

DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES AGREEMENT

THIS DISCRETIONARY PORTFOLIO MANAGEMENT AGREEMENT is entered into on ____ day of _____ year _____ between **Ghalla Bhansali Stock Brokers Pvt. Ltd.**, a Company incorporated under Companies Act, 1956, having its Corporate Office at **Devansh, 133, D.S.P. Road, Near Ranjit Studio, Dadar (E), Mumbai, Pin Code: 400014** (hereinafter referred to as the **"Portfolio Manager"/ "GBSB"** which expressions shall include, unless repugnant or inconsistent to the meaning or context thereof, mean and include its successors in title and assigns) of the ONE PART;

AND

Mr./Ms./Messrs. _____, an Individual / HUF / a body corporate, registered/incorporated, under the provisions of the Companies Act, 1956, having his / her / its residence / registered office at _____

(hereinafter referred to as the **"Client"** which expression shall include, unless repugnant to or inconsistent to the meaning or context thereof, mean and include, where the Client is an individual or a proprietorship firm, his/her heirs, executors and administrators, where the client is a partnership firm, the partners or partner for the time being of the said firm, the survivors or survivor of them and the heirs, executors and administrators of the last surviving partner, their or his assigns, where the Client is the Karta of a Hindu Undivided Family and the investment is for the purposes of the Hindu Undivided Family, the member or members for the time being of the said Hindu Undivided Family, and their respective heirs, executors, administrators and assigns, where the client is a company, its successors in title and permitted assigns, where the Investor is the Board of Trustees of a Trust, its successors and where the client is the Governing Body of a Society, the respective successors of the members of the Governing Body and any new members elected, appointed or co-opted) of the OTHER PART.

WHEREAS

- A. The Portfolio Manager is a Portfolio Manager registered with Securities and Exchange Board of India (SEBI) vide Registration No. as **INP000004334** and is in the business of managing and administering portfolios of HNI's and Corporate clients.
- B. The Client is desirous of appointing the Portfolio Manager for managing the investment of his / its funds on a discretionary basis to avail of investment advisory and portfolio management services from the Portfolio Manager, for the purpose of investment to be made in securities.
- C. The Portfolio Manager has provided the Client with a Disclosure Document as specified in Schedule V (Regulation 14) of the Portfolio Management (PM) Regulation, (as defined hereinafter), along with a certificate in Form C as specified in the PM Regulation.
- D. In consideration of the mutual promises and agreements between the Parties hereto, the Parties have agreed to enter into this Agreement to regulate the terms and conditions of their relationship.

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS UNDER:

1) DEFINITIONS AND INTERPRETATIONS

A) Definitions

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

- 1) **"Affiliate"** shall include any company, body corporate, individual or other person who or which is in any manner associated with or related to the Portfolio Manager or any Director, Shareholder or Employee of the Portfolio Manager or any holding company or subsidiary of the Portfolio Manager or any company under common control as the Portfolio Manager.
- 2) **"Agreement"** means this Discretionary Portfolio Management Agreement and shall include any recitals, schedules, annexures or exhibits to this Agreement and any amendments, modifications, alterations, additions or deletions made to this Agreement by the Parties in writing upon mutual consent.
- 3) **"Application Form"** means the application form made and submitted by the Client to the Portfolio Manager to place its funds / securities with the Portfolio manager for discretionary portfolio management services. The application form shall be deemed to form an integral part of this Agreement.
- 4) **"Applicable Law"** shall mean the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and all (other) applicable laws, bye-laws, rules, regulations, orders, ordinances and judgements 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.
- 5) **"AML Laws"** means Prevention of Money Laundering Act, 2002, the rules issued there under and the guidelines / circulars issued by SEBI thereto, as amended from time to time.
- 6) **"Bank Account"** means the bank account(s) opened / maintained / operated by the Portfolio Manager in the name of Client or in the name of the Portfolio Manager as may be required from time to time.
- 7) **"Client Securities"** mean the Securities, which forms part of the Portfolio.
- 8) **"Closing NAV"** means the NAV as on the date of the expiry of the term or the date of termination of this Agreement, as the case may be.
- 9) **"Custodian"** means any person who carries on the business of custodial services in accordance with the regulations issued by SEBI from time to time.
- 10) **"Depository Participant (DP) Account"** means the separate depository account maintained / operated by the Portfolio Manager or the Custodian in the name of the Client with any SEBI registered depository participant of the Portfolio Manager's or Custodian's choice.
- 11) **"Derivative"** means a forward, future, option or any other hybrid contract of predetermined fixed duration, linked for the purpose of contract fulfilled to the value of a specified real or financial asset or to an index of securities.
Derivative Includes:
Security derived from a debt instrument, share, risk instrument or contract for differences or any other form security;
Contract which derives its value from the prices, or index of prices, of underlying securities.
- 12) **"Discretionary Portfolio Management Services"** or "Services" means the investment advisory and / or the portfolio Management services on discretionary basis rendered to the Client by the Portfolio Manager on the terms and conditions contained in this agreement, where-in-under the Portfolio Manager exercises any degree of discretion whilst making decisions for the investments or management of assets Portfolio of the Client.
- 13) **"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 PM Regulations.
- 14) **"Effective Date"** means the date on which the Portfolio Management account of the client is activated in the books of Portfolio Manager.
- 15) **"Funds"** means the monies managed by the Portfolio Manager on behalf of the client pursuant to this agreement and includes the monies mentioned in the application, any further monies placed by the client minus withdrawal / redemption made by the client with the Portfolio Manager for being managed pursuant to this agreement, the proceeds of the sale or other realization of the portfolio and interest, dividend or other monies arising from the funds, so long as the same is managed by the Portfolio Manager.
- 16) **"High Water Mark"** means value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (inclusive of any additional funds placed by the Client in that year) and net of (i) the Portfolio Management Fees and (ii) any withdrawals, if any, made by the Client in accordance with this Agreement, for that year. Provided that in no event shall the High Water Mark be reckoned to be less than the Starting NAV as on the date of activation of account.
- 17) **"Intermediaries"** means custodians, banker to an issue, trustee, registrar to an issue, merchant banker, depositories, depository participants, transfer and pricing agents, accountants, investee companies, investment advisers, consultants, attorneys, printers, underwriters, brokers and dealers, insurers and any other persons in any capacity who may be associated with the securities market.
- 18) **"Net Asset Value"** (NAV) is the market value of assets in the portfolio consisting of securities and funds.
- 19) **"Parties"** means all the signatories to this Agreement and "Party" means any party to this Agreement.
- 20) **"Portfolio"** means the total holdings of all investments, client's securities and funds belonging to the client and maintained / managed by the Portfolio Manager.
- 21) **"Power of Attorney"** shall mean the power of attorney granted by the Client to the Portfolio Manager in the form set out in **"Schedule – A"** and / or any further powers of attorney granted by the Client to the Portfolio Manager.

