
Acorn Asset Management Ltd	Investment Advisory Service	2,48,22,046

**d. Details of investments in the securities of related parties of the Portfolio Manager**

Sr. No.	Investment Approach, if any	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	percentage of total AUM as on last day of the previous calendar quarter
1	All Investment Approaches	None	N.A.	N.A.	N.A.

#### 8. Financial Performance Summary of Portfolio Manager.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2022
	(Rs.) Audited	(Rs.) Audited	(Rs.) Audited	(Rs.)
Gross Income	26,35,72,694	40,76,04,907	1,32,09,44,734	2,59,69,40,099
Expenses	(23,62,13,509)	(32,76,72,186)	(52,33,50,632)	(1,77,49,28,645)
Profit / (Loss) before Tax	2,73,59,185	7,99,32,722	79,75,94,102	82,20,11,454
Provision for Taxation	11,16,733	(2,83,25,612)	(29,69,09,939)	(26,77,87,983)
Profit / (Loss) after Tax	2,84,75,918	5,16,07,110	50,06,84,163	55,42,23,472

#### 9. Portfolio Management Performance

Performance indicators are calculated using time weighted average method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulation, 2020 as amended from time to time. The below returns are net of management fees and any other charges levied by the Portfolio Manager.

Name of the Investment Approach	01/04/2021 to 31/03/2022		01/04/2020 to 31/03/2021		01/04/2019 to 31/03/2020	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
White Oak India Equity Portfolio	22.35	22.26	87.24	78.63	-16.55	-26.46
WO India Select Equity Portfolio	19.56	22.26	57.58	78.63	-12.52	-26.46
WO India Pioneers Equity Portfolio	21.96	22.26	75.51	78.63	-14.24	-26.46

White Oak India Pioneers Equity Portfolio STP Plan*	17.35	22.26	11.37	28.67	N.A.	N.A.
White Oak India Top 200 PMS	19.12	21.26	3.07	2.23	N.A.	N.A.
White Oak India Liquid Portfolio#	3.08	3.68	0.85	1.09	N.A.	N.A.
White Oak India Pioneers Equity ESG Portfolio^	-3.37	2.85	N.A.	N.A.	N.A.	N.A.
White Oak India Digital Leaders Portfolio Approach	-10.48	-2.44	N.A.	N.A.	N.A.	N.A.

\* STP plan started from 17/09/2020

# Liquid portfolio started from 10/12/2020

^ ESG Plan started from 02/09/2021

@Digital leader started from  
06/01/2022

## 10. Audit Observations

There has not been any adverse audit observation on the Portfolio Manager for the audit conducted for FY 2021

## 11. Nature of Costs and Expenses

The following are indicative types of costs and expenses for clients availing the portfolio management services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements.

- (i) **Management Fees/ Advisory Fees:** Professional charges relate to the portfolio management services offered to clients by the Portfolio Manager. The fee may be a fixed charge or a percentage of the quantum of funds managed and may be return based or a combination of any of these. Return based fees shall be calculated on "High Water Mark Principle". The Fees would typically be in the range of 0.75% to 2.50%
- (ii) **Custodian/Depository Fees:** The charges relating to opening and operation of dematerialized accounts, custody, fund administration and transfer charges for shares, bonds and units, dematerialization, dematerialisation and other charges in connection with the operation and management of the depository accounts. The custody charges would range from 1 bps to 3 bps and depository charges of INR 5 per debit. Any changes to these charges will be included in the fees schedule to be signed by the client at the time of onboarding.
- (iii) **Registrar and Share Transfer Agent Fee:** Charges payable to registrars and share transfer agents in connection with effecting transfer of Securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.
- (iv) **Brokerage and Transaction Costs:** The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments. Brokerage charges would be in the range of 10 bps to 20 bps. Any changes to these charges will be included in the fees schedule to be signed by the client at the time of onboarding.
- (v) **Certification and Professional Charges:** Charges payable for outsourced professional services like accounting, taxation, audit and legal services, notarizations etc., for certifications, attestations required by bankers or regulatory authorities would be at actuals and shall be borne by the Client. Such fees shall be payable as and when charged by the relevant service provider.

- (vi) **Audit Report Fees:** In terms of Regulation 30(3) of the Regulations, the Client shall be issued an audit report from the internal auditors of the Company for which fee shall be payable by the client. The fee for the Audit Report would be in the range of INR 1000 to INR 3000
- (vii) **Incidental Expenses:** Charges in connection with the courier expenses, stamp duty, notary, postal, telegraphic, printing, and other cost/expenses etc.
- (viii) **Other Charges:** As may be mutually agreed between Client and Portfolio Manager. Further no upfront fees shall be charged by the Portfolio Managers, either directly or indirectly, to the clients at the time of onboarding of the Client. Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service by White Oak Capital, shall not exceed 0.50% per annum of the client's average daily Assets under Management.

