



New Mark Advisors LLP

44, A-Wing, Mittal Court
Nariman Point
Mumbai – 400 021
+91 22 4605 8715

June 30, 2023

To,
The Deputy General Manager,
Division of Funds-1,
Investment Management Department,
Securities & Exchange Board of India
SEBI Bhavan, Plot No. C4-A, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400 051.



Dear Sir/Madam,


Ref.: New Mark Advisors LLP (Portfolio Manager Regn. No. INP000007067) – Submission of Documents

Kindly find enclosed the following documents for your records:

1. Form C under Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020
2. Certificate dated June 29, 2023 issued by Chartered Accountant certifying the contents of the Disclosure Document
3. Disclosure Document
4. Net Worth Certificate as at March 31, 2023 issued by Chartered Accountant

Kindly acknowledge the receipt, thanking you.

Yours sincerely,
For New Mark Advisors LLP


Nihar Shah
Compliance Officer



Enclosed as above

Registered under the Limited Liability Partnership Act, 2008 LLPIN: AAM – 1140

Regd. Address: We Work, Vaswani Chambers, 2nd Floor, 264/265,
Dr. Annie Besant Road, Worli, Mumbai – 400 030.

FORM C

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

New Mark Advisors LLP

Corporate office: 44, A Wing, Mittal Court, Nariman Point, Mumbai 400 021
Contact No.: +91 22 4605 8715, Email: niten.malhan@newmarkcapital.in

We confirm that:

- (i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- (ii) the disclosures made in the document are true, fair and adequate to enable investors to make a well-informed decision regarding entrusting the management of the portfolio to us/investment through the Portfolio Manager.
- (iii) the Disclosure Document has been duly certified by an independent chartered accountant M/s. S V N D & ASSOCIATES LLP, Chartered Accountants, having address at Unit No.506, 5th Floor, Sanjar Enclave CTS, S.V Road, Opp. Milap PVR Cinema, Kandivali (W), Mumbai-400 067 Contact: +91 22 4972 5752 / +91 84510 01061 on June 29, 2023. (Enclose a copy of the chartered accountant's certificate to the effect that the disclosures made in the document are true, fair and adequate to enable investors to make a well informed decision)

For New Mark Advisors LLP



Principal Officer

Name : Mr. Vivek Tulshyan
Address : New Mark Advisors LLP
44, A Wing, Mittal Court,
Nariman Point,
Mumbai 400 021
Telephone : +91 22 4605 8715
E-mail : vivek.tulshyan@newmarkcapital.in



Place: Mumbai
Date: June 29, 2023

S V N D & ASSOCIATES LLP

Chartered Accountants

(LLP Identification No. AAJ-4926)

Regd. Office: Unit No.506, 5th Floor, Sanjar Enclave CTS,

S.V Road, Opp. Milap PVR Cinema, Kandivali (W), Mumbai-400 067.

Contact: +91 22 4972 5752 / +91 84510 01061 | Email: narendra.soni@svnd.in

Certificate

To,
New Mark Advisors LLP
44, A Wing, Mittal Court,
Nariman Point
Mumbai – 400 021.

UDIN: 23106529BGVBRB3073

The Disclosure Document has been certified by the Principal Officer in the manner prescribed in Form C, are in accordance with the model disclosure document as stated in Schedule V of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended (“the Regulation”).

We have examined the information provided in the disclosure document from the books of accounts and other records and documents made available by the **New Mark Advisors LLP** (“the Company”). We conducted our work as per the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountant of India (“ICAI”) in so far as they are applicable for the purpose of this certificate. Based on the verification of the records and information and necessary explanation and representations provided by the management of the Company, we believe that the evidence we have obtained is sufficient and appropriate to provide this certificate and it is our opinion that the information provided in the Disclosure Document as required by Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is true, fair and as certified by the Principal Officer, adequate to enable investors to make well informed decision.



S V N D & ASSOCIATES LLP

Chartered Accountants

(LLP Identification No. AAJ-4926)

Regd. Office: Unit No.506, 5th Floor, Sanjar Enclave CTS,

S.V Road, Opp. Milap PVR Cinema, Kandivali (W), Mumbai-400 067.

Contact: +91 22 4972 5752 / +91 84510 01061 | Email: narendra.soni@svnd.in

Disclaimer:

This certificate has been issued at the request of the Company for onward submission to the Securities and Exchange Board of India ("SEBI") for compliance with the Regulation. This certificate is intended solely for the information and use of the management of the Company and for onward submission to SEBI and should not be copied, disclosed, or circulated or referred to in correspondence or discussion with any other party, unless required for the intended purpose or required under any relevant laws. Neither this certificate nor its content may be used for any other purpose without our prior written consent.

For S V N D & Associates LLP

Chartered Accountants

ICAI FRN No. W100212

NARENDRA Digitally signed by
NARENDRA

PREMNARA PREMNARAYAN SONI

YAN SONI Date: 2023.06.29
15:55:17 +05'30'

Narendra Soni

Partner

Membership No. 106529



Place: Mumbai

Date: June 29, 2023

DECLARATION

- (i) The disclosure document (hereinafter referred to as the “**Disclosure Document**”) has been filed with Securities and Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.
- (ii) 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 an informed decision before engaging New Mark Advisors LLP (hereinafter referred to as the “**Portfolio Manager**”) as the portfolio manager of / for its monies and / or securities (as the case may be).
- (iii) The Disclosure Document contains the necessary information required by investors before investing with the Portfolio Manager. The investor is advised to retain this Disclosure Document for future reference.
- (iv) Investors should carefully read the entire Disclosure Document before making a decision and should retain it for future reference.
- (v) The name, phone number, e-mail address of the principal officer (designated by the Portfolio Manager) along with the address of the Portfolio Manager are as follows:

Name : Mr. Vivek Tulshyan
Address : New Mark Advisors LLP
44, A Wing, Mittal Court,
Nariman Point,
Mumbai 400 021
Telephone : +91 22 4605 8715
E-mail : vivek.tulshyan@newmarkcapital.in

AUDITOR:

S.R. Batliboi & Associates LLP
Chartered Accountants
12th Floor, The Ruby 29,
Senapati Bapat Marg,
Dadar (West), Mumbai- 400 028.

CUSTODIAN:

Kotak Mahindra Bank Ltd
Kotak Infiniti, 6th Floor
Building No 21, Infinity Park
Malad (E) – Mumbai 400 064.

Place: Mumbai

Date: June 29, 2023

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1. DISCLAIMER

- 1.1 This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 (as amended from time to time). It has been filed with the Securities and Exchange Board of India (SEBI).
- 1.2 This Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Disclosure Document.

2. DEFINITIONS

The terms used in this Disclosure Document shall, unless the context or meaning thereof otherwise requires, have the meaning assigned to them hereunder:

- a. **"Act"** means the Securities and Exchange Board of India, Act, 1992 (15 of 1992).
- b. **"Affiliate"** with respect to a Person means, any other Person that is directly or indirectly controlling, is under the Control of, or under common Control with, such specified Person.

For the purpose of this definition, **"Control"** with respect to a company or other legal entity means the beneficial ownership, directly or indirectly, of more than 50% (fifty percent) of the voting shares of such entity, or the ability to control the composition (including the power to directly or indirectly cause or procure the decision to appoint, replace or remove the majority of directors from the board of a company) or the decisions of the board of directors or equivalent governing body, and the terms **"Controlled"** or **"Controlling"** shall be construed accordingly.

- c. **"Agreement"** means the discretionary portfolio management services agreement to be entered by and between the Portfolio Manager and the Client, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.
- d. **"Applicable Laws"** shall mean and include the SEBI Regulations and all other applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of the Government of India or any State of the Union of India or any department thereof, any semi-governmental or judicial or quasi-judicial Person in India or any Person (whether autonomous or not) who is charged with the administration of an Indian law.
- e. **"Board"** means the Securities and Exchange Board of India.
- f. **"Capital Contribution"** means the amounts contributed by the Client (whether by way of contributing Cash or Securities) for investments and subject to any deductibles as may be prescribed in the Agreement from time to time.
- g. **"Cash"** shall mean (i) monies of the Client managed by the Portfolio Manager pursuant to an Agreement, (ii) the proceeds of the sale or other realization of Client Securities and interest, and (iii) dividend or other monies arising from the Portfolio; and includes *inter alia* cheques, demand drafts, pay-slips and any other form of cash.

New Mark Advisors LLP (INP000007067)

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- h. **“Chartered Accountant”** means a Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 and who has obtained a certificate of practice under sub-section (1) of section 6 of the Chartered Accountants Act, 1949.
- i. **“Client”** means a Person who is eligible to avail of the services of the Portfolio Manager from time to time under the Applicable Laws.
- j. **“Corpus”** means the value of the Cash and the market value of readily realizable Securities brought in by the Client and accepted and accounted by the Portfolio Manager. For discretionary clients the Securities brought in by the client as Corpus shall be sold within a period of 30 days and the net realizable proceeds shall be taken to portfolio and if such Securities not so sold, shall be switched to the portfolio at the last available closing price on the day of switch.
- k. **“Custodian”** mean any person with whom the custody of the Securities of the Client (whether in physical or dematerialized form) are to be entrusted with, pursuant to the communication given by the Client from time to time and who has to perform the functions of a custodian of Securities, pursuant to such agreement, understanding or writing as may be executed between the Client and the Custodian or executed between New Mark Advisors LLP on behalf of the Client with the Custodian.
- l. **“Depository Account”** means any account of the Client or for the Client with an entity registered as a depository participant as per the relevant regulations.
- m. **“Disclosure Document”** shall mean the relevant Disclosure Document filed by the Portfolio Manager with SEBI and as may be amended by the Portfolio Manager from time to time pursuant to Regulations.
- n. **“Eligible Fund Manager”** shall have the same meaning as assigned to it in sub-section (4) of Section 9A of the Income-tax Act, 1961.
- o. **“Eligible Investment Fund”** shall have the same meaning as assigned to it in sub-section (3) of Section 9A of the Income-tax Act, 1961;
- p. **“Financial year”** means the year starting from 1st April and ending on 31st March the following year.
- q. **“Funds Managed”** means the market value of the Portfolio of the Client as on date.
- r. **“KRA”** shall have the meaning ascribed to the term in Section 19 (Prevention of Money Laundering / KYC Policy) of this Disclosure Document.
- s. **“KRA Regulations”** shall have the meaning ascribed to the term in Section 19 (*Prevention of Money Laundering / KYC Policy*) of this Disclosure Document.
- t. **“KYC Policy”** shall have the meaning ascribed to the term in Section 19 (*Prevention of Money Laundering / KYC Policy*) of this Disclosure Document.
- u. **“NAV” or “Net Asset Value” or “Net Asset Value of the Portfolio”** shall mean the Fair Market Value of the assets in the Portfolio consisting of the aggregate of (a) the amount of cash in the bank account; and (b) the market value of Clients’ Securities, reduced by the amounts payable by

the Client to the Portfolio Manager and all such fees, costs, charges payable by the Client in respect of the Portfolio which include but are not restricted to custodian fees, bank charges, accounting charges, stamp charges, legal fees, taxes and out of pocket expenses incurred in respect of the Portfolio.