- 22) **"Portfolio Manager"** (PM) means Ghalla Bhansali Stock Brokers Pvt. Ltd. who has obtained certificate from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993, **vide Registration No. INP000004334**.
- 23) **"Portfolio Management Fee"** means the fee payable to the Portfolio Manager in accordance with **"Schedule - C"**.
- 24) **"Redemption"** means the client shall be allowed to redeem (withdraw) its portfolio by filling the redemption form.
- 25) **"Regulations"** means the Securities and Exchange Board of India (Portfolio Manager) Regulations, 1993 as amended by Securities and Exchange Board of India (Portfolio Managers) Amendment Regulations, 2002 and as may be amended by SEBI from time to time.
- 26) **"Return"** means the difference between the Closing NAV and the Starting NAV and includes realized and unrealized gains / losses.
- 27) **"Rules"** means the Securities and Exchange Board of India (Portfolio Managers) Rules, 1993.
- 28) **"SEBI"** means the Securities & Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.
- 29) **"Securities"** includes: "Securities" as defined u/s 2(h) of the Securities Contract (Regulations) Act, 1956.
- 30) **"Starting NAV"** means the NAV as on the Effective Date.
- 31) **"Subscription"** means funds and/or securities introduced by the client to Portfolio Manager for managing the portfolio.
- 32) **"Term"** shall have the meaning ascribed to it in **Clause 10**
- 33) **"Termination Notice"** shall have the meaning ascribed to it in **Clause 10**.

B) Interpretation

In this Agreement, unless the context or meaning thereof otherwise requires:

1. The singular includes the plural and vice versa;
2. References to a person shall include such person's successors and permitted assignees or transferees;
3. Words importing a particular gender include all genders and word denoting company include body corporate, corporations and trusts and vice-versa;
4. Interpretation of certain words and expressions: Words and expressions used herein and not defined in this Act but defined in the Companies Act, 1956 (1 of 1956) or The Securities and Exchange Board of India Act, 1992 (15 of 1992) or the Depositories Act, 1996 (22 of 1996) shall have the same meanings respectively assigned to them in those Acts.
5. "Person" OR "Client" includes any Individual, Partnership Firm, Trust, Body Corporate, Government, Government Body, Authority, Agency, Unincorporated Body of Persons or Association;
6. References to "Party" means a party to this agreement and references to "Parties" shall be construed accordingly;
7. The term "Assets" has been interchangeably used for the term "Securities".
8. Clause and paragraph headings are inserted for ease of reference only and shall not affect the interpretations of this Agreement;
9. The words "including", "include" and "in particular" shall be construed as being by way of illustration only and shall not be construed as limiting the generality of the preceding words.
10. Heading, sub-heading, titles and bold type faced in this Agreement are indicative and only for convenience and shall be ignored for the purpose of interpretation.
11. References to clauses and recitals shall be construed as references to clauses or recitals of this Agreement, unless specified otherwise;
12. References to this Agreement or any other Agreement, deed or other instrument or document shall be construed as a reference to such Agreement, deed or other instrument or document as the same may from time to time be amended, varied supplemented or novated.
13. Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted and any reference to a statutory provision shall include any sub-ordinate legislation made from time to time under that provision.

The terms and expressions not herein defined shall where the interpretation and meaning have been assigned to them in terms of the General Clauses Act, 1897, have that Interpretation and meaning.

2. APPOINTMENT OF THE PORTFOLIO MANAGER

Pursuant to valid and proper authority and in accordance with Applicable Law, the Client hereby appoints the Portfolio Manager to manage, invest and reinvest the funds of the Client on behalf of the Client and undertake the services as in accordance with the provisions of this Agreement. The Portfolio Manager accepts such appointment and agrees to provide the Services herein set forth, for the consideration and terms and conditions contained herein.

The Client hereby appoints the Portfolio Manager as its attorney as per terms set out in **"Schedule – A"** and/or the powers of attorney from time to time executed by the Client in favour of the Portfolio Manager and for the term of executed by the Client in favour of the Portfolio Manager and for the term of this Agreement and for the purpose of carrying out in the name and on behalf of the Client, the functions as contemplated by this Agreement and undertakes to ratify and confirm all acts that Portfolio Manager shall lawfully and beneficially do pursuant to this Agreement. The Client agrees to execute from time to time one or more power of attorney in such form and content as required by the Portfolio Manager and / or to do such other acts or things as are necessary for the purpose of this Agreement. On the

date of the execution of this Agreement, the Client shall execute a power of attorney in the form set out at “**Schedule – A**” in favour of the Portfolio Manager.

The Client has expressly and with full information and knowledge of the implications conferred absolute, unconditional and unfettered discretion on the Portfolio Manager in relation to all decisions concerning the Services and the Client agrees and confirms that all such decisions taken in good faith (which shall in this Agreement, include decisions taken in good faith by any employee, agents or any persons appointed by the Portfolio Manager in this behalf) shall be binding on the Client and shall not be assailed, challenged, questioned or disputed by the Client in any manner whatsoever, except on the ground of fraud, malafide, conflict of interest or gross negligence.

In addition to the powers conferred by the Client on the Portfolio Manager vide the Power of Attorney as stated above, the Client hereby authorizes the Portfolio Manager, either by itself or through any person/entity appointed by it, to do all such acts on behalf of the Client as the Portfolio Manager may in its absolute discretion consider necessary or advisable for the purpose of rendering Discretionary Portfolio Management Services including, without limitation:-