The Client shall pay by way of cheque/ DD/ Debit to the client portfolio account, as per the respective fee schedule applicable to the portfolio services opted by the Client, as provided in the agreement between the client and the Portfolio Manager.

## 12. Taxation

The 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 vis-à-vis the investments made through the portfolio management services route. 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 under portfolio management services route shall endure indefinitely.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest under portfolio management services route. 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 Portfolio Manager.

It is the responsibility of all prospective client 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 securities.

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 thereunder from time to time. The IT Act is amended every year by the Finance Act of the relevant year and this summary reflects the amendments enacted in the Finance Act, 2019

The Finance Act, 2023, has provided an option to *Individuals and HUF* for payment of taxes at the following reduced rates from Assessment Year 2024-25 and onwards:

Type	Old Regime			New Regime	
Age Bracket	< 60 Yrs	60 - 80 Yrs	>80 Yrs	All Age Groups of Individuals	
Total Income (INR)	Rate*	Rate	Rate	Total Income (INR)	Rate

Up to 250000	NIL	NIL	NIL	Up to 3,00,000	NIL
From 250,001 to 300000	0.05	NIL	NIL	From 3,00,001 to 6,00,000	0.05
From 300,001 to 500000	0.05	0.05	NIL	From 6,00,001 to 9,00,000	0.1
From 500,001 to 10,00,000	0.2	0.2	0.2	From 9,00,001 to 12,00,000	0.15
Above 10,00,001	0.3	0.3	0.3	From 12,00,001 to 15,00,000	0.2
				Above 15,00,000	0.3

*\*These are also applicable rates for persons other than individuals (HUF, AOI, BOP, Artificial Juridical Person)*

As per Finance Act, 2023 the applicable rate of surcharge on business income for financial year 2023-24 are as follows:

Type/ Range of Income	Firm	Domestic Company	Foreign Company
INR 10 million to INR 100 million	12%	7%	2%
Exceeding INR 100 million	12%	12%	5%
Special Tax rate u/s 115BAA and 115BAB	Nil	10%	NIL

Surcharge is levied on the amount of income-tax at following rates if total income of any other resident or non-resident assessee exceeds specified limits:-

Assessment Year 2024-25					
Range of Income (Under Old Regime)					
INR 5 million to INR 10 million	INR 10 million to INR 20 million	INR 20 million to INR 50 million	INR 50 million to INR 100 million	Exceeding INR 100 million	
10%	15%	25%	37%	37%	

Assessment Year 2024-25		
Range of Income (Under New Regime) as per Section 115BAC		
INR 5 million to INR 10 million	INR 10 million to INR 20 million	Exceeding INR 20 million
10%	15%	25%

**Note:** The enhanced surcharge of 25%, as the case may be, is not levied, from income chargeable to tax under sections 111A (Tax on Short Term Capital Gain), 112A (Tax on Long Term Capital Gain) and 115AD (Tax on Foreign Institutional Investors from Securities or Capital

Gains Arising from Their Transfer) or income arising due to dividend. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.

Further, for Financial Year 2023-24 (Assessment Year 2024-25) the health and education cess at 4% is leviable.

In this Disclosure document, we have assumed that the highest surcharge rate would be applicable to an investor.

## I. Taxation in hands of Investors

### Taxation of resident investors:

- a) 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 grassed-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 1st 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:

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

Note 1: The Finance Act, 2020 has reduced tax rate to 25% in 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). Such reduced tax rate of 25%, as per the Finance Act,



2021 is also applicable in case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the financial year 2019-20 (assessment year 2020-21).

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 fulfilment 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, distributions from a mutual fund were also 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 income has withheld tax at rates prescribed under section 115R of the IT Act on the amount distributed, declared or paid. With effect from 01st April 2020, distributions from Mutual fund shall be taxable in the hands of the investor at applicable rates.

b) 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 of domestic clients
Resident companies (Refer Note 1 and 2)	34.944%
Firms/LLP	34.944%
Others (Refer Note 3)	As per applicable slab rates, maximum being 42.744%

Note 1: The Finance Act, 2020 has reduced tax rate to 25% in 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). Such reduced tax rate of 25%, as per the Finance Act, 2021 is also applicable in case of domestic Companies having total turnover or gross receipts not exceeding INR 400 crores in the financial year 2019-20 (assessment year 2020-21).

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 fulfilment 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.