- v. **“Person”** means any individual, sole proprietorship, association of persons, Hindu Undivided Family (HUF), body corporate, partnership, company, trust or other legal entity or organization, whether incorporated or not.
- w. **“Portfolio”** shall mean, collectively, the Securities and / or Cash of the Client, entrusted to the Portfolio Manager at the time of account opening and from time to time, for Services including any Cash received from sale proceeds of the Securities or otherwise, as the case may be and such other Securities and Cash that shall accrue from time to time.
- x. **“Portfolio Company”** shall mean a company in which the Portfolio Manager has made investments on behalf of the Client.
- y. **“Portfolio Manager”** shall have the same meaning as in the SEBI (Portfolio Managers) Regulations, 2020 and for the purpose of this Disclosure Document shall mean New Mark Advisors LLP, a Limited Liability Partnership incorporated under the Limited Liability Partnership Act, 2008 and having its corporate office at 44, A Wing, Mittal Court, Nariman Point, Mumbai 400 021.
- z. **“Principal Officer”** refers to Mr. Vivek Tulshyan, Vice President who is designated as the Principal Officer under SEBI Regulations by the Portfolio Manager.
- aa. **“PMLA”** shall have the meaning ascribed to the term in Section 19 (*Prevention of Money Laundering / KYC Policy*) of this Disclosure Document.
- bb. **“PML Laws”** shall have the meaning ascribed to the term in Section 19 (*Prevention of Money Laundering / KYC Policy*) of this Disclosure Document.
- cc. **“Securities”** shall have the same meaning as in Securities Contracts (Regulation) Act, 1956.
- dd. **“SEBI”** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
- ee. **“SEBI Regulations”** shall mean the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time.

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according as defined in the SEBI Regulations. However, if the words and expressions are not expressly defined in the SEBI Regulations then it 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 SEBI regulations governing Portfolio Management Services.

3. HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER

New Mark Advisors LLP (hereinafter referred to as “the LLP”) is a Limited Liability Partnership incorporated under the Limited Liability Partnership Act, 2008 and having its corporate office at 44, A Wing, Mittal Court, Nariman Point, Mumbai 400 021 with the objective of *inter alia* offering investment management and portfolio management services. The registered office of the Portfolio Manager is at WeWork, Vaswani Chamber, 2nd Floor, 264/265, Dr. Annie Besant Road, Worli, Mumbai 400 030, Maharashtra.

The Corporate Office of the Portfolio Manager is situated at 44, A Wing, Mittal Court, Nariman Point, Mumbai 400 021 Maharashtra, India.

The Portfolio Manager has registered with the SEBI as a ‘portfolio manager’ under the SEBI Regulations *vide* registration number INP000007067 (Registered w.e.f. September 25, 2020) dated October 28, 2020.

The Portfolio Manager keeps the books of accounts, records and documents related to portfolio management services at its head office situated at 44, A Wing, Mittal Court, Nariman Point, Mumbai 400 021 Maharashtra, India.

4. PROMOTERS AND DIRECTORS AND KEY PERSONNEL OF THE PORTFOLIO MANAGER AND THEIR BACKGROUND IN BRIEF.

i) Particulars of the Designated Partners of New Mark Advisors LLP (Portfolio Manager):

- (a) Mr. Niten Malhan and Mr. Kharaiti Malhan are the Designated Partners of the Portfolio Manager. The details of Mr. Niten Malhan and Mr. Kharaiti Malhan are provided herein below:

SR. NO.	NAME OF DIRECTOR	ADDRESS / EDUCATIONAL QUALIFICATION OF DIRECTOR	OTHER DIRECTORSHIPS
1.	Mr. Niten Malhan	<p><i>Address:</i> 2705, 27th floor, The Imperial Tower North, B B Nakashe Marg, Tardeo, Mumbai-400034.</p> <p><i>Qualification:</i> Indian Institute of Technology, Delhi (IIT – Dehli)</p> <p>Post Graduate Diploma in management from the Indian Institute of Management, Ahmedabad (IIM – Ahmedabad)</p>	<p>Max Ventures & Industries Limited – Additional Director</p> <p>Lemon Tree Hotels Limited – Director</p> <p>Max India Limited – Director</p> <p>Fleur Hotels Private Limited – Director</p> <p>New Mark Advisors LLP – Designated Partner</p> <p>New Mark Services LLP – Designated Partner</p> <p>New Mark Capital AIF LLP – Designated Partner</p>

New Mark Advisors LLP (INP000007067)

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SR. NO.	NAME OF DIRECTOR	ADDRESS / EDUCATIONAL QUALIFICATION OF DIRECTOR	OTHER DIRECTORSHIPS
			NNA CRE Properties LLP – Designated Partner
2.	Mr. Kharaiti Malhan	<i>Address:</i> Apartment 204, Tower 1, Malibu Towne, South City II, Gurgaon, Haryana. <i>Qualification:</i> Master of Business Administration	New Mark Advisors LLP – Designated Partner

(b) Profile of Mr. Niten Malhan:

Niten Malhan is the founder and managing partner of New Mark Advisors LLP since April 2018. He holds over 20 years of investment management / advisory experience and 5 years of experience in management consulting. Prior to founding New Mark Advisors LLP, Mr. Malhan was the co-head of the India business at Warburg Pincus, a global private equity firm, which he joined in 2001. Warburg Pincus is one of the oldest and largest private equity investors in India. During Mr. Malhan's tenure as co-head of the India business, the firm had over 15 investment professionals in India and had an investment portfolio exceeding \$3 billion.

Prior to joining Warburg Pincus in 2001, Mr. Malhan worked at Stratum 8 Inc., a Silicon Valley start-up, in San Jose, USA, as the Director, Business Development for one year. Prior to that, he worked for 5 years at McKinsey & Company, a global management consulting firm, as an Engagement Manager. While at McKinsey, Mr. Malhan worked in the Mumbai, Jakarta (Indonesia), New York (USA), and Boston (USA) offices and worked on projects covering strategy, operations, and organizational issues at companies across a range of industries including financial services, technology, oil & gas, and hospitality.

Mr. Malhan studied computer science and engineering from the Indian Institute of Technology, Delhi (IIT-Delhi). He completed his post-graduate diploma in management from the Indian Institute of Management, Ahmedabad.

He has served as member of the board of directors of the following investee companies (many of which are listed on stock exchange of India): ACB (India) Limited, Alliance Tire Company, AVTEC, Cleanmax Solar, DB Corp, Diligent Power Private Limited, Embassy Industrial Parks, Havells India Limited, Laurus Labs, Lemon Tree Hotels, Metropolis Healthcare Limited, PRL Developers, Punj Lloyd Limited and Sintex Industries Limited.

He has also served as the Vice-Chairman of the Indian Venture Capital Association.

(c) Profile of Mr. Kharaiti Malhan:

Rear Admiral (retd.) Kharaiti Lal Malhan is a partner of New Mark Advisors LLP since April 2019. He has had a distinguished career in the Indian Navy for 35 years and his last held position was Director, Manpower Development at the headquarters of the Defence Research & Development Organization (DRDO), New Delhi. Post that, Rear Admiral (retd.) Malhan served as an Associate Professor at the National Institute of Financial Management, Faridabad, Haryana and subsequently as a Professor at the Manav Rachna University, Faridabad, Haryana.

Mr. Malhan secured a Bachelor of Science (Honours) degree in Chemistry and a Master of Business Administration (MBA), both from the University of Delhi.

5. KEY ENTITIES IN THE GROUP

Top 10 Group companies / firms of the Portfolio Manager on turnover basis:

Sr No	Entity Name
1	New Mark Services LLP
2	New Mark Capital AIF LLP is a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008

6. DETAILS OF SERVICES BEING OFFERED BY THE PORTFOLIO MANAGER

The Portfolio Manager is offering discretionary portfolio management services to its Clients. The Portfolio Manager may, however, consider rendering non-discretionary portfolio management services as well as advisory services to its Clients.

The key *features* of all the aforementioned services are provided herein below:

◆ Discretionary Services

The Portfolio Manager shall have the sole and absolute discretion to invest / divest the monies / Securities of the Client in accordance with the terms of the Agreement executed between the Client and the Portfolio Manager. The Portfolio Manager shall have the right to take decisions in terms of timing of investment decisions and the investment spread of a Client and therefore it is likely that the Portfolio of two Clients will be different. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's Account shall be absolute and final and cannot be called in question except on the ground of fraud, mala fide, conflict of interest or gross negligence. The Portfolio Manager shall exercise the right to invest / divest the monies / Securities of the Clients strictly in accordance with the Applicable Laws.

The Portfolio Manager shall provide periodical statements to the Client in respect of the Client's Portfolio and allow the Client information rights as set out in the Agreement executed between the Client and the Portfolio Manager. The Portfolio Manager shall also provide administrative services with respect to the monies / Securities of the Client.

In Discretionary Portfolios, the securities invested in / disinvested by the Portfolio Manager for Clients in the same portfolio may differ from Client to Client. –

◆ Non-Discretionary Portfolio Management Services

The Portfolio Manager shall provide non-binding investment advice, management and administrative services to the Client in respect of the monies / Securities of the Client in accordance with the instructions of the Client (in respect of investment / divestment decisions of monies / Securities of the Client whether in respect of quantity or price or timing of such decision investment) and the terms and conditions set out in the Agreement between the Portfolio Manager and the Client. It is clarified that the Portfolio Manager shall take no decision in respect of the monies / Securities of the Client and shall not take any investment decisions and only process the instructions of the Client. The Portfolio Manager shall *inter alia* manage transaction execution, accounting, recording or corporate benefits, custody, valuation and reporting aspects on behalf of the Client.

◆ **Advisory Services**

The Portfolio Manager shall provide non-binding investment advisory services which shall include advising on the portfolio strategy and investment and / or divestment of the monies / Securities of the Clients portfolio, for an agreed fee structure and for a defined period, however, the investment / divestment decisions and any actions in pursuance thereof shall be executed by the Client and shall be at the Client's risk. 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 any management or administration of the monies / Securities of the Client. 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 may act as an Eligible Fund Manager to provide portfolio management services to Eligible Investment Fund(s), subject to fulfilment of conditions specified in Section 9A of the Income-tax Act as well as the SEBI Regulations in this regard.