- i. Operating one or more bank accounts and one or more depository accounts,
- ii. Transferring the Portfolio (deposited by the Client with the Portfolio Manager) to the Bank Account and/or Depository Account,
- iii. Appointing and instructing brokers, custodians, depository participants, advisors and others in relation to the Discretionary Portfolio Management Services and entering into agreements with them for the same.
- iv. Renouncing and signing any application and/or renunciation forms in respect of the Securities offered on a rights, additional, preferential or other basis and receiving and holding such securities.
- v. Purchasing, subscribing to or otherwise acquiring or investing in Securities and paying the consideration for the same
- vi. Selling, redeeming, surrendering, transferring, endorsing, assigning or otherwise dealing with or disposing of Securities and receiving the consideration for the same.
- vii. Rebalancing of the Portfolio of the Client as deemed fit by the Portfolio Manager
- viii. Holding the funds in the name of the Client and securities in the name of client or with any custodian, in the name of client.
- ix. Dematerializing physical Securities and rematerializing Securities
- x. Executing such documents as may be necessary
- xi. Receiving contract notes, if any
- xii. To apply for the issue of duplicate certificates in respect of the Securities
- xiii. Receiving dividend, interest and other accretions and amounts in respect of the Portfolio paying all amounts (including any calls) required to be paid in connection with the Discretionary Portfolio Management Services and/or this Agreement including but not limited to the Portfolio Management Fees and expenses incurred for or in connection with rendering Discretionary Portfolio Management Services and for that purpose to sell or otherwise liquidate securities or any part thereof.
- xiv. Making necessary application(s) on behalf of the Client, to any Government, Quasi-government or local authorities in India including Securities and Exchange Board of India and Reserve Bank of India for or incidental to purchase, sale, transfer of, or holding and/or continuing to hold the assets in any form whatsoever and to represent the Client in all respect before such authority or authorities and establish the ownership of the said assets in the name of the Client
- xv. To do all such acts, deeds and things that may be necessary in respect of the dematerialized Securities and for this purpose, to carry out all such acts as may be necessary and to sign such deeds, documents, forms, declarations or other papers as may be required.
- xvi. To apply to, correspond with, give intimation / notice to the Depository and/or the Depository Participant and to issue orders / instructions to them and to perform, execute and do all the acts, deeds and things that may be necessary to do under the Depositories Act, 1996 and the SEBI (Depository & Participants) Regulations, 1996 for the purpose of carrying out the transactions pertaining to Portfolio Management Services.
- xvii. Generally attending to and acting in all transactions, matters and deeds in connection with the sale / purchase instructions, transfer, delivery and other dealings in connection with the securities, monies and other Assets, including to demand and receive all debts, sums of money, interest, dividend and dues of whatsoever nature or kind relating to the above assets
- xviii. Demanding, collecting and receiving, all interest, bonus, dividend or any other sums, accretions and/ or income arising, due, accruing on all or any securities, monies and other Assets and giving effectual receipt and discharges thereof and representing for payment and collecting the amount payable upon all securities which may mature or be called, redeemed or retired or otherwise become payable and taking all necessary actions including signing of all necessary applications and other documents
- xix. Receiving and holding for the account of the Clients any capital arising out of or in connection with the Assets whether as a result of its being reduced or redeemed or capitalization of reserves or otherwise becoming payable (other than at the option of the holder thereof) and credit the same to the concerned account
- xx. Delivering securities to the designated receiving agent in the case of tender, offers or similar offers to purchase
- xxi. Exchanging interim or temporary receipts for definitive securities, and old, damaged, torn or over stamped certificates for new certificates

- xxii. To debit the Client's account for all the service charges, fees, out of pocket expenses, conveyance expenses, postage, telephone/fax charges, franking charges, stamp duty, audit fees or any other amount payable by the Client from time to time in accordance with the PMS agreement.
- xxiii. To pay or allow all taxes, rates, charges, deductions, expenses and outgoings whatsoever due and payable or to become due and payable on account or in respect of the securities
- xxiv. To receive statements, notices, any other communication from the Depository Participant, brokers, custodian and/or any other agents from time to time

The Client hereby entrusts the Funds to the Portfolio Manager (in the manner required by the Portfolio Manager) for the purposes of the performance of the Discretionary Portfolio Management Services by the Portfolio Manager.

3. SCOPE OF SERVICES TO BE PROVIDED BY THE PORTFOLIO MANAGER

- 3.1 The Portfolio Manager agrees to provide Services which shall be in the nature of investment advisory / investment management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the Securities, keeping safe custody of the Securities and monitoring book closures, dividend, bonus, rights, split etc. so as to ensure that all benefits accrue to the Client for an agreed fee structure entirely at the Client's risk to achieve the investment objectives as stated in **Clause 4** herein below.
- 3.2 The Portfolio Manager is to invest the funds held in the Bank Account of the Client into Securities and engage in such transactions for and on behalf of the Client based on Power of Attorney.
- 3.3 The Portfolio Manager shall keep the funds of the Client in a Bank Account held in the name of the Client or the Portfolio Manager/Custodian (on behalf of the client) as may be required from time to time.
- 3.4 The Portfolio Manager shall be entitled to take such actions or steps or omit to take such action or steps as it shall in its absolute discretion consider necessary to ensure compliance with the regulatory requirements.
- 3.5 Further, the Portfolio Manager shall in its books of accounts maintain separate Client-wise accounts in respect of the funds and Securities handed over by the Client to the Portfolio Manager and the transactions carried out for the Client from time to time.
- 3.6 The Portfolio Manager and the Client shall in no circumstance be considered as persons acting in concert or as persons co-operating with each other (directly or indirectly) or as persons having a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over any company, whose shares are purchased by the Portfolio Manager on behalf of and on account of the Client pursuant to this Agreement.
- 3.7 The Portfolio Manager shall independently and at its sole, entire and absolute discretion manage the Assets of the Account of the client as per the needs of the client.
- 3.8 The Portfolio Manager shall be acting as an agent/trustee and in fiduciary capacity with regard to the Client's Account comprising, inter alia, investments, accruals, benefits, allotments, calls, refund, returns, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividend, interest, right, bonus as well as residual cash balance, if any (represented both by quality and in monetary value).
- 3.9 The Portfolio Manager shall Supervise and negotiate contractual arrangements with Intermediaries who in the sole judgment of the Portfolio Manager are required by the Portfolio Manager to administer and manage the Portfolio.

4. INVESTMENT OBJECTIVE AND GUIDELINES

- 4.1 In pursuance of the objective of this Agreement to provide the Client with a structure that can achieve preservation and growth of its capital, the Portfolio Manager shall endeavor to apply its professional expertise in order to help the Client achieve its goals as per the product options chosen by the Client. However, the Client agrees and acknowledges that while the aforesaid is the objective, there is no guarantee that the objectives will be achieved nor there is any guarantee of any returns or of there being no capital loss.
- 4.2 The Portfolio Manager shall invest the funds in various marketable instruments including mutual funds schemes in the proportion as per the best interest of the clients from time-to-time. The Client's funds shall be primarily invested into Securities as defined under this Agreement.
- 4.3 The Portfolio Manager shall invest the Client's funds in accordance with PM Regulations, as amended from time to time and any other relevant regulation applicable to the client.
- 4.4 The Portfolio Manager shall have the sole and absolute discretion to invest the Client's funds into Securities on behalf of the Client through a member broker of the Bombay Stock Exchange (BSE), or National Stock Exchange (NSE) of India or through any other registered member or broker through a panel of brokers, which may include associate brokers of the Portfolio Manager.
- 4.5 The Portfolio Manager shall not accept from the Client, funds or Securities worth less than Rupees Twenty Five Lacs or such other minimum amount as may be stipulated by SEBI from time to time. However, Portfolio Manager can fix a higher limit for such minimum amount as mutually agreed and/or communicated to the Client from time to time.