**Taxation of non-resident investors:**

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 Finance Act, 2020 has certain changes to the provisions which deal with the determination of residential status of individuals. The same are mentioned as under:

Amendments to determine Residential Status for Individuals:

A new provision of Deemed Residency has been introduced by way of insertion of Explanation (1A) to Section 6(1).

The conditions are as under:

- Citizen of India
- Total Indian Income + Income of those Businesses which are controlled in India and Profession set-up in India exceeds Rs. 15 lakhs
- Such person is not liable to tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature;

If all the above conditions are fulfilled, then such Individual shall be treated as Resident but Not Ordinarily Resident (RNOR) in India.

Further, as per Section 6(1)(c), citizen of India, or a person of Indian origin who being outside India comes on a visit to India have been given a relaxation whereby they shall be treated as Resident of India only if their stay in India is 182 days or more instead of 60 days in that year. In order to avoid misuse of such extended period of 182 days, the exception provided to persons visiting India has been reduced to 120 days (income above Rs. 15 lakhs) from existing 182 days

The provisions of Not Ordinarily Resident have also been changed by way of inserting new clause (c) to Section 6(6) with the following conditions:

- Citizen of India or a person of Indian origin who being outside India comes on a visit to India
- Stay in India of such person during the Financial Year is 120 days or more but less than 182 days
- Total Indian Income + Income of those Businesses which are controlled in India and Profession set-up in India exceeds Rs. 15 lakhs

If all the above conditions are fulfilled, then such Individual shall be treated as Resident but Not Ordinarily Resident (RNOR) in India.

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 place of effective management (POEM) would not apply to companies having turnover or gross receipts less than Rs 500 million during the financial year.

### **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 tax-payer 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 (with tax treatment on transfer of listed shares). 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.

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

#### **a) Dividend income**

Till FY 2019-20, dividends declared by Indian companies are exempt from tax in the hands of the Investors under section 10(34) of the IT Act. The Indian company would be liable to pay DDT at the effective rate 20.56% for F.Y.2019-20 of the dividends at the time of distributing dividends to the investors. But Finance Act 2020 has shifted the burden of taxation on recipients and will be taxed at the applicable income slab rate from FY 2020-21 onwards.

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.

The Indian company declaring dividend is required to deduct tax at specified rates/ rates in force. In case, the dividend income is paid to an FPI, the rate of tax deduction as per section 196D of the ITA is 20% subject to availability of benefits of treaty. 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, distributions from a mutual fund were also 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 income has withheld tax at rates prescribed under section 115R of the IT Act on the amount distributed, declared or paid. With effect from 01 April 2020, distributions from mutual fund shall be taxable in the hands of the investor at the applicable rates.

#### **b) Interest income**

For F.Y.2023-24, any income in the nature of interest income would be subject to tax at the rate of 42.744% (in the hands of individuals, HUF, AOP and BOI investors), 34.944% (in the hands of resident corporate, firm and LLP investors) and 43.68% (in the hands of foreign corporate investors).

In case the investments made by the non-resident Indian ('NRI') individual investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, the interest income from specified assets (which includes debentures issued by public companies) should be taxable at the rate of 28.496% on gross basis for F.Y.2023-24.

#### **c) Capital Gains**

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

##### **i. 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:

Type of instrument	Period of holding	Characterization
Listed securities (other than a unit) / Unit of equity-oriented Fund / Zero Coupon Bonds	More than 12 months	Long Term Capital Asset
	12 months or less	Short Term Capital Asset
	More than 24 months	Long Term Capital Asset

Unlisted shares	24 months or less	Short Term Capital Asset
Other securities (including unit of a debt-oriented Fund)	More than 36 months	Long Term Capital Asset
	36 months or less	Short Term Capital Asset

## ii. Taxation of capital gains

Capital gains should be taxed in the hands of the Investors as per the IT Act as under:

Nature of Income	Tax Rate for Resident Investors			Tax rate for Non-Resident Investors		
	Corporates	Individuals/ HUF / AOP / BOI	Others (Firms, LLPs)	Corporates	Individuals/HUF / AOP / BOI	Others
Short-term capital gains 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  on which STT has been paid	17.472 for F.Y. 2023-24	17.94 for F.Y. 2023-24	17.472 for F.Y. 2023-24	16.38 for F.Y. 2023-24	17.94 for F.Y. 2023-24	17.472 for F.Y. 2023-24
Other short-term capital gains	34.944 for F.Y. 2023-24	42.744 for F.Y. 2023-24	34.944 for F.Y. 2023-24	43.68 for F.Y. 2023-24	42.744 for F.Y. 2023-24	34.944 for F.Y. 2023-24
Long-term capital gains on transfer of:  (i) listed equity shares on a recognised stock exchange; (ii) to be listed equity shares sold through offer for sale; (iii) units of equity oriented mutual fund  on which STT has been paid (Refer Note 1)	11.648 for F.Y. 2023-24	11.96 for F.Y. 2023-24	11.648 for F.Y. 2023-24	10.92 for F.Y. 2023-24	11.96 for F.Y. 2023-24	11.648 for F.Y. 2023-24
Long-term capital gains on transfer of listed bonds or listed debentures	11.648 for F.Y. 2023-24	11.96 for F.Y. 2023-24	11.648 for F.Y. 2023-24	10.92 for F.Y. 2023-24	11.96 for F.Y. 2023-24	11.648 for F.Y. 2023-24