Further, the Portfolio Manager has entered into an investment management agreement dated 20 March 2019 (the “Investment Management Agreement”), pursuant to which it has been appointed as the investment manager for New Mark Capital India Fund I (“Fund”), a SEBI registered Category III – Alternative Investment Fund. The Portfolio Manager will provide investment management and other services to the Fund in accordance with the Investment Management Agreement. The Fund is also sponsored by the Portfolio Manager.

The Portfolio Manager has entered into an investment management agreement dated 22 March 2023 (the “Investment Management Agreement”), pursuant to which it has been appointed as the investment manager for New Mark Capital India Fund II (“Fund II”), a SEBI registered Category III – Alternative Investment Fund. The Portfolio Manager will provide investment management and other services to the Fund II in accordance with the Investment Management Agreement. The Fund II is sponsored by New Mark Services LLP.

The Portfolio Manager has entered into an investment management agreement dated 4 May 2023 (the “Investment Management Agreement”), pursuant to which it has been appointed as the investment manager for New Mark Capital AIF LLP (“AIF LLP”), a SEBI registered Category III – Alternative Investment Fund. The Portfolio Manager will provide investment management and other services to the AIF LLP in accordance with the Investment Management Agreement. The AIF LLP is sponsored by New Mark Services LLP.

There is a possibility of common investments held by the Portfolio Manager in different strategies and by its Affiliates or other Fund(s) managed by the Portfolio Manager. Employees of the Portfolio Manager may also individually hold investments which are common with client portfolios. There is a possibility of different strategies being adopted for the same securities across different portfolios by the Portfolio Manager/its affiliates.

It is important to note that each investor will have an option to approach the Portfolio Manager directly i.e. without intermediation of persons engaged in distribution services.

At the time of on-boarding of clients directly, no charges except statutory charges shall be levied.

7. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS ETC.

SR. NO.	PARTICULARS	DISCLOSURE
1.	All cases of penalties imposed by the SEBI or the directions issued by the SEBI under the Act or rules or regulations made thereunder.	NIL There are no cases where SEBI has imposed any penalties or issued any directions to the Portfolio Manager under the Act or the rule or regulations made thereunder.
2.	The nature of the penalty / direction.	Not applicable
3.	Penalties imposed for any economic offence and / or for violation of any securities Laws.	NIL There are no cases where any penalty has been imposed upon the Portfolio Manager for any economic offence and / or violation of any securities Law.
4.	Any pending material litigation / legal proceedings against the Portfolio Manager / key personnel of the Portfolio Manager.	NIL There are no pending material litigation / legal proceedings against the Portfolio Manager / key personnel of the Portfolio Manager.
5.	In addition to the above, the list and nature of (if any) pending criminal cases against the key personnel of the Portfolio Manager.	NIL There are no pending criminal cases against the key personnel of the Portfolio Manager.
6.	Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency	NIL Neither SEBI nor any other regulatory agency has observed any deficiency(ies) in the systems and operations of the Portfolio Manager
7.	Any enquiry / adjudication proceedings initiated by SEBI against the Portfolio Manager or its directors, principal officer or employee(s) or any Person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee(s), under the Act or rules or regulations made there under	NIL No enquiry(ies) / adjudication proceedings have been initiated by SEBI against the Portfolio Manager or its directors, Principal Officer or employee(s) or any Person directly or indirectly connected with the Portfolio Manager or its directors, Principal Officer or employee(s), under the SEBI Act or rules or regulations made there under.

8. PORTFOLIO STRATEGY SPECIFIC DETAILS

Investment Strategy & Investment Approach:

- I The present investment objectives and policies including the types of Securities in which the Portfolio Manager generally invests are given below for easy understanding of a potential Client.
- (a) India provides a compelling growth opportunity in which well managed businesses can grow and compound in value. As a key investment objective, the Portfolio Manager proposes to make investments on behalf of its Clients on long-term basis by mainly investing in equity or equity linked instruments of high-quality businesses in India, along with value creation by application of thorough due diligence.
 - (b) The Portfolio Manager shall invest the monies of the Clients in Securities, permitted instruments and such other eligible modes of investment and / or forms of deployment within the meaning of the SEBI Regulations, provided, however, that the monies of the Client shall not be deployed in such instruments as prohibited under the SEBI Regulations.
 - (c) The key investment goals are to generate an attractive risk-adjusted return over the long term through investment and the Portfolio Manager shall have the sole and absolute discretion to invest the funds predominantly in the securities of Indian listed companies.
 - (d) The Portfolio Manager proposes to invest the Capital Contribution of Clients in Securities, which includes:
 - i) Equity and Equity related securities;
 - ii) Units and other instruments of Mutual Funds;
 - iii) Bank Deposits and other money market instruments;
 - iv) Any other Securities or instruments as permitted by SEBI Regulations in this connection and as amended from time to time.
 - (e) The Securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The Securities may be acquired through initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals and including transactions for the purpose of hedging and portfolio rebalancing, through a recognized stock exchange.
 - (f) The investments in unlisted Securities would be subject to provisions of the relevant SEBI Regulations and amendments thereto.
 - (g) The Portfolio Manager shall not invest the clients' funds / Capital Contribution in the portfolio managed or administered by another portfolio manager.
 - (h) The portfolio manager offering non-discretionary or advisory services to clients may invest or provide advice for investment up to 25% of the assets under management of such clients in unlisted securities, in addition to the securities permitted for discretionary portfolio management.
- II The policies for investments in associates / group companies of the Portfolio Manager and the maximum percentage of such investments therein subject to the Applicable Laws / regulations / guidelines are given below.

The Portfolio Manager does not intend to invest in the Securities of its Affiliate or group companies.

9. RISK FACTORS

- a) Securities investments are subject to market and other risks and the Portfolio Manager provides no guarantee or assurance that the objectives set out in the Agreement with the Client shall be accomplished.
- b) Past performances of the Portfolio Manager or of the key personnel of the Portfolio Manager do not indicate or guarantee its/their future performance or performance of portfolio.
- c) Securities investments are subject to market risks and there can be no guarantee against losses resulting from an investment nor there will be any assurance that the investment objectives as contemplated in the Agreement with the Client will be achieved.
- d) The value of the Portfolio of the Client may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- e) Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of gross negligence, willful default and / or fraud of the Portfolio Manager.
- f) The Client Portfolio may be affected by settlement periods and transfer procedures.
- g) The Portfolio of the Client is subject to risk arising out of non-diversification as the Portfolio Manager under the Agreement with the Client may invest in a particular sector, industry, few / single Portfolio Company(ies). The performance of the Portfolio would depend on the performance of such companies / industries / sectors of the Indian economy.
- h) Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement with the Client and may also impact the profitability of the Portfolio.
- i) The market prices of the Securities in the Portfolio may be volatile and may not truly reflect its fundamental or intrinsic value due to the lack of sufficient liquidity for those Securities.
- j) *Equity and Equity Related Risks:* Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Cash in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
- k) *Macro-Economic Risks:* Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.
- l) *Liquidity Risk:* Liquidity of investments in equity and equity related Securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular Security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular Security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market Securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of such Securities thereby

resulting in a loss to the Portfolio until such Securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid Securities and finding a buyer for such Securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets are uninvested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.

- m) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
- n) *Key-man Risk*: The investment decisions of the Portfolio Manager are made by a few key individuals. It is possible that one or more of such individuals are unable to or do not (due to any reason including leaving employment or death or disability of such individuals) continue to provide investment advice to the Portfolio Manager and this may lead the Portfolio of the Client to suffer.
- o) *Corporate Governance Risk*: The Portfolio Manager may not, despite conducting adequate and reasonable due diligence of the potential Portfolio Companies, be able to gather a complete picture of the corporate governance issues which a potential Portfolio Company might be suffering from and consequently the Portfolio of the Client may be at risk on account of any fraud, embezzlement, misrepresentation, etc.
- p) The Client stands the risk of: (a) total loss of value of an asset which forms part of the Portfolio, or (b) recovery of an asset only through an expensive legal process due to various factors which include inter alia default or non-performance of a third party, Portfolio Company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties, etc.
- q) *Non-Diversification Risk*: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. The investment objectives could result into concentration on a specific asset / asset class / sector / issuer which could expose the Portfolio to lack of diversification or improper diversification. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.
- r) *Mutual Fund Risk*: This risk arises from investing in units of mutual funds. Risk factors inherent to equities and debt Securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect performance of the investment in mutual fund units.
- s) The investments under the Portfolio may have exposure towards equity / equity related instruments of companies belonging to the infrastructure sector and hence shall be affected by risks associated with the infrastructure companies / sector. The performance of the companies which form the investment universe of the Portfolio would be affected by the growth and performance of the infrastructure sector in the country.
- t) Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.
- u) Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

- v) *Credit Risk*: Credit risk or default risk refers to the risk that an issuer of a fixed income Security may default. Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default.
- w) The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.
- x) The Client may not be able to avail of securities transaction tax credit benefit and / or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Client. The Client may not be able to claim performance linked fee and fixed management fee as deductible expenses.
- y) The arrangement of pooling of funds from various clients and investing them in Securities may be construed by the Income-tax authorities in India as an 'Association of Persons' (AOP) under the provisions of the (Indian) Income Tax Act, 1961 and taxed accordingly.
- z) In case of investments in mutual fund units, the Client shall bear the recurring expenses due to the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.
- aa) 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 a situation the Client may suffer opportunity loss.
- bb) Client will not be allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement with the Portfolio Manager and in the SEBI Regulations and that might lead to an opportunity loss.
- cc) In case of early termination of the Agreement, where Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that were negotiated by the Portfolio Manager with a Portfolio Company or its shareholders may no longer be available to the Client.
- dd) Changes in Applicable Law may impact the performance of the Portfolio.
- ee) *Volatility Risk*: Volatility refers to the dynamic changes in price that Securities undergo when trading activity continues on the stock exchange. Generally, the higher the volatility of Security, the greater are its price swings. There may be normally greater volatility in thinly traded Securities than in active Securities. As a result of volatility, orders may only be partially executed or not executed at all or the price at which the order gets executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.
- ff) *Risk of Wider Spreads*: Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a Security and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid Securities. This in turn will hamper better price formation.
- gg) *Risk of Reducing Orders*: Most stock exchanges have a facility for investors to place "limit orders", "stop loss orders" etc. the placing of such orders which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.
- hh) *System Risk*: High value trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order

execution on confirmation. Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side or if trading is halted in a Security due to any action on account of unusual trading activity or stock hitting circuit filters or for any other reason.