5. AREAS OF INVESTMENT AND RESTRICTIONS

- 5.1 The nature of investment services sought by the Client is discretionary portfolio investment services. . Notwithstanding the foregoing, the Portfolio Manager shall not invest in the bodies corporate referred to in **Clause 7.3** hereunder and listed in "Annexure - B" to this Agreement.

- 5.2 The Portfolio Manager shall be entitled to the use of derivative instrument such as index futures, stock futures and options contracts, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations.
- 5.3 The investment in derivatives will be as per the Regulations and amendments issued from time to time and would be used for the purpose of hedging and portfolio rebalancing. Derivatives instruments shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and shall be liquidated at the prevailing market prices as on the date of liquidation.
- 5.4 In the event of aggregations of purchase or sales transaction in order to achieve economy of scale, inter se allocation shall be done on a pro – rata basis and at weighted average price of the day's transactions. The Portfolio Manager shall not keep any open position with respect to allocation of sales and / or purchase transactions effected in a day.

6. RIGHTS, DUTIES, RESPONSIBILITIES AND OBLIGATIONS OF THE PORTFOLIO MANAGER

The Portfolio Manager hereby undertakes as follows:

Nothing in this Agreement shall prohibit the Portfolio Manager from:

- 6.1 The Portfolio Manager shall independently manage the Portfolio in good faith of the Client in accordance with the provisions of this Agreement and the needs of the Client in a manner which does not partake of a Mutual Fund.
- 6.2 The Portfolio Manager shall maintain client wise transactions and related books of account.
- 6.3 The Portfolio Manager shall act in a fiduciary capacity with regard to the Client's assets and as a trustee and agent of the Client's Bank Account and DP Account. The Portfolio Manager and / or its officers, directors, employees or associates shall not derive any benefit whether direct or indirect from the Client's funds or Securities purchased/sold except the case where the associate receive commission as a distributor of MF units or receives normal brokerage and service charges for the transactions executed on behalf of the Client and shall strive to safeguard the Client's interests to the best of its ability at all times.
- 6.4 The Portfolio Manager shall ensure that the funds received from the Client, investments or disinvestments and all the credits to the Bank Account or DP Account like interest, dividend, bonus or any other beneficial interest received on the investments and debits for expenses, if any, as the case may be, shall be properly accounted for and details thereof shall be properly reflected in the Client's Bank Account and DP Account as the case may be; and in any account statements sent to the Client.
- 6.5 The Client understands and agrees that the Portfolio Manager is not under the obligation to activate the account of the Client i.e., start providing Portfolio Management Services to the Client, if the minimum amount as mutually agreed with the Client is not provided by the Client. Portfolio Manager may keep such Funds / Securities received from the Client, which does not meet the minimum requirement in such form as may be deemed fit by the Portfolio Manager or return the same to the Client as per its discretion. Portfolio Manager shall activate the account of the Client, only after receipt from the Client, of the entire minimum corpus requirement as agreed.
- 6.6 The Portfolio Manager shall keep confidential all proprietary information exchanged between the Client and the Portfolio Manager in the course of the Portfolio Manager's engagement hereunder unless the Portfolio Manager is legally compelled or required to disclose such information.
- 6.7 The Portfolio Manager shall exercise due care and diligence in rendering Services to prevent the possibility of loss of capital under this Agreement. However, it is understood that investments are made on certain evaluation basis and there can be no assurance with regard to returns or even preservation of capital.
- 6.8 The Portfolio Manager will make its best efforts to safeguard the Client's interest with regard to dealings with capital market intermediaries such as brokers, custodians, bankers etc
- 6.9 The Portfolio Manager shall ensure proper and timely handling of complaints from the Client and take appropriate action immediately.
- 6.10 The Portfolio Manager shall ensure that the books of accounts relating to the Client are audited annually by an independent Chartered Accountant, and give a copy of the certificate issued by the Chartered Accountant to the Client. The Portfolio Manager shall maintain books and records relating to its transactions for the Client to ensure compliance with the PM Regulations and shall get audited its accounts as required under the PM Regulations.
- 6.11 The Portfolio Manager may aggregate the purchase or sale of securities and funds of all or any of its Clients in a manner as permissible under the Regulations.
- 6.12 The Portfolio Manager shall not lend or pledge, hypothecate, or create any similar encumbrance on the Client Securities without the prior written approval of the Client.
- 6.13 The Portfolio Manager shall keep confidential all proprietary information exchanged between the Client and the Portfolio Manager in the course of the Portfolio Manager's engagement hereunder.
- 6.14 The Portfolio Manager shall also be entitled to enter into transactions on behalf of the Client for the specific purpose of meeting margin requirements. The Client acknowledges that the Client is fully aware of the risks of entering into such transactions and thereby agrees not to make any claims for loss or damages occurred from such transactions.
- 6.15 The Portfolio Manager shall not:

- (i) Trade on margin or on a speculative basis on behalf of the Client. All transaction shall be on delivery basis;
 - (ii) Deal, based on price -sensitive, classified and non-public information;
 - (iii) Borrow funds or Securities on behalf of the Client, except as provided under the PM Regulations;
 - (iv) The Portfolio Manager shall take all precautions and steps to prevent any Insider Trading and shall comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.
- 6.16 The Portfolio Managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the tenure of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence.
- 6.17 The Portfolio Manager shall, on a half yearly basis and as and when requested by the Client, furnish to the Client a report, inter alia containing the following details:
- (i) The composition and the value of the Portfolio, description of the Client Securities, number of Client Securities, value of each Client Security which forms part of the Portfolio, Cash balance, Temporary Investments and aggregate value of the Portfolio as on the date of the report;
 - (ii) Transactions undertaken during the period of the report including the date of transaction and details of purchase and sales;
 - (iii) Beneficial interest received during that period in respect of interest, dividend, bonus shares, rights shares and debentures;
 - (iv) Expenses incurred in managing the Portfolio;
 - (v) Profit/loss, fees, taxes, expenses, costs, and charges;
 - (vi) Details of risk foreseen by the Portfolio Manager and the risk relating to the Securities recommended by the Portfolio Manager for investment.
- The statements / documents / report furnished by the portfolio manager to the client present a true and fair picture of the actual transactions.
- All the above reports will be submitted to the clients to their email ids.
- Alternatively, the Portfolio Manager may provide to the Client access to its website, if any, for the limited purpose of viewing the aforesaid reports.
- 6.18 The Portfolio Manager shall ensure that it has provided the Client with the Disclosure Document along with a certificate in Form C prescribed under the PM Regulations at least 2 (two) days prior to the execution of this Agreement.
- 6.19 The Portfolio Manager shall be entitled to institute or defend legal proceedings in order to protect the Client's interest under this Agreement. The Client shall reimburse all costs and expenses incurred by the Portfolio Manager in instituting or defending such legal proceedings.
- 6.20 The Client agrees and acknowledges that the Client shall not be entitled to give any instructions to the Portfolio Manager in relation to the Discretionary Portfolio Management Services to be rendered by the Portfolio Manager under this Agreement or any decision relating thereto. However the Portfolio Manager may at its discretion accept Client's requests including but not limited to requests with regard to investment/ restriction in investment in any particular Security or sector, subject to conditions as may be stipulated by the Portfolio Manager from time to time.
- 6.21 Client acknowledges that portfolio manager has a right to debit the clients' account for fees and other incidental charges in accordance with this DPMS Agreement.
- 6.22 The Portfolio Manager may, at its sole discretion, open one or more bank accounts or may use omnibus current account (i.e. Pool Account for all clients for operational convenience) for and on behalf of the Client to deposit and withdraw monies and fully operate the same, subject to the SEBI Regulations. In case the Portfolio Manager uses omnibus bank account for its operations, the Portfolio Manager shall maintain the complete trail to identify the transactions pertaining to the Client.
- 6.23 The Portfolio Manager may, at its sole discretion make decisions on Purchasing, selling or otherwise dealing in any Securities of an entity (the Securities of which entity are part of the Portfolio) either on its own behalf and / or for its other clients;
- 6.24 The Portfolio Manager may at its discretion, constitute, nominate and appoint agents / custodians / auditors, determine their duties, fix their emoluments and acquire security in such insurance cover or such other benefits for the Client as may be given by the corporation or body corporate or other organization.
- 6.25 The Portfolio Manager may have a commercial relationship with the Intermediaries other than for the purpose of providing the Services;
- 6.26 The Portfolio Manager may at its sole discretion Employ, retain or appoint any affiliate / affiliates or any of the partners / directors of the Portfolio Manager or its affiliates as an Intermediary for rendering any services in connection with the administration / management of the Portfolio.
- 6.27 The Portfolio Manager shall deal exclusively with the Client in respect of this Agreement and shall, under no circumstances, recognize or take cognizance of any privity of contract between the Client or any other person, or entity in respect of this Agreement except in cases of duly constituted attorney(s) and / or authorized agent(s), who will be recognized strictly for the limited purpose of representing the Client under this Agreement.
- 6.28 The Portfolio Manager shall not undertake tax planning of the client under this Agreement.
- 6.29 The Portfolio Manager shall not change any terms of agreement without prior consent of the client.

7. RIGHTS, DUTIES AND OBLIGATIONS OF THE CLIENT

- 7.1 The Client shall maintain utmost secrecy with regard to investment made by the Portfolio Manager on his behalf. In no case shall the Client replicate for his or for the benefit of others, the investments made by the Portfolio Manager.
- 7.2 The Client shall disclose to the Portfolio Manager from time to time whether he is privy to price sensitive information in any listed company, such that a conflict of interest may arise, where the Portfolio Manager may intend to buy securities of that listed company on behalf of the Client.
- 7.3 The Client hereby submits a list of bodies corporate (attached hereto and marked as "Annexure - B") in which he / she / it has an interest, which enables him / her / it to obtain unpublished price sensitive information of such bodies corporate. The Client represents that the aforesaid list is complete and accurate in all respects and agrees to update the information in the list from time to time during the Term.
- 7.4 The Client shall pay the agreed fees at the agreed times to the Portfolio Manager in the manner as hereinafter provided.
- 7.5 The Client shall not directly dispose off or acquire any Securities held in the Portfolio, except as agreed by the Portfolio Manager.
- 7.6 The Client hereby agrees and undertakes that until the termination of this Agreement and the receipt of a no objection from the Portfolio Manager in this behalf, (i) the Client shall not operate the Bank Account(s) and / or Depository Account(s) and (ii) the Client shall not enter into any agreement with the custodian (or any other intermediary) or give any instructions to the Custodian/Depository Participant/Bank (or other intermediary) in relation to the Portfolio under the Agreement unless required by the Portfolio Manager (iii) the Client shall not pledge, create any charge, lien or other encumbrance of any nature over the Assets or otherwise deal with the Assets in any manner whatsoever.
- 7.7 For the purpose of discharging any of the duties, obligations and functions (whether under this Agreement or under the above mentioned Power of Attorney), of the Portfolio Manager, the Client hereby empowers the Portfolio Manager to act through any of its officers, employees or representatives or any custodian or advisor or other person/intermediary specifically authorised by the Portfolio Manager and the Portfolio Manager is empowered to delegate the performance of its duties, discretions, obligations, any of powers and authorities hereunder to such sub- delegates.
- 7.8 The Client hereby unconditionally and irrevocably undertakes to promptly and regularly pay, as per the Applicable Laws, all taxes payable in connection with the Portfolio under this DPMS Agreement including without limitation income tax, if any, on the income arising from the Portfolio whether by way of interest, dividend, short term and long term capital gains, stamp duty (where applicable) or otherwise howsoever and file, within the prescribed time frames all tax returns, statements, applications and other documents in that behalf. The tax may be deducted at source under applicable provisions of the Income Tax Act, 1961. The Client may, at its own cost, obtain advise from tax consultants of the Portfolio Manager, entirely at Client's risk as to cost and consequences. The Portfolio Manager at its sole discretion may facilitate the Client to meet the TDS liabilities on behalf of the Client.
- 7.9 The Client agrees that the investments made by the Portfolio Manager shall be at the sole discretion, judgement and opinion of the Portfolio Manager.
- 7.10 The Client agrees to provide the Portfolio Manager or such other person as may be designated by the Portfolio Manager, such information as may be required from time to time, including, without limitation, all changes to the information provided by the Client in the Application or any "Know Your Client" form in order to enable the Portfolio Manager or other person designated by the Portfolio Manager in this behalf to update the information therein. It shall be the responsibility of the Client to inform the Portfolio Manager of any changes in the information provided by the Client. Without prejudice to the aforesaid, the Client shall inform the Portfolio Manager of its residential status and of any changes thereto.
- 7.11 The Client shall inform the Portfolio Manager, in writing of any restrictions that have been or are imposed by any regulatory body (ies) upon the acquisition of or dealing in Securities or any other assets by the Client or any of its associated entities. In the event the Client fails to provide such details to the Portfolio Manager, the Client shall indemnify and keep indemnified the Portfolio Manager from and against any losses, expenses, penalties, costs, actions and proceedings incurred by the Portfolio Manager due to such failure on the part of the Client to provide such information
- 7.12 The Client agrees and undertakes to sign all such documents and writings, to provide required information and do all such acts as the Portfolio Manager may require for enabling the Portfolio Manager to render Discretionary Portfolio Management Services or otherwise perform its functions and obligations under this Agreement including for appointment/availing of the services from any other intermediary.
- 7.13 The Client undertakes to comply with all statutory and other requirements for the prevention of money laundering as may be specified by any regulatory authority or the Portfolio Manager from time to time and the Client shall indemnify and keep indemnified, the Portfolio Manager or its officers, employees, or representatives or any Custodian or investment advisor or other person specifically authorized by the Portfolio Manager from and against any losses, cost, expenses, damages, actions and proceedings in the event of non-compliance of such requirements by the Client and/or its authorized representatives.
- 7.14 The Client undertakes that he / it is eligible and duly authorized to enter into this Agreement. The Client having agreed to avail of the services shall be deemed to have satisfied himself / itself with regard to eligibility in this respect. The client