	(Without Indexation)					
Long-term capital gains 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 for F.Y. 2023-24 (Without Indexation)	11.96 for F.Y. 2023-24 (Without Indexation)	11.648 for F.Y. 2023-24 (Without Indexation)	10.92 for F.Y. 2023-24 (Without Indexation)	11.96 for F.Y. 2023-24 (Without Indexation)	11.648 for F.Y. 2023-24 (Without Indexation)
	23.296 for F.Y. 2023-24 (With Indexation)	23.92 for F.Y. 2023-24 (With Indexation)	23.296 for F.Y. 2023-24 (With Indexation)			
Long-term capital gains on transfer of unlisted securities (other than unlisted bonds and unlisted debentures)	23.296 for F.Y. 2023-24 (With Indexation)	23.92 for F.Y. 2023-24 (With Indexation)	23.296 for F.Y. 2023-24 (With Indexation)	10.92 for F.Y. 2023-24 (Without Indexation)	11.96 for F.Y. 2023-24 (Without Indexation)	11.648 for F.Y. 2023-24 (Without Indexation)
Long-term capital gains on transfer of unlisted bonds or unlisted debentures	23.296 for F.Y. 2023-24 (Without Indexation)	23.92 for F.Y. 2023-24 (Without Indexation)	23.296 for F.Y. 2023-24 (Without Indexation)	10.92 for F.Y. 2023-24 (Without Indexation)	11.96 for F.Y. 2023-24 (Without Indexation)	11.648 for F.Y. 2023-24 (Without Indexation)

**Note 1:** The Finance Act, 2017 amended section 10(38) of the IT Act providing that long-term capital gains from transfer of listed equity shares acquired on or after 1 October 2004 and on which STT has been paid, would be exempt from tax under the IT Act only if STT was paid at the time of acquisition of such shares. However, it was proposed that the Central Government would notify a list of transactions / exceptions that shall continue to be eligible for the long-term capital gains tax exemption

In light of the above the Central Government issued the final notification on 5 June, 2017 which prescribed the following negative list of transactions of acquisition in respect of which exemption under section 10(38) of IT Act would not be available.

- a. where acquisition of existing listed equity share in a company whose equity shares are not frequently traded in a recognised stock exchange of India is made through a preferential issue; provided that nothing contained in this clause shall apply to acquisition of listed equity shares in a company:
  - i. which has been approved by the Supreme Court, High Court, National Company Law Tribunal, SEBI or RBI in this behalf;
  - ii. by any non-resident in accordance with foreign direct investment guidelines issued by the Government of India;
  - iii. by an investment fund or a venture capital fund or a Qualified Institutional Buyer;
  - iv. through preferential issue to which the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 does not apply.
- b. where transaction for acquisition of existing listed equity share in a company is not entered through a recognised stock exchange of India; provided that nothing contained in this clause shall apply to the following acquisition of listed equity shares in a company made in accordance with the provisions of the Securities Contracts (Regulation) Act, 1956 if applicable:

- i. acquisition through an issue of share by a company other than the issue referred to in clause (a);
  - ii. acquisition by scheduled banks, reconstruction or securitisation companies or public financial institutions during their ordinary course of business;
  - iii. acquisition which has been approved by the Supreme Court, High Courts, National Company Law Tribunal, SEBI or RBI in this behalf;
  - iv. acquisition under employee stock option scheme or employee stock purchase scheme framed complying with the guidelines issued by SEBI;
  - v. acquisition by any non-resident in accordance with foreign direct investment guidelines of the Government of India;
  - vi. where acquisition of shares of company is made under SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - vii. acquisition from the Government;
  - viii. acquisition by an investment fund or a venture capital fund or a Qualified Institutional Buyer;
  - ix. acquisition by mode of transfer referred to in sections 47 or 50B of the IT Act, if the previous owner had not acquired by mode referred in clauses (a) or (b) or (c) [other than the transactions referred to in the proviso to clause (a) or (b) above]
- c. acquisition of equity share of a company during the period beginning from the date on which the company is delisted from a recognised stock exchange and ending on the date immediately preceding the date on which the company is again listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 read with SEBI Act 1992 and the rules made thereunder.