- ii) *System / Network Congestion Risk:* Trading on stock exchanges is through electronic mode, based on satellite / leased line based communications, combination of technologies and computer systems to place and route orders. Thus there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any such other problem whereby not being able to establish access to the trading system / network, which may be beyond the control of and may result in delay in processing or not processing buy or sell orders weather in part or in full. The Client is cautioned that although these problems may be temporary in nature, but when in case of outstanding open positions or unexecuted orders, these represent a risk because of the obligations to settle all executed transactions.
- jj) Risk arising from the investment objective, investment strategy and asset allocation are as follows:
 - (i) The liquidity of the Securities may be restricted by trading volumes and settlement periods. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Client to miss certain investment opportunities. By the same token, the Portfolio Manager may be unable to sell Securities held in the Portfolio, due to the absence of a well-developed and liquid secondary market for certain Securities, and this would result at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of the Securities held in the Portfolio;
 - (ii) Value of individual Securities may get impacted as a result of the corporate performance or the outlook towards the issuer of the Securities or the performance of the sector in general to which the issuer company belongs;
 - (iii) In addition to the factors that affect the value of individual Securities, the value of the Portfolio can be expected to fluctuate with movements in the broader equity markets and may be influenced by factors affecting capital markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in governmental policies, taxation, political, economic or other developments and increased volatility in the stock markets; and
 - (iv) The Securities which purchased for the Client and cannot be registered in the name of the Client for any reason including, but not limited to the refusal of the Portfolio Company or any governmental authority, may be sold by the Portfolio Manager, at available market rate, at the risk and responsibility of the Client as per instructions from the Client in this regard.

10. CLIENT REPRESENTATION

Details of Clients: The Portfolio Manager has obtained a certificate of registration from SEBI to function as a portfolio manager on October 28,2020 vide SEBI certificate registration number INP000007067 dated September 25, 2020.

Due to the challenging economic conditions, the Portfolio Manager has not on-boarded any client and thus the Portfolio Manager does not have any portfolio management activity during the period under consideration. Further, the Portfolio Manager has no record of representing any persons / entities / Associates / Group companies / others in the capacity of a Portfolio Manager.

11. DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES AS PER THE STANDARDS SPECIFIED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

The summary of transaction for the financial year 2021-2022 related to the Related Party is as under:

a) Name and relationship of related party

Name of related party	Nature of relationship
New Mark Capital India Fund I	The Portfolio Manager is Sponsor and Investment Manager of New Mark Capital India Fund I
Niten Malhan	Designated partner of the Portfolio Manager
M3N Family Pvt Trust	Partner in the Portfolio Manager (w.e.f April 1st 2019); Trust settled by Niten Malhan in which Niten Malhan is also a beneficiary
Kharaitilal Malhan	Designated partner of the Portfolio Manager (w.e.f. April 1, 2019) and relative of Niten Malhan

b) Transactions with related parties during the financial year 2021-22:

Name of related party	Nature of Transaction	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)	Year ended March, 31 2020 (Audited)	Year ended March, 31 2019 (Audited)
New Mark Capital India Fund I	Management Fee*	97,50,000	1,03,12,501	1,07,14,286	-
	Recovery of Expenses**	-	2,79,890	17,66,280	-
	Recovery of SEBI fees	-	-	16,00,000	-
	Investment in Units of fund	2,50,00,000	15,78,71,104	5,00,00,000	-
Niten Malhan	Contribution to Fixed Capital	-	-	40,000	-
	Contribution to current account	3,71,51,000	16,75,00,000	3,12,00,000	13,60,00,000
	Withdrawal from current account	8,000	15,02,500	21,12,500	10,22,53,500
	Reimbursement of expenses	2,03,390	34,846	16,01,584	13,09,573
Madhulika Malhan	Withdrawal of Fixed Capital	-	-	50,000	-

New Mark Advisors LLP (INP000007067)

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	Contribution to current account	-	-	11,74,941	-
	Withdrawal from current account	-	-	(7,500)	(2,500)
M3N Family Pvt Trust	Contribution Fixed Capital	-	-	10,000	-
	Contribution current account	-	-	2,50,00,000	-
Kharaitilal Malhan	Contribution Fixed Capital	-	-	5,000	-

*Excluding GST

**Legal & Setup Cost

c) Outstanding balances of related parties as at period ending March 31, 2022

Name of related party	Nature of Transaction	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
New Mark Capital India Fund I	Investment in Units of fund	23,28,71,104	20,78,71,104	5,00,00,000	-
Niten Malhan	Fixed Capital	90,000	90,000	90,000	50,000
	Current Account	21,40,38,435	18,86,03,374	3,23,49,301	1,44,41,157
	Reimbursement of expenses	18,39,821	16,36,430	16,01,584	13,09,573
M3N Family Pvt Trust	Fixed Capital	10,000	10,000	10,000	-
	Current Account	2,13,74,642	2,26,75,246	2,37,57,849	-
Kharaitilal Malhan	Fixed Capital	5,000	5,000	5,000	-

12. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER:

The financial performance of the Portfolio Manager based on the audited financial statement for the period ended March 31, 2023 is as under:-

Particulars	For FY 2022-23 Amount in Rs. (Un-audited)	For FY 2021-22 Amount in Rs. (Audited)	For FY 2020-21 Amount in Rs. (Audited)	For FY 2019-20 Amount in Rs. (Audited)	For FY 2018-19 Amount in Rs. (Audited)
Total Income	1,51,75,298	97,50,000	1,06,91,779	1,26,74,517	21,86,744
(Loss) after Tax	(97,86,419)	(1,31,01,562)	(1,07,30,512)	(1,24,21,506)	(2,12,52,842)
Partner's Capital					
- Fixed Capital	1,05,000	1,05,000	1,05,000	1,05,000	1,00,000
- Current Account	25,46,53,041	23,54,13,077	21,13,71,639	5,61,07,150	1,32,73,715
Net-worth	25,47,58,041	23,55,18,077	21,14,76,639	5,62,12,150	1,33,73,715

13. PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER

The Portfolio Manager has no previous experience / track record in the field of portfolio management services and obtained a certificate of registration from SEBI to function as a portfolio manager on October 28, 2020 vide SEBI certificate registration number INP000007067 dated September 25, 2020.

However, the team of the Portfolio Manager has due experience in financial service sector as well as the Principal Officer has extensive experience in making investments in private equity as well as public equity markets. The Principal Office and team member(s) has served as the Fund Manager during their working experience.

14. AUDIT OBSERVATION OF THE PRECEDING 3 YEARS

The Portfolio Manager has no previous audit observation of portfolio management services and has obtained a certificate of registration from SEBI to function as a portfolio manager on October 28, 2020 vide SEBI certificate registration number INP000007067 dated September 25, 2020.

15. NATURE OF COSTS AND EXPENSES FOR CLIENTS

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 Agreement to be entered into between the Portfolio Manager and the Client, and the agreements in respect of each of the services availed at the time of execution of such agreements. The below mentioned fees, charges and expenses shall be directly debited to the Clients' account as and when the same becomes due for payment.

As provided in Regulation 22 (11) of the PMS Regulations, no upfront fees shall be charged by the Portfolio Managers, either directly or indirectly, to the clients

a. Annual Management Fees

Management fees relate to the portfolio management services offered to the Clients.

The fee may be in the form of an entry or exit charge or a recurring charge in the nature of a fixed charge or percentage of the quantum of Funds Managed (which can be an absolute amount or a percentage of the quantum of Funds Managed).

Management fees as an entry or exit charge or as a percentage of the quantum of Funds Managed shall each be charged, at such rate as may be agreed between the Portfolio Manager and the Client from time to time.

These charges, not exceeding “2.5%”(annually) of the average NAV of the funds under managed, will be applicable irrespective of whether the Clients’ Funds Managed are for the whole year or part of the year. Where the management fees is a percentage of the quantum of Funds Managed, the Portfolio Manager may charge management fees based on the capital contribution, the annual opening value of portfolio or on the average value of portfolio (calculated on a daily/ weekly/ monthly or quarterly basis), as agreed between the Client and the Portfolio Manager. Management fees can vary from Client to Client, in the same portfolio strategy or in different portfolio strategy.

b. Performance Linked Fees:

The performance fee relates to fee charged by the Portfolio Manager on the profits of the Client. Performance linked fee is charged as a percentage of the profit of the Client. The details of the performance linked fee shall be set out in the Agreement with the Client.

The Performance Linked Fee shall be payable at the rate not exceeding “20%” of the net profit of the Client, as agreed between the Client and the Portfolio Manager.

Proceeds distributable to the Client shall be net of all the other expenses and charges as mentioned in the Agreement to be entered into between the Portfolio Manager and the Client.

c. Exit load:

Exit load refers to the punitive charge levied by the Portfolio Manager in case the Client redeems its Portfolio before the time period set out in the Agreement.

In case client portfolio is redeemed in part or full, the exit load charged shall be as under:

- a) In the first year of investment, maximum of 3% of the amount redeemed.
- b) In the second year of investment, maximum of 2% of the amount redeemed.
- c) In the third year of investment, maximum of 1% of the amount redeemed.
- d) After a period of three years from the date of investment, no exit load.

d. Custodian / depository fees: The Portfolio Manager shall charge, at actuals, expenses relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts. The Portfolio Manager has entered into a custody agreement with **Kotak Mahindra Bank Limited** for custody and fund accounting services.

e. Brokerage and transaction costs: The Portfolio Manager shall charge, at actuals, expenses relating to brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.

- f. Registrar and transfer agent fee:** The Portfolio Manager shall charge, at actuals, expenses relating to payment to registrars and transfer agents in connection with effecting transfer of Securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.
- g. Securities lending and borrowing charges:** The Portfolio Manager shall charge, at actuals, expenses relating to lending of Securities, costs of borrowing including interest, and costs associated with transfers of Securities connected with the lending and borrowing transfer operations.
- h. Certification and professional charges:** The Portfolio Manager shall charge, at actuals, expenses relating to outsourced professional services like accounting, audit, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory authorities.
- i. Bank and Depository charges:** For availing the Portfolio Management Service the Clients have to open the bank account and demat account and in this regard the clients will have to pay charges as per schedule of charges forming part of the account opening forms signed by them.
- j. Incidental Expenses:** The Portfolio Manager shall charge, at actuals, expenses relating to incidental matters such as couriering expense, stamp duty, Goods and Services Tax, postal, telegraphic, opening and operation of bank accounts etc. Further, the cost of due diligence carried out for making investments shall also be charged, including meeting, traveling and professional fees paid to the industry experts for view on the industry or the portfolio company.

Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service (i.e. Annual Management Fee), shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

Charges for all transactions in a financial year (Broking, Demat, custody etc.) through self or associates shall be capped at 20% by value per associate (including self) per service. Any charges to self/associate shall not be at rates more than that paid to the non-associates providing the same service.

It is hereby clarified that the total liability of the Client shall not exceed the amount of Capital Contribution made by the client under the Agreement.

The detailed description of the fee structure and expenses for availing portfolio management services is given as per **Schedule B: Fees and Charges of the Portfolio Management Agreement**.

16. TAXATION IMPLICATIONS FOR CLIENTS

The information furnished below outlines briefly the tax implications to the investors and is based on relevant provisions of the Income-tax Act, 1961 (hereinafter referred to as "the IT Act"), the Income tax Rules, 1962 ("the Rules"), 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 made up to Finance Act, 2023. The rates specified in this section are as applicable for the Financial Year 2023-24 under the IT Act and are exclusive of surcharge and cess, if any, as currently leviable.

The Portfolio Manager does not make any representations on the procedures for ascertaining the tax benefits nor do they make any representation regarding any legal interpretations. Since the information below is based on the relevant provisions of the IT Act as on March 31, 2024, any subsequent changes in the said provisions could affect the tax benefits.

THE FOLLOWING INFORMATION IS PROVIDED FOR GENERAL INFORMATION PURPOSES ONLY AND APPLIES TO THE PORTFOLIO. IN VIEW OF THE INDIVIDUAL NATURE OF TAX BENEFITS, EACH INVESTOR IS ADVISED TO CONSULT HIS OR HER OWN TAX CONSULTANT WITH RESPECT TO THE SPECIFIC TAX IMPLICATIONS ARISING OUT OF HIS OR HER PARTICIPATION IN THE PORTFOLIO. THE SPECIFIC TAX IMPLICATIONS FOR EACH TYPE OF INVESTMENT WOULD DEPEND ON THE TYPE OF INVESTMENT AND ITS INDIVIDUAL CHARACTERISTICS AND HAVE NOT BEEN SPECIFICALLY DEALT WITH HEREUNDER.

1. General

In view of the individual nature of tax consequences, each client is advised to consult his or her tax advisor with respect to the specific tax consequences arising to him/her from participation in any of the investments. The tax implications given below are based on the existing provisions of the Income tax Act, 1961 (‘the IT Act’) and rules made thereunder. The Portfolio Manager accepts no responsibility for any loss suffered by any Investor as a result of current taxation law and practice or any changes thereto.

2. Tax Rates

The rates specified in this section pertain to the financial year (‘FY’) 2023-24 as provided by the Finance Act, 2023

2.1. Tax rates for specific type of assessees are as below:

Assessee	% of Income Tax
Individuals, Hindu Undivided Family (‘HUF’), Association of Persons (‘AOP’), Body of Individuals (‘BOI’)	Applicable slab rates
Domestic Company having turnover/gross receipt not exceeding Rs. 400 crores in previous year 2021-22	25%
Partnership Firm [including Limited Liability Partnership (‘LLP’)] and Domestic Company having turnover/gross receipt exceeding Rs. 400 crores in previous year 2021-22	30%
Domestic Company subject to satisfaction of conditions (See Note 1 and Note 2)	15% / 22%
Foreign Company	40%

Note 1: As per Section 115BAA of IT Act, any domestic company has the option to pay tax at the rate of 22%, subject to the following conditions:

- i. The total income is computed without claiming prescribed deductions or set-off of loss.
- ii. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the Act for assessment year (‘AY’) 2020-21 or subsequent AYs.
- iii. Once exercised, such option cannot be withdrawn for the same or subsequent AYs.

Note 2: As per Section 115BAB of the IT Act, any domestic manufacturing company has an option to pay tax at the rate of 15%, subject to the following conditions:

- i. The total income is computed without claiming prescribed deductions or set-off of loss.

- ii. Such company is incorporated on or after 1 October 2019 and commences production on or before 31 March 2023.
- iii. Such company is not formed by splitting up or reconstruction of business already in existence.
- iv. Such company does not use plant and machinery previously used for any purpose in India and no depreciation has been claimed on the same (relaxation up to 20% allowed).
- v. Such company does not use any building previously used as a hotel or convention centre.
- vi. Such company is not engaged in any business other than the manufacture or production of an article or thing and research in relation to or distribution of such article or thing manufactured or produced by it.
- vii. The option needs to be exercised before the due date as per section 139(1) of the Act for furnishing the first of the return of income for any previous year starting from AY 2020-21 or subsequent AYs.
- viii. Once exercised, such option cannot be withdrawn for the same or subsequent AYs.

Note 3: Companies exercising the above options (under section 115BAA or 115BAB of the IT Act) have been excluded from the applicability of MAT.

2.2. The slab rates for individuals / HUF / AOP / BOI are as follows

Total Income (please refer to notes (a) to (d) below)	Tax rates (c)
Up to Rs. 2,50,000	Nil
From Rs. 2,50,001 to Rs. 5,00,000	5%
From Rs. 5,00,001 to Rs. 10,00,000	20%
Rs. 10,00,001 and above	30%

- a) The IT Act has provided for a rebate on tax on total income of upto INR 5,00,000 for individual assessee.
- b) In the case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is INR. 3,00,000.
- c) In the case of a resident individual of the age of 80 years or more, the basic exemption limit is INR. 5,00,000.
- d) Surcharge on income-tax is applicable as stated in para 2.3 below. Additionally, health and education Cess, at the rate of 4% is leviable on the aggregate of income-tax and surcharge.

2.3. Finance Act, 2020, had introduced New Tax Slabs under new section 115BAC in the IT Act for Individuals/ HUF. As per this section, an individual/HUF assessee, having no business or professional income, can exercise his option of choosing between the two tax regimes, every year, based on his entitlement of deductions. The aforesaid section has been recently amended vide Finance Act, 2023

The new tax slabs as per the amended New Tax Regime is as under:

Total Income	Tax rates (c)
Up to INR 3,00,000	Nil
From INR 3,00,001 to INR 6,00,000	5%
From INR 6,00,001 to INR 9,00,000	10%
From INR 9,00,001 to INR 12,00,000	15%
From INR 12,00,001 to INR 15,00,000	20%
Above INR 15,00,000	30%

Any individual opting to be taxed under the new tax regime for the FY 2023-24 onwards will have to give up certain exemptions and deductions like Leave Travel Concession (LTA), House rent Allowance (HRA), Conveyance, Children Education Allowance, Hostel Expenditure Allowance, Allowance for income of minor, Professional Tax deduction under section 16(iii), Interest on housing loan under section 24 in respect of Self occupied or vacant property, Chapter VI-A deduction (sections 80C, 80D, 80E and so on except sections 80CCD(2) and 80JJA).

An individual / HUF assessee, having income under the heads ‘Salary’, ‘House Property’, ‘Capital Gains’ and ‘Income from Other Sources’, can opt for the new tax regime in one financial year, and can go back to the old tax regime in subsequent financial year, depending upon the circumstances and entitlement of deductions. As per Finance Act 2020, taxpayers earning business or professional income can opt into the regime only once on irrevocable basis.

Recently as per Finance Act, 2023, with effect from financial year 2023-24, the new regime has become the default tax system. However, the individuals can choose to continue to calculate and pay taxes as per the old regime provided they file Form 10IE at the time of return filing to opt for the old regime.

2.4. Surcharge rates are provided below:

Type of Investor	Surcharge* rate as a % of income-tax				
	If income is less than INR 50 lakhs	If income is more than 50 lakhs but less than INR 1 Crores	If income exceeds INR 1 Crores but less than INR 2 Crores	If income exceeds INR 2 Crores but less than INR 5 Crores	If income exceeds INR 5 Crores
Individual, HUF, AOP, BOI (Resident & foreign) (Old Tax Regime)	Nil	10%	15%	25%	37%

Type of Investor	Surcharge* rate as a % of income-tax			
	If income is less than INR 50 lakhs	If income is more than 50 lakhs but less than INR 1 Crores	If income exceeds INR 1 Crores but less than INR 2 Crores	If income exceeds INR 2 Crores
Individual, HUF, AOP, BOI (Resident & foreign) (New Tax Regime)	Nil	10%	15%	25%

Type of Investor	Surcharge* rate as a % of income-tax		
	If income does not exceed 1 crore	If income exceeds INR 1 but less than INR 10 crore	If income exceeds INR 10 crore
Partnership firm (Domestic & foreign)	Nil	12%	12%
Domestic Company	Nil	7%	12%
Foreign Company	Nil	2%	5%

Note 1: The enhanced surcharge rate of 25%/ 37% shall not apply to capital gains taxable under Section 111A, 112, 112A of the Act. The rate of surcharge on such income is capped at 15%.

Note 2: The enhanced surcharge rate of 25%/ 37% shall also not apply to the income in the nature of short-term capital gains or long-term capital gains earned by foreign institutional investors from certain specified securities.

Note 3: The applicable surcharge rate on income chargeable to tax under sections 115BAA or 115BAB of the IT Act shall be 10% irrespective of income threshold.

Note 4: The enhanced rate of surcharge of 25% / 37% shall not apply to dividend income for individual, HUF, Association of Persons, Body of Individuals or Artificial Juridical Person and surcharge on such income is restricted to 10% if total income (including dividend income) does not exceed INR 1 Crore and 15% if total income (including dividend income) exceeds INR 1 Crore.

3. Tax deduction at source

If any tax is required to be withheld on account of any present or future legislation, the Portfolio Manager will be obliged to act in this regard.

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number, 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% on gross basis. 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.

4. Advance tax instalment obligations

It will be the responsibility of the client to meet the advance tax obligation instalments payable on the due dates prescribed under the IT Act.

5. Tax implications for the Investors:

The following are the various income streams that can arise from securities held under the PMS –

- Dividend income on shares;
- Income distributed by Mutual Funds;
- Interest income on debt securities;
- Gains on sale of securities; and

- Buy-back of securities held in companies.

5.1 Dividend income on shares

With effect from 01 April 2020, dividends are taxable in the hands of the shareholders at applicable tax rates or as per the applicable tax treaties whichever is more beneficial.

Deduction will be allowed to the shareholder only in respect of interest expense under section 57 of the Act, with an overcall capping of 20% of dividend income.

The Company paying dividend is liable to withhold tax at the rate of 20% (plus applicable surcharge and cess) on dividends paid to non-residents.