may cause his duly constituted attorney(s) as notified to the Portfolio Manager to represent the client under this agreement. The decisions and directions of such duly constituted attorney given to the Portfolio Manager and consequent actions/results thereof shall be binding on the client.

- 7.15 The Client undertakes to transfer initial and subsequent amount of funds in a separate bank account with the bank and/or listed securities in dematerialized form in a separate depository account with the depository participant of the Portfolio Manager's choice, the details of the subscription amounts placed should be provided according to "Annexure - A".
- 7.16 In the case of further placement of funds in the Account by the Client on one or more occasion(s) or on a continual basis, each such placement of funds shall be in accordance with the norms set by the Portfolio Manager or as defined under SEBI Regulations from time to time.
- 7.17 The client shall at all times be in compliance with all relevant laws, rules and regulations as may apply to his portfolio or dealing therein.
- 7.18 The Client undertakes to execute an Irrevocable Power of Attorney, in such form as prescribed by the Portfolio Manager, authorizing the Portfolio Manager to exclusively operate the Bank Account for the term.
- 7.19 The Client also undertakes to execute an Irrevocable Power of Attorney in such form as prescribed by the Portfolio Manager, authorizing the Portfolio Manager to operate the DP Account for the Term.
- 7.20 The Client agrees and confirms that the Portfolio may be held in a Security Account in the name of the Client.

8. MINIMUM TENURE:

- 8.1 The Funds and the Securities placed by the Client with the Portfolio Manager for Discretionary Portfolio Management Services under this Agreement continue to be under the Discretionary Portfolio Management Services until withdrawn by the Client by a specific instruction to the Portfolio Manager as **detailed below**.
- 8.2 The Client shall ensure that the minimum amount as specified by the Portfolio Manager shall be maintained with the Portfolio Manager at all times. The Client may however request the Portfolio manager to withdraw a part of its Portfolio leaving behind the minimum amount as specified by the Portfolio Manager from time to time.
- 8.3 Withdrawal of Assets by the Client shall be subject to a minimum amount as specified by the Portfolio Manager from time to time. The Client shall not withdraw Assets in such a way where the specified minimum amount of investment is violated. The Portfolio Manager shall be entitled at its discretion to refuse, to accept / process applications for withdrawal of Assets by the Client in respect of an amount if it violates the requirement of the minimum amount specified by the Portfolio Manager.
- 8.4 In the event the Client intends to withdraw part of the Portfolio from the Portfolio Management Services, the Client must at its own cost and risk give to the Portfolio Manager notice in writing of its intention to withdraw Assets from the Portfolio Management Services (in the form prescribed by the Portfolio Manager). Provided however that the Client shall ensure that the pursuant to the redemption request, the value of the Portfolio under the management of the Portfolio Manager shall not fall below the required minimum amount as required by SEBI / the Portfolio Manager from time to time. In case the value of the assets of the Client pursuant to a redemption request by the Client falls below the minimum corpus requirement as specified by the Portfolio Manager, this agreement shall be deemed to be terminated and the provision of **Clause 10** herein shall apply.
- 8.5 The Portfolio Manager shall handover the withdrawn Portfolio to the Client as per the instruction received from the client in the withdrawal request in the form of securities or funds as may be deemed fit by the Portfolio Manager.
- 8.6 In the event the Client intends to withdraw the entire corpus, this Agreement shall be terminated in accordance with the provisions of **Clause 10** here-in-below.
- 8.7 All interest, bonus, dividend or any other sums, accretions and or income arising, due, accruing on all or any securities, funds and other Portfolio of the Client shall be deemed to form part of the assets under management by the Portfolio Manager. Any withdrawal by the client of such accruals shall be deemed to be a withdrawal of Portfolio and the provisions of this **Clause 8** shall apply to all such withdrawals.

9. FEES, CHARGES AND BILLING

- 9.1 The Client agrees to pay to the Portfolio Manager a Portfolio Management Fee in the form of a Fixed Fee or a Performance Based Fee or a combination of both at the rates and in the manner provided in "**Schedule – C**" forming part of this agreement and as revised and mutually agreed to by both the Parties from time to time.
- 9.2 In addition to the portfolio management fees stated hereinabove, the Client shall also pay to the Portfolio Manager, such transaction fees, brokerage charges, safe custody fees, demat fees, and/or disbursement made in respect of the investments (and/or disbursements) made under this Agreement.
- 9.3 The Client agrees to pay to the Portfolio Manager all service taxes payable at the prevailing rates applicable from time to time in respect of the fees charged by the Portfolio Manager under this Agreement and it is clarified that the computation of the Fixed Fee and the Portfolio Management Fee are not inclusive of service taxes payable thereon.
- 9.4 The Client agrees to pay to the Portfolio Manager, an entry load or exit load on the inflow/ withdrawal of assets, as may be decided by the Portfolio Manager from time to time. Charging of entry load/exit load shall be at the sole discretion of the Portfolio Manager.
- 9.5 For the purposes of this Agreement, the Client is aware and agrees that such fees and charges payable for availing the Services under this Agreement shall be debited to the Client's account which shall be in addition

to the portfolio management fees as envisaged above. The said fees as debited to the Client's accounts are not reversible /refundable.