**Note 2:** The Indian tax authorities may seek to apply a higher rate of 23.296% for F.Y.2023-24 on LTCG arising on sale of listed bonds and debentures.

**Note 3:** The Indian tax authorities may seek to apply a higher rate of 23.92% for F.Y. 2023-24 on LTCG arising on sale of listed bonds and debentures.

**Note 4:** The Indian tax authorities may seek to apply a higher rate of 21.84% for F.Y. 2023-24 on LTCG arising on sale of listed securities by non-residents.

**Note 5:** The Indian tax authorities may seek to apply a higher rate of 23.92% for F.Y. 2023-24 on LTCG arising on sale of listed securities by non-residents.

**Note 6:** The Indian tax authorities may seek to apply a higher rate of 23.296% for F.Y. 2023-24 on LTCG arising on sale of listed securities by non-residents.

**Note 7:** There was an ambiguity under the ITA on whether unlisted securities of private limited companies are covered by the definition of unlisted securities. Restricting the above lower tax rate only to transfer of unlisted securities of public companies (and excluding private companies) did not seem to be the intent behind the legislative changes. The ITA, vide Finance Act, 2016 provide for lower tax rate on transfer of long-term capital asset on shares of a company not being a company in which the public are substantially interested, which includes private companies.

In case the investments made by the NRI investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, (i) any long term capital gains should be taxable at the rate of 11.96% for F.Y. 2023-24 and (ii) any investment income should be taxable at 23.92% for F.Y. 2023-24



**Note 8:** The Finance Act, 2018 has introduced a new regime for taxation of long term capital gain on sale / other transfers of (a) equity shares in a company (b) unit of an equity-oriented fund and (c) a unit of business trust (where such transaction is chargeable to securities transaction tax) where the exemption has been withdrawn under section 10(38) and are made taxable under section 112A. It is taxable with effect from Assessment Year 2019-20 i.e. it will apply to any shares sold after 31<sup>st</sup> March 2018. The gains covered under section 112A shall be taxable at the concessional rate of 10% (excluding surcharge and cess) with threshold limit of Rs. 1 lakh. Further, the Long Term Capital gains which will be realized after 31<sup>st</sup> March 2018, on existing holding (i.e., shares etc. acquired up to 31<sup>st</sup> January, 2018) to the extent of fair market value as on 31<sup>st</sup> January, 2018 shall also not be chargeable to tax. Thus, the gain over and above the fair market value as on 31<sup>st</sup> January 2018 only will be taxable @ 10 % (excluding surcharge and cess).

### iii. Deemed Sale Consideration on sale of unquoted shares

As per Section 50CA of IT Act, introduced by Finance Act, 2017, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued final rules for computation of FMV for the purpose of section 50CA of the IT Act.

#### d) **Gains arising on buy-back of shares by company**

As per the Section 10(34A) of the IT Act, gains arising on buy-back of shares (not being shares listed on a recognised stock exchange) are exempt in the hands of investors. 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 buy-back 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, recently on October 17, 2016, 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.

Gains arising on buy-back of shares listed on a recognised stock exchange should be taxed in the manner summarised above (for listed shares).

#### e) **Deemed income on investment in shares / securities of unlisted companies in India**

As per section 56(2)(x) of the IT Act, as inserted by Finance Act 2017, where any person receives any property, including shares and securities from any person for a consideration which is lower than the FMV by more INR 0.05 million, then difference between the FMV and consideration shall be taxable in the hands of acquirer as 'Income from other sources' ("**Other Income**"). The rules for determining the FMV of shares and securities have been prescribed under the IT Rules.

Accordingly, such Other Income would be chargeable to tax as follow:

Particulars	For resident investors	For offshore investors
In case of companies	34.944% for F.Y. 2023-24	43.68% for F.Y. 2023-24
In case of individuals / HUFs / AOPs / BOIs	42.744% for F.Y. 2023-24 (as per higher slab rate)	42.744% for F.Y. 2023-24 (as per higher slab rate)
In case of other investors	34.944% for F.Y. 2023-24	34.944% for F.Y. 2023-24



## **II. Tax Treaty Benefits for non-resident investors**

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 ("Treaty") between India and the country of residence of the non-resident investor (subject to GAAR provisions discussed below and to the extent of availability of Treaty benefits to the non-resident investors). However, no assurance can be provided that the Treaty benefits will be available to the non-resident investor or the terms of the Treaty will not be subject to amendment or reinterpretation in the future.