The enhanced rate of surcharge of 25% / 37% shall not apply to dividend income for individual, HUF, Association of Persons, Body of Individuals or Artificial Juridical Person and is restricted to 10% if total income (including dividend income) exceeds INR 50 lakhs but does not exceed INR 1 Crore and 15% if total income (including dividend income) exceeds INR 1 Crore.

5.2 Income distributed by Mutual Funds.

With effect from 01 April 2020, dividend income received by investors from Mutual Fund are taxable in the hands of the investors at applicable tax rates or as per the applicable tax treaties whichever is more beneficial.

5.3 Interest income on debt securities

Interest income arising on securities could be characterised as 'Income from Other Sources' or 'business income' depending on facts of the case. In either case, interest income should be subject to tax as per the rates mentioned in para 2.1 & 2.2 above.

Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

5.4 Gains on sale of securities

Income arising from the purchase and sale of securities can give rise to either capital gains or business income in the hands of the investor. The issue of characterisation of income is relevant as the income tax computation and rates differ in the two situations.

The characterisation is essentially a question of fact and depends on whether the shares are held as business/ trading assets or as capital assets.

The Central Board of Direct Taxes ("CBDT") has issued a circular which deals with listed shares/ securities which states that:

- Where the assessee opts to treat the listed shares/ securities as stock-in-trade, the income arising from the transfer of such listed shares/ securities would be treated as business income.
- If the assessee desires to treat the gains arising from transfer of listed shares/ securities held for a period of more than 12 months as capital gains, the same shall not be put to dispute by the Assessing Officer.

The aforementioned circular shall not apply in a case where the genuineness of the transaction itself is questionable.

The CBDT has issued a letter on characterisation of income from transfer of unlisted shares. As per the letter, income arising from transfer of unlisted shares would be taxable under the head 'Capital

Gains, irrespective of the period of holding. However, it would not be necessarily applied in the situations where:

- the genuineness of the 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.

Investors may also refer to CBDT instruction no. 1827 dated 31 August 1989 read with CBDT Circular no. 4 dated 15 June 2007 for further guidance on this matter.

5.4.1. Gains characterised as capital gains.

The IT Act provides for a specific mechanism for computation of capital gains. Capital gains are computed by deducting from the sale consideration, the cost of acquisition and certain other expenses. The tax payable on capital gains would depend on whether the capital gains are long-term or short-term in nature.

Depending on the period for which the securities are held, capital gains earned by the Investors would be treated as short term or long-term capital gains. The taxability of capital gains is discussed below:

Type of instrument	Period of holding	Characterization
Listed Securities (other than units) and units of equity-oriented mutual funds	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Short-term Capital Asset
Unlisted shares of a company	More than twenty four (24) months	Long-term Capital Asset
	Twenty four (24) months or less	Short-term Capital Asset
Other securities	More than thirty six (36) months	Long-term Capital Asset
	Thirty six (36) months or less	Short-term Capital Asset
Specified Mutual Fund or Market Linked Debt Mutual Fund (Introduced vide FA, 2023) acquired after 01 April 2023	Period of holding not relevant	Short-term Capital Asset

Taxability of capital gains under the IT Act (without considering the benefits under the tax treaties for non-resident investors) should be as follows:

Sr. No	Particulars	Resident Investors	Non-resident investors [Note 1]	Foreign Portfolio investors ('FPI')
		Tax rate (%) excluding applicable surcharge and health and education cess		
1	Short-term capital gains on transfer of listed equity shares, to be listed shares sold through offer for sale and units of an equity oriented mutual fund on which securities transaction tax ('STT') has been paid	15%	15%	15%

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2	Any other short-term capital gains	30% [Note 2]	30% (in case firms/LLP/foreign non-corporates) / 40% (in case of foreign company)	30% [Note 3]
3	Long-term capital gains on transfer of: (i) listed equity shares on which STT has been paid both at the time of acquisition and sale of such shares; or (ii) units of equity oriented mutual fund on which STT has been paid on transfer [Note 4]	10% [Note 5] [on income in excess of INR 1 lakh]	10% [Note 5] [on income in excess of INR 1 lakh]	10% [Note 5] [on income in excess of INR 1 lakh]
4	Long term capital gains on sale of listed bonds or listed debentures	10% (without indexation) [Note 6]	10% (without indexation) [Note 6]	10% [Note 5]
5	Long-term capital gains on transfer of listed mutual fund units (other than equity oriented fund)	20% (with indexation)	20% (with indexation)	10% [Note 5]
6	Long-term capital gains on transfer of unlisted bonds or unlisted debentures	20% (without indexation)	10% [Note 5 and 6]	10% [Note 5]
7	Long-term capital gains on transfer of unlisted securities (other than unlisted bonds and unlisted debentures) [refer note 7]	20% (with indexation)	10% [Note 5 and 6]	10% [Note 5]
8	Specified Market Linked Debt Mutual Fund (Introduced vide FA, 2023)	Taxable as per normal slab rates / MMR	Taxable as per normal slab rates / MMR	Taxable as per normal slab rates / MMR

Note 1:

In case, the investments are made by Non-resident Indians ('NRI'), then such investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if such investors opt to be governed by these provisions, any long-term capital gains should be taxable at the rate of 10% (plus applicable surcharge and health and education Cess) without considering the indexation benefit.

Note 2:

Assuming highest slab rates for resident individual investors. In case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the previous year 2021-22, the tax rate would be 25% (plus surcharge and health and Education cess). Also, as per the IT Act, domestic companies have the option to pay tax on total income at the rate of 15% or 22% (plus applicable surcharge and health and Education cess).

Note 3:

Without considering foreign exchange fluctuation benefit.

Note 4:

The cost of acquisition of equity shares or units of an equity oriented mutual funds acquired before 1 February 2018, shall be higher of:

- the actual cost of acquisition; and

- Lower of:
 - Fair market value as on 31 January 2018, determined in the prescribed manner; and
 - Value of consideration received or accruing upon transfer.

The CBDT issued a notification dated 1 October 2018, wherein the list of transactions have been specified in respect of which the provision of sub-clause (a) of clause (iii) of sub-section (1) of section 112A of the IT Act shall not apply.

Note 5:

Without considering indexation and foreign exchange fluctuation benefit

Note 6:

The revenue may seek to apply a higher tax rate of 20% considering the judicial precedent.

Note 7:

As per section 50CA of the IT Act, where the consideration received or accruing on account of transfer of unlisted shares is less than the fair market value of such share, determined in the prescribed manner, the fair value as determined should be deemed to be the full value of consideration for the purpose of computing capital gains.

5.4.2. Gains are characterised as ‘business income’

If the gains are characterised as business income then the same should be taxable on net income basis at the rate of 30% (plus applicable surcharge and health and education cess) for resident individual investors. Kindly note, we have assumed highest rate for resident individual investors. The same shall be taxable at the rate of 25% (in case of domestic company having turnover not exceeding INR 400 crores in FY 2021-22). Also, domestic companies have the option to pay tax on total income at the rate of 15% or 22% (plus applicable surcharge and health and education cess).

If the gains are characterised as business income, then the same should be taxable on net income basis at 40% (plus applicable surcharge and health and education cess) for foreign company if it has a business connection/ permanent establishment in India, and such income is attributable to the business connection/ permanent establishment of the non-resident in India. Further, for non-resident investors (other than a foreign company) a tax rate of 30% should be levied.

5.4.3. Proceeds on buy-back of shares by company

As per the Section 10(34A) of the IT Act, any gains arising on buy-back of shares are exempt in the hands of investors. However, as per section 115QA of the IT Act, a distribution tax at the rate of 20% (plus applicable surcharge and health and education cess) 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. Such distribution tax is 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 company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of IT Rules provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

6. Other tax considerations

6.1 Foreign Portfolio Investors (‘FPI’)

As per section 2(14) of the IT Act, any investment in securities made by FPIs in accordance with the regulations made under the Securities and Exchange Board of India is treated as a capital asset. Consequently, any income arising from transfer of securities by FPIs are to be treated as capital gains. Under section 115AD of the IT Act, long-term capital gains arising from transfer of securities shall be taxable at the rates mentioned in paragraph 5.4.1 above.

As per section 196D of the IT Act, no deduction of tax shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Act, payable to FPI.

As per Section 115AD read with section 196D of the IT Act, interest income received by FPIs should be taxable at 20% plus applicable surcharge and health and education cess or tax treaty rates whichever is beneficial.

However, interest referred to in section 194LD of the IT Act should be taxable at 5% plus applicable surcharge and health and education cess, subject to fulfilment of conditions. The sunset date for concessional rate of withholding tax of 5% under Section 194LD of the IT Act is upto 30 June 2023 on specified investment including on municipal bonds made by FPI. With effect from 1 July 2023, Interest Income on such investments would be taxable at the rate of 20% plus applicable surcharge and cess.

The enhanced surcharge rate of 25%/ 37% shall not apply to short-term capital gains or long-term capital gains earned by FPIs from specified securities referred to in section 115AD of the Act.

6.2 Non-resident investors (including FPI):

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.

For a citizen of India and Person of Indian Origin coming to India on visits, residency may be triggered with a reduced period of 120 days from the current 182 days. However, these 120 days threshold for extended residency shall apply only if Indian sourced income exceeds INR 15 Lakhs.

Trigger of deemed residency provisions shall be restricted to only those Indian citizen individuals, who are not liable to tax in any other country or territory by reason of domicile or residence or any other criteria of similar nature and if their Indian sourced income exceeds INR 15 Lakhs in the relevant financial year. Their global income will not be taxed in India.

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 1 April 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The CBDT had vide its Circular dated 24 January 2017, issued guiding principles for determination of POEM of a Company. The CBDT had vide circular dated 23 February 2017, clarified that provisions of Sec 6(3)(ii) relating to POEM would not apply to companies having turnover or gross receipts less than or equal to INR 50 crores during the Financial Year.

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). 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 where the non-resident investor is from a country with which India has no Treaty, would be as per the provisions of the IT Act.

In order to claim Treaty benefits, the non-resident investor has to furnish the Tax Residency Certificate ("TRC") 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 1 August 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.

As per the amended Section 115A(5) of the IT Act, it is not necessary for a non-resident to furnish a return of income under sub-section (1) of section 139 of IT Act if:

- a) total income in respect of which it is assessable under this Act consists of dividend income, interest income, and income from royalty or fees for technical services; and
- b) the tax deductible at source under the provisions of Chapter XVII-B has been deducted from such income and the rate of such deduction is not less than the rate specified under clause (a) or, as the case may be, clause (b) of sub-section (1).

It means if lower tax rates as per DTAA are applied then the provisions of section 115(A)(5) of IT Act will not be applicable.