- 9.6 In the event the Client's ledger does not have sufficient balance, the Portfolio Manager shall be entitled to charge the amount to the Client and the Portfolio Manager shall have the right of lien and set-off over the Client Securities till such payment is made by the Client.
- 9.7 The fees payable to the Portfolio Manager under this Agreement shall be debited by the Portfolio Manager directly to the Client's Bank Account at any time after it has become due and payable provided that the fees so debited by the Portfolio Manager shall include the withholding tax required to be withheld by the Client in accordance with the provisions of the Income Tax Act, 1961. The Client shall be required to make a declaration in the form of "Annexure - C" hereto specifying whether it is liable to withhold tax on the fees payable to the Portfolio Manager.
- 9.8 The Portfolio Manager shall have a right to appropriate the amounts payable under this **Clause 9** or under any other provision of this Agreement, from the Portfolio of the Client and the Portfolio Manager may for this purpose sell or otherwise liquidate the Portfolio or any part thereof.
- 9.9 The Portfolio Manager shall be entitled to recover any incidental expenses such as stamp duties, registration charges, brokerage, commission, compensation, professional fees, legal fees, consultancy charges, service charges, etc. and such other expenses, duties, charges incurred on behalf of the Client on account of the Services provided to him. Such expenses shall be charged to the Client's account from time to time at the sole discretion of the Portfolio Manager.
- 9.10 In addition to the fees payable to the Portfolio Manager, the Client shall pay to the Portfolio Manager, all costs and expenses of whatsoever nature incurred by the Portfolio Manager in connection with the Services, including but not limited to the expenses and cost of custody and safe keeping of all Client Securities, registration and transfer charges in respect of the Client Securities, transaction charges, depository participant account maintenance charges, legal charges for recovery / transfer of securities, Custody and Fund Accounting Charges, bank charges, broker and other Intermediary expenses etc.
- 9.11 Receipts of payments shall be evidenced by way of entries in the books of accounts and where received through bank instruments.
- 9.12 The taxes payable on any transactions entered into or undertaken by the Portfolio Manager on behalf of the client, whether by way of deduction withholding, payment or other, shall be fully borne by the client. Payment of the tax shall be the personal responsibility and liability of the client. In case the client deducts and pay the withholding tax, the client shall provide Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of deduction. The Portfolio Manager is not by law, contract or otherwise required to discharge any obligation on behalf of the client to pay any taxes payable by the client. If, however, any tax is paid by the Portfolio Manager to the tax authority on behalf of the client, the Portfolio Manager shall be entitled to recover the same from the client. If the client does not pay, the Portfolio manager has the unconditional and irrevocable authority to deduct or appropriate the same from any amount or security held by the Portfolio manager on behalf of the client. Subject to applicable taxation laws, in force from time to time, the Portfolio Manager may on its own deduct any Tax at source while effecting disbursements / payments of amounts interim or otherwise to the Client under this Agreement.
- 9.13 The Portfolio Manager shall be entitled to meet all costs and expenses from the Bank Account on behalf of the Client. However, in the event the Portfolio Manager incurs any costs and expenses of whatsoever nature in connection with the Services, then the Portfolio Manager shall be entitled to debit such costs and expenses from the Client's Bank Account at any time after it has been incurred by the Portfolio Manager.
- 9.14 The modification in fees shall be done only with the consent of the client.

10. TERM AND TERMINATION

- 10.1 This Agreement shall commence from the date of execution of this Agreement and shall be in effect until terminated by either of the Parties. Hence, there is no fixed term for this Agreement and the Agreement shall be in force till its termination.
- 10.2 The Portfolio Manager reserves the right to terminate this Agreement with immediate effect in case the Client does not pay any fees as required to be paid by it to the Portfolio Manager in terms of this Agreement or if the Client commits a breach of any of its obligations under this Agreement.
- 10.3 Subject to the terms of this Agreement and the PM Regulations, as amended from time to time, this Agreement and the Services may, at any time, be terminated under the following circumstances:
- i. By operation of law
 - ii. Voluntary or compulsory termination of portfolio management services by the Portfolio Manager or the client by giving adequate notice;
 - iii. Suspension, cancellation or termination of Certificate of registration of Portfolio Manager by the SEBI;
 - iv. Bankruptcy or liquidation of the Portfolio Manager or the Client;
 - v. Closure of the business of the Portfolio Manager; or
 - vi. By mutual consent of the parties hereto;
 - vii. In the event of death, insolvency, dissolution or winding up of the Client
- 10.4 This Agreement shall automatically stand terminated if an Event of Force Majeure continues for a period of 30 days from the date of notification of the Event of Force Majeure by one Party to the other.

- 10.5 The Portfolio Manager may terminate this Agreement at any time in the event of a material breach of the terms of this Agreement by the Client, which breach has not been rectified by the Client after 30 days notice of such breach has been issued to the Client by the Portfolio Manager.
- 10.6 The Client may at any time terminate this Agreement by giving prior written notice of termination to the Portfolio Manager.
- 10.7 The Portfolio Manager may at any time terminate this Agreement by giving written notice of termination to the Client.
- 10.8 Upon termination of this Agreement, the Portfolio Manager shall, as per the instruction from the client, pay and/or deliver the Portfolio to the Client. Subject to the terms specified in the **Schedule of Fees**, the Client shall be entitled to choose to receive the Securities forming part of the Portfolio in the form of Securities or the equivalent cash amount representing the Securities by informing the Portfolio Manager in this regard at the time of termination. In the event the Client chooses to receive the Portfolio in the form of Cash, the Portfolio Manager shall endeavour to sell the Securities and pay the net proceeds thereof to the Client. Provided that if the Portfolio Manager is for any reason unable to sell the Securities, the Client shall be obliged to accept the Securities. Till such termination of this agreement, the Portfolio Manager shall be entitled to act in its capacity as Portfolio Manager as per this agreement.
- 10.9 In case the agreement is terminated prior to specified period from the date of execution of agreement by the client, then client shall be liable to pay Exit charges as per the **Schedule of Fees**.
- 10.10 In the event of the death of the Client, the legal representative / Nominee of the Client shall intimate the Portfolio Manager of the death of the Client as soon as possible, and this Agreement shall thereupon terminate on immediately on receiving such intimation. Till such termination of this agreement, the Portfolio Manager shall be entitled to act in its capacity as Portfolio Manager as per this Agreement. The Power of Attorney granted by the Client under this agreement shall discontinue to subsist after the demise of the Client from the date on which the Portfolio Manager is informed of the death of the Client by the legal representative / Nominee of the Client and the Portfolio Manager shall be entitled to continue to act under the terms of the said Power of Attorney.
- 10.11 The Portfolio Manager may deliver the Assets or liquidate them and deliver the proceeds to the nominee of the Client subject to deductions as applicable for delivery, liquidation or transfer of Assets in the name of Nominee. Upon such delivery the Portfolio Manager shall stand discharged of all obligations hereunder or in relation to the Assets.
- 10.12 In the event of permanent disability the account shall get terminated and in the event of partial disability, the client & the Portfolio Manager shall mutually decide whether the account shall be continued or terminated.
- 10.13 Upon the termination of this Agreement as a consequence of the death of the Client, the Portfolio Manager shall:
- a. Permit the nominee of the Client (designated in the Application) or, if for any reason the same is not possible or practicable, permit such persons as the Portfolio Manager has bonafide reason to believe are the legal heirs, executors or administrators of the deceased Client, to operate the Bank Account (if opened in the name of the Client) and/or the Depository Account, if the rules of operation of the Bank Account and / or the Depository Account so permit; and / or.
 - b. Deliver the Portfolio to the nominee of the Client (as designated in the Application). or, if the nominee is not specified, to such persons as the Portfolio Manager has bonafide reason to believe are the legal heirs, executors or administrators of the deceased Client.
- 10.14 On termination of this agreement, the client may elect to receive back the Portfolio or opt for sale of the Portfolio for cash. In either case, the client shall pay to the Portfolio manager its fees, costs and dues payable under this Agreement and the Portfolio Manager shall have the right of lien on any or all Securities in respect thereof.
- 10.15 Upon the termination of this Agreement, all power of attorneys subsisting in favour of the Portfolio Manager under this Agreement shall cease to be operative.
- 10.16 The provisions of this Agreement relating to the payment of Portfolio Management fees, costs, charges, expenses and other amounts to the Portfolio Manager, and all such rights and obligations which have accrued or arisen prior to and/or as a result of the termination of this Agreement shall survive the termination of this Agreement.
- 10.17 The termination of this Agreement in any of circumstances aforesaid shall not in any way affect or prejudice any right accrued to any Party against the other prior to such termination.
- 10.18 On termination of the contract, the portfolio manager shall give a detailed statement of accounts to the client and settle the account with the client as agreed in the contract.
- 10.19 The **Clause 18.6** of Indemnity shall survive even-after termination of this Agreement.