The taxability of such income of the non-resident investor, in the absence of Treaty benefits or from a country with which India has no Treaty, would be as per the provisions of the IT Act.

## **III. Tax Residency Certificate ("TRC")**

To claim Treaty benefits, the non-resident investor must obtain the TRC as issued by the foreign tax authorities. Further, the non-resident investor shall be required to furnish such other information or document as may be prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 has prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC.

The tax authorities may grant Treaty benefit (after verifying the TRC) based on the facts of each case.

## **IV. Securities Transaction Tax**

Delivery based purchases and sales of equity shares traded on recognized Indian stock exchanges are subject to STT at the rate of 0.1% on the transaction value of purchase or sale. Further, STT @ 0.2% on the transaction value is also leviable on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a stock exchange. STT is levied on the seller @ 0.025% on the sale of equity share in a company or unit of an equity oriented mutual fund - transaction in a recognised stock exchange, settled otherwise than by actual delivery.

Further, an amendment was proposed which states that the levy of STT @0.125% on sale of an option in securities where option is exercised, would be limited to only the intrinsic value of options i.e. the difference between the settlement price and the strike price, with effect from 1 September, 2019.

## **V. Bonus Stripping**

In case of units purchased within a period of 3 months prior to the record date (for entitlement of bonus units) and sold/transferred/redeemed within 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be deemed as cost of acquisition of such bonus units.

## **VI. 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:

1. Name, e-mail id, contact number;
2. Address in the country or specified territory outside India of which the deductee is a resident;
3. 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
4. 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.

**VII. Carry-forward of losses and other provisions (applicable to both Equity products irrespective of the residential status):**

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.

**VIII. General Anti Avoidance Rule ("GAAR")**

The Finance Act, 2013 introduced the amended GAAR provisions to be effective from FY 2015-16. However, the Finance Act, 2015 deferred the GAAR provisions by 2 years and it shall now be applicable to the income of FY 2017-18 and subsequent years. Further, investments made up to March 31, 2017 would be grandfathered and GAAR would apply prospectively only to investments made after April 1, 2017.

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

- (a) Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- (b) It results in direct / indirect misuse or abuse of the IT Act;
- (c) It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- (d) It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

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

- (a) Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
- (b) Ignoring the arrangement for the purpose of taxation law;
- (c) Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- (d) Looking through the arrangement by disregarding any corporate structure;
- (e) Reallocating and re-characterizing equity into debt, capital into revenue, etc.
- (f) Disregarding or treating any accommodating party and other party as one and the same person;
- (g) Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The above terms should be read in the context of the definitions provided under the IT Act. Any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions shall be applied in accordance with such guidelines and subject to such conditions and manner as may be prescribed.

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.

Further, recently on January 27, 2017, the CBDT has issued clarifications<sup>1</sup> on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations.

## **IX. FATCA Guidelines**

According to the Inter-governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reposing 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 repayable account:

- the name, address, taxpayer identification number ('PIN') (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 repayable persons: of the name and address of the entity, TIN assigned to the entity by the country of its residence; and of the name, address, DDB, POB of each such controlling person add 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 repayable accounts (i.e., under CRS).

#### **X. Goods and Service Tax**

From July 1, 2017 onwards, India has introduced Goods and Service Tax (GST). Post introduction of GST, many Indirect tax levies (including service tax) have been subsumed and GST shall be applicable on services provided by the Investment Manager and Trustee to the Fund. GST rate on such services is currently 18%. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee and Trusteeship Fees payable by the Fund to the Investment Manager and Trustee, respectively.

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE ITA. NO REPRESENTATION IS MADE EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES UNDER THE ITA. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

#### **13. Accounting policies and valuation.**

The following accounting policy will be applied for the portfolio investments of clients:

- (i) Investments in listed equity and debt instruments will be valued at the closing market price on the National Stock Exchange ("**NSE**") as of the previous day from the date of receipt of security under custody. If the Securities are not traded on the NSE on the Valuation Day, the closing price of the security on the Bombay Stock Exchange will be used for valuation of Securities. In case of the Securities that are not traded on the Valuation Day, the last available traded price shall be used for the valuation of Securities. Investments in units of mutual funds shall be valued at the repurchase price of the previous day or at the last available repurchase price declared for the relevant scheme of the mutual fund on the date of the report.
- (ii) Unlisted Securities/investments will be valued at cost till the same are priced at the fair market value. Such fair value may be determined by an agency appointed by the Portfolio Manager, on periodic basis (once in a year).
- (iii) Realised gains/losses will be calculated by applying the '*First In First Out*' principle.
- (iv) Unrealized gains/losses are the differences, between the current market value/ NAV and the historical cost of the Securities.
- (v) Dividends on shares will be accounted on ex-dividend date and dividends on units in mutual funds will be accounted on receipt of information from the mutual fund house and interest, stock lending fees earned etc., will be accounted on accrual basis. The interest on debt instruments will be accounted on accrual basis.