6.3 STT:

STT is applicable on various transactions as follows:

- a) 0.10% on the purchase of equity shares in a company on a recognised stock exchange in India where the contract for purchase is settled by the actual delivery or transfer of shares;
- b) 0.10% on the sale of equity shares in a company on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of shares;
- c) 0.001% on the sale of units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of units
- d) 0.025% on the sale of equity shares in a company or units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled otherwise than by the actual delivery or transfer of shares or unit;
- e) 0.0125 % on the sale of futures in securities;
- f) 0.0625 % on the sale of options in securities (STT will be payable on the option premium);
- g) 0.125% on sale of an option in securities where the option is exercised (STT will be payable on the settlement price)
- h) 0.001% on the sale of units of equity oriented fund to the Mutual Fund.
- i) 0.2% on sale of unlisted equity shares under an offer for sale

6.4 Receipt of any property at a value below fair market value

Section 56(2)(x) of the IT Act, provides that if any assessee receives any property (including shares and securities) without consideration or for inadequate consideration in excess of INR 50,000 as compared to the fair market value, fair market value in excess of such consideration shall be taxable in the hands of the recipient as Income from Other Sources. The above rates would be subject to availability of benefits under the tax treaty, if any in case of non-resident assessee.

The CBDT has issued rules for computation of FMV for the purpose of section 56(2)(x) of the IT Act.

As per the Finance (No. 2) Act, 2019, the provision of section 56(2)(x) of the Act shall not apply to any sum of money or any property received by such class of persons and subject to fulfilment of conditions as may be prescribed.

Accordingly, such other income would be chargeable to tax (i) at the rate of 30% (plus applicable rates of surcharge and health and education cess) in case of resident investors (assuming highest slab rate for resident individual) (ii) at the rate of 40% plus applicable rates of surcharge and health and education cess) in case of foreign companies (iii) at the rate of 30% (plus applicable rates of surcharge and health and education cess) in case of non-resident firms/LLPs.

6.5 Transfer of unquoted shares at less than fair market value

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

As per the Finance (No. 2) Act, 2019, the provision of section 50CA of the Act shall not apply to any consideration received/ accruing on transfer by certain class of persons and subject to fulfilment of conditions, as may be prescribed.

6.6 General Anti Avoidance Rules ('GAAR'):

GAAR may be invoked by the 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 four below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's-length;
- It results in directly / indirectly misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

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

- Disregarding or combining or recharacterizing any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure; or
- Recharacterising equity into debt, capital into revenue, etc.

The GAAR provisions would override the provisions of a Treaty in cases where GAAR is invoked. The necessary procedures for 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 3 crores.

On 27 January 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

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

6.7 FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May. The Reporting Financial Institution is expected to maintain and report the following information with respect to each reportable account:

- a) the name, address, taxpayer identification number ['TIN' (assigned in the country of residence)] and date and place of birth ['DOB' and 'POB' (in the case of an individual)];
- b) where an entity has one or more controlling persons that are reportable persons:
 - i. the name and address of the entity, TIN assigned to the entity by the country of its residence; and
 - ii. the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling person by the country of his residence;
- c) account number (or functional equivalent in the absence of an account number);
- d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
- e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and Other reportable accounts (i.e. under CRS).

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

The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting ('MLI'). The MLI, amongst others, includes a "principal purpose test", wherein Tax Treaty benefits can be denied if one of the principal purposes of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit. The MLI has also expanded the scope of permanent establishment to include agent (excluding an independent agent) playing principal role, leading to routine conclusion

of contracts without material modification. For this purpose, an agent is not considered independent if it acts exclusively or almost exclusively on behalf of one or more closely related enterprises. India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs.

The Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement tax treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax Treaty.

On 25 June 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. Accordingly, the Indian tax treaties are to be read and interpreted in conjunction with the MLI positions adopted by the respective countries.

6.9 Minimum Alternate Tax

The IT Act provides for levy of Minimum Alternate Tax (“MAT”) on corporates if the tax amount calculated at the rate of 18.5% (plus applicable surcharge and health and education cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. However, the tax rate under section 115JB of the Act has been reduced from 18.5% to 15% by the Finance Act, 2019.

However, MAT is levied at the rate of 9% (plus surcharge and cess as applicable) in case of a company, being a unit of an International Financial Services Centre and deriving its income solely in convertible foreign exchange.

Further, as per the IT Act, companies exercising the option under sections 115BAA or 115BAB of the Act have been excluded from the applicability of MAT.

If MAT is held to be applicable to the Investors, then income receivable by such Investors from their investment in the Fund shall also be included to determine the MAT.

The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

6.10 Alternate Minimum Tax

The IT Act provides for levy of Alternate Minimum Tax (“AMT”) on non-corporate tax payers if the tax amount calculated at the rate of 18.5% (plus applicable surcharge and health and education cess) of the adjusted total income, as the case may be, is higher than the regular income-tax payable under the normal provisions of the IT Act.

If AMT is held to be applicable to the Investors, then income receivable by such Investors from their investment in the Fund shall also be included to determine the AMT.

6.11 Dividend stripping

Where any person buys or acquires any securities or units of a mutual fund or the Unit trust of India within a period of three months prior to the record date (i.e., the date that may be fixed by a company for the purposes of entitlement of the holder of the securities to receive dividend or by a Mutual Fund or the Administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive income, or additional unit without any consideration, as the case may be) and such person (i) sells or transfers such securities within a period of three months after record date, or (ii) such unit within a period of nine months after such record

date, and (iii) the dividend or income on such securities or unit received or receivable by such person is exempt, then, any loss arising to such person on account of such purchase and sale of securities or unit, to the extent such loss does not exceed the amount of such dividend or income received or receivable, would be ignored for the purposes of computing his income chargeable to tax.

6.12 Expenditure incurred in relation to income not includible in the total income

As per the provisions of section 14A of the IT Act read with rule 8D of the IT Rules, if any income of the investors does not form part of the total income or is exempt under the provisions of the IT Act then any expenditure incurred by the Investor, directly or indirectly, in relation to such income will not be allowed as deduction for the purpose of calculating the total taxable income of the Investor.

6.13 Bonus stripping

Where any person buys or acquires any units of a mutual fund or the Unit Trust of India within a period of three months prior to the record date (i.e., the date that may be fixed by a Mutual Fund or the Administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive additional unit without any consideration) and such person is allotted additional units (without any payment) on the basis of holding of the aforesaid units on the record date, and if such person sells or transfers all or any of the original units within a period of nine months after the record date while continuing to hold all or any of the additional units, then any loss arising to him on account of such purchase and sale of all or any of the units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional units as are held by him on the date of sale or transfer of original units.

6.14 Carry-forward of losses and other provisions (applicable 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.

6.15 Issue of shares at premium by a private company

The provisions of section 56(2)(viib) of the IT Act has been amended vide Finance Act, 2023, where a privately held company issues its shares to **any assessee, whether resident or non-resident**, at a premium (i.e. over and above the face value of such shares), then the consideration received by the company for such issue of shares in excess of the fair market value (‘FMV’) of the shares is required to be taxed in the hands of the company. In this regard, rule 11U and 11UA of the Income-tax Rules (‘the Rules’) provide mechanism for computation of FMV for the purpose of section 56(2)(viib) of the IT Act. An exemption is provided for receipt of consideration by a venture capital undertaking from a venture capital company or a venture capital fund and receipt of consideration by a company from specified class of persons. As per the Finance (No. 2) Act, 2019, exemption is also available for shares issued by a venture capital undertaking either to a Category I or Category II AIF.

Vide Notification No. 29/2023 dated 24 May 2023, CBDT has notified certain class of investors to whom the provisions of Section 56(2)(viib) shall not apply. The list includes any investor who is a resident of following countries: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Iceland, Israel, Italy, Japan, Korea, New Zealand, Norway, Russia, Spain, Sweden, United Kingdom and United States.

Further, vide Notification No. 30/2023 dated 24 May 2023, CBDT has notified that the consideration received by start-up companies for share capital exceeding the face value received from any person (whether resident or non-resident) shall be exempt from tax. However, the angel tax

exemption provisions shall be applicable to the start-up companies which complies with the conditions specified by the DPIIT at Para 4 of DPIIT Notification No. S.O. 1131 € dated 5th March 2019.

6.16 Goods and Services Tax

GST will be applicable on services provided by the Portfolio Manager to its clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards portfolio management fee. The applicability of GST on the various incomes is as below:

1. Securities: Section 2(52) excludes securities under the definition of “goods” under GST Act, and Section 2(102) also excludes securities under the definition of “services”. Hence, transaction in securities is neither goods nor services under GST Act. Therefore, GST is not applicable for transaction in securities.

2. Interest Income: Any consideration received by way of interest on account of extending deposits, loans and advances is exempt services pursuant to the serial no. 27(a) of Notification No. 12/2017-Central Tax (Rate) vide dated 28-06-2017 read with section 11(1) of the GST Act and serial no. 28(a) of Notification No. 09/2017-Integrated Tax (Rate) vide dated 28-06-2017 read with section 6(1) of the IGST Act.

3. Dividend Income: Dividend income being distribution of profit, it would neither be a supply of goods nor services, so dividend income is not subject to GST.

17. ACCOUNTING POLICY / VALUATIONS

The Client Securities shall be valued based on the following principles:

- a. Investments in listed equities will be valued at the closing market prices on the relevant stock exchange. In case listed equity Securities that are not traded on the valuation date on the relevant stock exchange, the last available traded price shall be used for the valuation of such Security.
- b. Investments in units of mutual funds shall be valued at the net asset value of the previous day or at the last available repurchase price declared for the relevant scheme. In case the net asset value is not available on the valuation date, the most recent net asset value shall be considered.
- c. Unlisted Securities will be valued at cost till the same are revalued by an independent agency appointed by the Portfolio Manager, on a periodic basis (at least once annually), based on generally accepted valuation methods such as comparable company multiples or discounted cash flows, in accordance with sub-clause (l) below.
- d. Unrealized gains / losses will be calculated by applying the “first in first out” principle. Unrealized gains / losses are the differences, between the current market value / net asset value and the historical cost of the Securities.
- e. 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.
- f. In respect of all interest-bearing Securities, 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 up to the date of purchase will not be treated as a cost of purchase but will be debited to the bank account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale will not be treated as an addition to sale value but will be credited to the bank account.