- (vi) Dividends accrued where credited to the Client's bank account linked to the respective demat account and where the Portfolio Manager does not hold the power of attorney to operate the Client bank account will be shown as corpus outward. In all other cases, dividend accrued and received shall continue to be part of the Corpus.
- (vii) In respect of all interest-bearing investments, income must be accrued on a day to day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase will not be treated as a cost of purchase but will be credited to Interest to be adjusted against the receipt.
- (viii) For derivatives and futures and options, unrealized gains and losses is calculated by marking to market the open positions.
- (ix) Interest received at the time of sale for the period from the last interest due date upto the date of sale will not be treated as an addition to sale value but will be credited to the interest recoverable account.
- (x) Transactions for purchase or sale of investments will 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 are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded, in the event of a purchase, as of the date on which there is an enforceable obligation to pay the price or, in the event of a sale, when there is an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
- (xi) Bonus shares will be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements will be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- (xii) The cost of investments acquired or purchased will include brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered will be reduced from the cost of the investment.
- (xiii) The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting the same as may be mutually agreed between them on a case to case basis.
- (xiv) Purchases are accounted at the cost of acquisition inclusive of brokerage, stamp duty, transaction charges and entry loads in case of units of mutual fund. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and custodian fees on purchase/sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- (xv) In case of Portfolio products, Portfolio received from the Clients in the form of Securities will be accounted at previous working day's closing price on NSE. Where the Client withdraws Portfolio in the form of Securities, the same will be accounted on the date of withdrawal at the previous working day's closing price. In case any of the securities are not listed on NSE or they are not traded on NSE on a particular day, closing price on BSE will be used for aforesaid accounting purpose.

The Investor may contact the Investor services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues. The Portfolio Manager may change the valuation policy for any particular type of Security consequent to any regulatory changes or the market practice followed for similar type of Securities.

#### **14. Prevention of Money Laundering and Know Your Customer (KYC) Requirements.**

SEBI has mandated that all registered intermediaries to formulate and implement a comprehensive policy framework on anti-money laundering and adopt 'Know Your Customer' ("KYC") norms as per the Applicable Law.

Accordingly, the Investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of Applicable Law, including the provisions of Income Tax Act 1961, Prevention of Money Laundering Act 2002, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti money laundering laws and regulations in all of its operations.

Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client does not comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements. Further, the Portfolio Manager has put in place Client due diligence measures including screening procedures whereby names of the Investors will be screened against such database considered appropriate by the Portfolio Manager. Further, the Portfolio Manager shall take necessary action including rejection of application / refund of application money / freezing of investor account for future transactions/ submitting suspicious transactions report ("STR") to law enforcement authorities if the Portfolio Manager has reasonable grounds to believe/ suspect that the transactions involve money laundering or terrorist financing or proceeds of crime.

The Portfolio Manager shall not be held liable in any manner for any claims arising whatsoever on account of freezing the account / rejection or refund of the application etc due to non-compliance with the provisions of any of the aforesaid Regulations or Applicable Laws.

KYC is mandatory for all investors and registered intermediaries are required to upload the KYC data with Central KYC Records Registry ("CKYCR"). Each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KYC registration agencies("KRA") and the CKYCR. Applications shall be liable to be rejected if the investors do not comply with the aforesaid KYC requirements.

#### **15. Client/ Investor Services.**

##### **(i) Investor Relations Officer:**

Name, address and telephone number of the investor relations officer who shall attend to the investor queries and complaints:

Name:	Mr. Sandeep Saraf
Email:	<a href="mailto:sandeep.saraf@whiteoakindia.com">sandeep.saraf@whiteoakindia.com</a>
Address:	Unit 6 B2 6 <sup>th</sup> Floor, Cnergy Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025
Telephone No	022-62308183

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official is vested with the necessary authority, independence and wherewithal to handle investor complaints.

**(ii) Grievance Redressal and Dispute Settlement Mechanism:**

The Portfolio Manager has in place a dedicated system for addressing all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Investor and the Portfolio Manager shall abide by the following mechanisms.

**Communication Details of Officer for Client Complaints and Queries:**

Name	Mr. Sandeep Saraf
E-mail	Complaints: <a href="mailto:compliance@whiteoakindia.com">compliance@whiteoakindia.com</a> Queries: <a href="mailto:pmsclients@whiteoakindia.com">pmsclients@whiteoakindia.com</a>
Address	Unit 6 B2/B3, 6 <sup>th</sup> Floor, Cnergy Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025
Telephone No	022-62308183

The aforesaid personnel of the Portfolio Manager shall attend to and address any Client query or concern within 30 days as required by SEBI.

The above details are also available on the website viz. [www.whiteoakindia.com](http://www.whiteoakindia.com)

**Grievance and Settlement Mechanism through SEBI Complaints Redressal System Platform (SCORES):**

Further in case the resolution provided by the Portfolio Manager is not satisfactory, the matter may be referred to SEBI through the SEBI Complaints Redress System platform ("SCORES").

On receipt of complaints through SCORES, SEBI takes up the matter with the concerned market intermediary and follows up with them.

Any action taken by the Portfolio Manager is not taken as complete if the relevant details/ supporting documents are not uploaded on SCORES and consequently the complaint will continue to be treated as pending.

A complaint shall be treated as resolved/ disposed/ closed only when SEBI disposes/ closes the complaint in SCORES. Hence mere filing of Action Taken Report ("ATR") with respect to the complaint will not mean that the complaint is not pending against them.

Failure by the Portfolio Manager to file ATR under SCORES within 30 days of receipt of the grievance shall not only be treated as failure to furnish information to SEBI but shall also be deemed to constitute non-redressal of investor grievance.

All disputes, differences, claims and questions whatsoever will in the first place be tried to be settled by mutual discussions. In the event of failure of settlement through mutual discussions between the Client and Portfolio Manager, all disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/ or their respective representatives shall be settled in accordance with and subject to the provisions of [the Arbitration and Conciliation Act 1996], or any statutory requirement, modification or re-enactment thereof, or in accordance with such other manner as may be specified in the

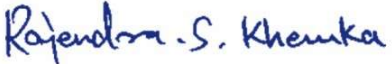
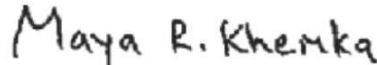


agreement between the Client and the Portfolio Manager. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

Clients can approach SEBI for redressal of their complaints. On receipt of complaints, SEBI takes up the matter with the concerned PMS provider and follows up with them. Clients may send their complaints to: Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

**16. General**

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement.

Name of Designated Partner	Signature
Mr. Rajendra Khemka	
Ms. Mayadevi Khemka	



**FORM C**

**SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020  
(Regulation 22)**

We confirm that:

- I. The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- II. The disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us/ investment in the portfolio management services;
- III. The Disclosure Document has been duly certified by an independent chartered accountant viz. Kamdar Desai & Patel Firm Registration Number 0104664 and having its office at Sumati Smruti CHS, 296, Cadell Road, Dadar (W), Mumbai – 400028 on April 06, 2023.

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

**For White Oak Capital Management Consultants LLP**



**Parag Jariwala**  
**Principal Officer**

Email: [parag.jariwala@whiteoakindia.com](mailto:parag.jariwala@whiteoakindia.com)

Phone No: 022-62308111

Date: April 06, 2023

Place: Mumbai

**White Oak Capital Management Consultants LLP**

**Registered Office:** Energy, 6<sup>th</sup> Floor, B2, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Tel: +91 22 6230 8100; Email: [contact@whiteoakindia.com](mailto:contact@whiteoakindia.com); Website: [www.whiteoakindia.com](http://www.whiteoakindia.com)

INP000005865 | INA000008659 | LLPIN: AAJ-6257

**CERTIFICATE**

To,  
White Oak Capital Management Consultants LLP  
Unit 6 B2 6<sup>th</sup> floor, Cnergy Building,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai – 400 025

We have examined the Disclosure Document dated April 06, 2023 for portfolio management prepared in accordance with Regulation 22 of SEBI (Portfolio Managers) Regulations 2020 by White Oak Capital Management Consultants LLP - Registration No. INP000005865 having its registered office at Unit 6 B2, 6<sup>th</sup> floor, Cnergy Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.

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

We have relied on the representations given by the Portfolio Manager about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure Document.

This certificate has been issued for submission to the Securities and Exchange Board of India for the sole purpose of certifying the contents of the Disclosure Document for the portfolio management and should not be used or referred to for any other purpose without our prior written consent.

For **Kamdar Desai & Patel LLP**  
*Chartered Accountants*  
F.R.N.: 0104664W/W100805



Harsh  
Pankaj  
Sanghvi  
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Harsh Pankaj Sanghvi  
Date: 2023.04.06  
20:06:52 +05'30'

**Date: 06<sup>th</sup> April, 2023**  
**Place: Mumbai**  
**UDIN: 23178498BGWDGM7724**

**Harsh Sanghvi**  
*Partner*  
M No. 178498