- g. Transactions for purchase or sale of Securities will be recognized as of the trade date and not as of the settlement date, so that the effect of all Securities traded during a financial year are recorded and reflected in the financial statements for that year. Where Securities transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private agreement, the transaction should be recorded, in the event of a purchase, as of the date on which the Client is under an enforceable obligation to pay the consideration for the purchase or, in the event of a sale, when the Client obtains an enforceable obligation to deliver the instruments sold.
- h. In case of listed Securities, bonus shares to which the Portfolio becomes entitled will be recognized only when the original Securities on which the bonus entitlement accrues are traded on the relevant stock exchange on an ex-bonus basis. Similarly, rights entitlements will be recognized only when the original Securities on which the right entitlement accrues are traded on the stock markets on an ex-rights basis. In the case of unlisted companies, bonus shares and rights entitlements shall be recognized only after the issuance of the bonus shares / accrual of the rights entitlements in the name of the Client.
- i. The cost of Securities acquired or purchased will include brokerage, stamp charges and any charge or tax 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 such Security. Securities transaction tax levied on purchase / sale of Securities will be recognized as an expense in the books of accounts.
- j. The Applicant and the Client can adopt any specific norms or methodology for valuation of Securities or accounting the same as may be mutually agreed between them on a case to case basis within the framework of Generally Accepted Accounting and Valuation Principles.
- k. All benefits received on Securities held on behalf of Clients shall be credited to Clients' account.
- l. 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 within the framework of the applicable Generally Accepted Accounting and Valuation Principles and the prevailing tax and other applicable laws.
- m. All the expenses are accounted for an accrual basis.
- n. Portfolio Management Fee is accrued in accordance with the Agreement entered into with the Client.

18. RISK PROFILING:

We shall carry out the risk profiling of the client based on client's socio-economic classification coupled with the risk-return attitude of the client. The risk classification shall be done on following criteria:

- a) Age of the client:

Less than 50 years old	Low
Between 51 and 65 years old	Medium
Above 65 years	High

- b) Overall time horizon of the investors

5 years or more	Low
2 years to 5 years	Medium
Less than 2 years	High

c) % of liquid net-worth invested

Less than 33%	Low
Between 33% to 66%	Medium
Above 66%	High

d) Expectation of client to rely on PMS strategy to fund the annual spending

No expectation (long term capital appreciation)	Low
Between 25% - 50%	Medium
Above 50%	High

e) Investment objective:

Long term capital appreciation and inherent risks associated with it	Low
Capital appreciation with an alternate cash flow from dividend	Medium
Regular Income	High
Capital Safety	High

We shall accept clients with ‘Low’ and ‘Medium’ risk profile. The clients with ‘High’ risk profile will not be accepted by the Portfolio Manager, unless the client accords a specific approval that he has understood the investment strategy of the Portfolio Manager and also the risk and rewards associated with the same and have read and the Disclosure Document.

19. INVESTOR SERVICES

Details of the investor relations officer of the Portfolio Manager: The detail of the investor relations officer of the Portfolio Manager is provided herein below:

Name : Nihar Shah
 Designation : Compliance Officer
 Address : 44, A Wing, Mittal Court,
 Nariman Point,
 Mumbai 400 021

Telephone : +91 22 4605 8715
 E-mail : Nihar.shah@newmarkcapital.in

- *Grievance Redressal Mechanism of the Portfolio Manager:* Grievances, if any, that may arise pursuant to the Agreement entered into with the Client shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and the same shall be subject to SEBI Regulations. However, all the legal actions and proceedings are subject to the exclusive jurisdiction of court in Mumbai only and are governed by Indian laws.
- The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time (that is, within 30 days of receipt of complaint). If the Client remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Client and the Portfolio Manager shall abide by the below mechanisms:
 - All disputes, difference, claims and questions whatsoever arising between the Client and the Portfolio Manager and / or their respective representatives shall be settled in accordance with the provision of the (Indian) Arbitration and Conciliation Act, 1996 for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

- Without prejudice to anything stated above, the Client can also register its grievance / complaint through **SCORES (SEBI Complaints Redress System)** which is accessible at: <http://scores.gov.in/Default.aspx>. SEBI may forward the complaint to the Portfolio Manager and the Portfolio Manager will thereafter suitably address the same.



20. PREVENTION OF MONEY LAUNDERING / KYC POLICY

1. *Prevention of Money Laundering*: The Prevention of Money Laundering Act, 2002 (“**PMLA**”) and the notifications and Master Circular dated 31 December 2010 issued by SEBI mandates that all intermediaries including portfolio managers should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures and also to adopt a “Know Your Customer” (KYC) policy (“**KYC Policy**”). The intermediaries may, according to their requirements specify additional disclosures to be made by Clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by Clients. The PMLA further requires that intermediaries take steps to ensure money is not being laundered and in pursuance thereof requires intermediaries to, *inter alia*, maintain and preserve records and report information relating to Cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND). The PMLA, Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended and modified from time to time, the guidelines / circulars issued by SEBI thereto, as amended from time to time, are hereinafter collectively referred to as “**PML Laws**”.
2. The Client(s), including guardian(s) where Client is a minor, should ensure that the amount invested through the services offered by the Portfolio Manager is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and / or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued there under.
3. To ensure appropriate identification of the Client(s) under its KYC Policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager reserves the right to seek information, record Client’s telephonic calls and / or obtain and retain documentation for establishing the identity of the Client, proof of residence, source of funds, etc. The Client agrees to provide all information and submit to the Portfolio Manager, or its agent, all documents as may be required to verify the Clients identity and comply with its KYC Policy and to comply with the PML Laws. The Portfolio Manager may re-verify identity and obtain any incomplete or additional information for this purpose, including through the use of third party databases, personal visits, or any other means as may be required for the Portfolio Manager to satisfy themselves of the Client(s) identity, address and other personal information.
4. The Client(s) and their attorney(ies), if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card / passport / driving license / PAN card, etc. and / or such other documents or produce such information as may be required from time to time for verification of the personal details of the Client(s) including *inter alia* identity, residential address(es), occupation and financial information by the Portfolio Manager. The Portfolio Manager shall also, after application of appropriate due diligence measures, have absolute discretion to report any transactions to FIU-IND that it believes are suspicious in nature in pursuance of PML Laws and / or on account of deficiencies in the documentation provided by the Client(s) and the Portfolio Manager shall have no obligation to advise Clients / Investors or distributors of such reporting.

5. The Portfolio Manager may not, however, it shall reserve the right to, seek any fresh documentation in pursuant to its KYC Policy from Clients who are registered with a KYC Registration Agency (“KRA”) under the Securities and Exchange Board of India ({Know Your Customer} Registration Agency) Regulations, 2011 (“KRA Regulations”). The Portfolio Manager shall procure the information of Clients uploaded by a KRA under the KRA Regulations.
6. It is clarified in abundance of caution that the KYC Policy shall also be applicable for all joint holders, legal representatives, legal heirs, estates, nominees of the Client. The KYC Policy requirements (including documentation / information from Clients) shall also be complied with by the Person(s) becoming beneficial owner of the Portfolio by virtue of operation of Applicable Law, such as by way of transmission and to the nominees / legal heirs on the death of the Client. In case of minor Client, KYC Policy requirements (including documentation / information from Clients) shall be complied with by such minor Client upon attaining majority.
7. The Portfolio Manager, and its directors, employees, agents and service providers shall not be liable in any manner for any claims or liabilities arising whatsoever on account of *inter alia* freezing of the bank account / depository participant account of the Client / rejection of any application for mandatory repayment / returning of funds due to non-compliance with the provisions of the PML Laws and KYC Policy and / or where the Portfolio Manager believes that transaction is suspicious in nature within the purview of the PML Laws and / or for reporting the same to FIU-IND.

21. 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

Sr. No.	Name of the Designated Partner	Signature
1	Niten Malhan	
2	Kharaiti Lal Malhan	

Place: Mumbai

Date: June 29, 2023



S V N D & ASSOCIATES LLP

Chartered Accountants

(LLP Identification No. AAJ-4926)

Regd. Office: Unit No.506, 5th Floor, Sanjar Enclave CTS,

S.V Road, Opp. Milap PVR Cinema, Kandivali (W), Mumbai-400 067.

Contact: +91 22 4972 5752 / +91 84510 01061 | Email: narendra.soni@synd.in

Networth Certificate

UDIN: 23106529BGVBRC3136

This is to certify that net-worth of **New Mark Advisors LLP**, having LLPIN Number **AAM-1140**, having its corporate office at 44, A Wing, Mittal Court, Nariman Point, Mumbai 400 021 and registered office at WeWork, Vaswani Chamber, 2nd Floor, 264/265, Dr. Annie Besant Road, Worli, Mumbai- 400 030 has been calculated in terms of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 [Last amended on April 17, 2020] as under:

Networth as on #: 31-March-2023 (Un-audited)

Particulars	Amount (in INR)
Partners' Contribution	
- Fixed Capital	1,05,000
- Current Account	25,46,53,041
Add: Free reserves (excluding reserves created out of revaluation)	-
Less: Accumulated losses	-
Less: Deferred expenditure not written off (including miscellaneous expenses not written off)	-
Less: Minimum Capital Adequacy/networth requirement for any other activity undertaken under other SEBI Regulations	-
Total Net-worth as at 31-March-2023	25,47,58,041

Networth calculated as per latest un-audited financial statement as of March 31, 2023.

This is to certify that the computation of net-worth based on our review of the un-audited books of accounts, records and documents is true and correct to the best of our knowledge and as per information provided to us.



S V N D & ASSOCIATES LLP

Chartered Accountants

(LLP Identification No.AAJ-4926)

Regd. Office: Unit No.506, 5th Floor, Sanjar Enclave CTS,

S.V Road, Opp. Milap PVR Cinema, Kandivali (W), Mumbai-400 067.

Contact: +91 22 4972 5752 / +91 84510 01061 | Email: narendra.soni@svnd.in

Disclaimer:

This certificate is issued based on the information provided by the Management of New Mark Advisors LLP and on the understanding that the Management of New Mark Advisors LLP has drawn our attention to all the matters of which they are aware, which may have an impact on our certificate up to the signing date of this certificate.

This certificate must not be copied, disclosed, or circulated or referred to in correspondence or discussion with any other party, unless required for the intended purpose or required under any relevant laws. Neither this certificate nor its content may be used for any other purpose without our prior written consent.

Trust the above meets your requirements.

For S V N D & Associates LLP

Chartered Accountants

ICAI FRN No. W100212

NARENDRA Digitally signed by
NARENDRA
PREMNARA PREMNARAYAN SONI
Date: 2023.06.29
YAN SONI 15:53:44 +05'30'



Narendra Soni

Partner

Membership No. 106529

Place: Mumbai

Date: June 29, 2023