11. TRANSFER, REGISTRATION AND CUSTODY

- 11.1 The Portfolio Manager shall use reasonable care and diligence for the safe custody of the Portfolio and shall make reasonable endeavors to, at the Client's cost, arrange for the custody of the Portfolio by keeping them in its actual control and/or custody or by appointing and using a custodian or other agent for this purpose, as it deems fit. The Client hereby authorises the Portfolio Manager to enter into such agreements on behalf of the Client with such persons (including, without limitation, custodians of securities) as the Portfolio Manager considers appropriate for arranging for the custody of the Portfolio.

- 11.2 The Client agrees to duly provide from time to time such information/documents as may be required by the Portfolio Manager for the purpose of availing the services of the Custodian appointed by the Portfolio Manager.
- 11.3 The Client authorizes the Portfolio Manager to register the Client's Securities in his/her name, for claiming and receiving all accruals, accretions, benefits, allotments, calls, returns, privileges, entitlements, refunds, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus, splits owing to the Client on account of such investments. Subscription/renunciation of rights entitlements shall be at the sole discretion of the Portfolio Manager. The Client shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities purchased/sold under this Agreement.
- 11.4 The Broking, DP Account & Bank Account(s) opened for Discretionary Portfolio Management Services shall be used only for the purpose of Discretionary Portfolio Management Services provided by the Portfolio Manager and any transaction in the same shall be done only with the permission of Portfolio Manager.
- 11.5 Currently Company is not engaged with any Custodian, hence Custody of Securities will remain with DP i.e. with GBSB. If GBSB appoint s any Custodian in future, GBSB will transfer the custody of securities to custodian after providing the information about the same to the Client.

12. CONFLICT OF INTEREST

- 12.1 The Client recognizes that the Portfolio Manager may have a direct or indirect interest or a relationship with another party, which may involve a potential conflict with the Portfolio Manager's duty to the Client. The Portfolio Manager shall not be liable to the Client for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions and the Portfolio Manager's fees shall not be abated thereby. For example, such potential conflicting interests may arise because
- (i) The Portfolio Manager undertakes investment business for other clients;
 - (ii) The transaction is in securities issued by another client of the Portfolio Manager;
 - (iii) The Portfolio Manager or its associates / group companies provide certain services (including underwriting services) to the issuer of Securities in which investment is made as part of the Portfolio.
- 12.2 The Client takes note of the potential conflict situations and confirms that notwithstanding this, the Portfolio Manager is authorized to make investments/disinvestments on behalf of the Client, whether or not such investment/disinvestments involves a conflict.
- 12.3 The Portfolio Manager shall not invest any part of the Portfolio in Securities of its associates or group companies. The Portfolio Manager undertakes that in case of any such conflict of interest, it shall ensure fair treatment to all its clients and shall not place its own interest above the interest of its clients.
- 12.4 The Client shall (promptly on gaining knowledge of the same) disclose to the Portfolio Manager in writing the details of the interest of the Client in any listed company or other corporate body which may enable the Client to obtain unpublished price sensitive information in respect of such company or corporate body. The Client shall keep the Portfolio Manager indemnified against the consequences of any non-disclosure in this respect.
- 12.5 The Client shall (promptly on gaining knowledge of the same) inform the Portfolio Manager in writing the details of all Securities held by the Client in any listed company or corporate body in order that the purchases of shares by the Portfolio Manager on account of the Client do not attract any provisions of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 ("the Takeover Regulations"). Compliance with the provisions of the Takeover Regulations on account of any purchases of Securities under Discretionary Portfolio Management Services shall be the responsibility of the Client, and the Client shall keep the Portfolio Manager indemnified against the consequences of any non-compliance thereof by the Client.
- 12.6 The Client agrees and accepts that the Portfolio Manager may, from time to time
- i. Acquire, have and/or maintain a position in any security similar to the Securities held, purchased or sold for the Client forming part of the Portfolio of the Client;
 - ii. Purchase or sell on behalf of the Client any Security which forms part of the portfolio of the Portfolio Manager or its other clients or which is otherwise purchased, sold or traded in by the Portfolio Manager on its own account or on account of its other client(s); The client is aware of such interest of the Portfolio Manager under the strategy vis-a-vis in proprietary account of Ghalla Bhansali Stock Brokers Pvt. Ltd.
 - iii. Purchase or sell on its own account or on behalf of any other Client, any Security which forms part of the Portfolio of the Client.
 - iv. Have a commercial or other relationship or agreement with share and stock-brokers, banks and companies with whom or through whom transactions are carried out for purchase and sale of any of the Securities or with any Issuer of Securities whose Securities are purchased and / or sold for the Client;
 - v. Deal on the Client's behalf with any Affiliate of the Portfolio Manager as long as the terms are as favorable to the Client as would be ordinarily obtained from a concern which is not an Affiliate;
 - vi. Act as principal, agent or broker in any transaction; and in such event, the Portfolio Manager shall be separately compensated for its actions in that capacity;
 - vii. Employ, retain or appoint any Affiliate of the Portfolio Manager as broker, custodian, investment adviser, research providers, consultants or in any other capacity for carrying out any of the functions or work relating to the Discretionary Portfolio Management Services provided to the Client;

- 12.7 The Portfolio Manager may receive commissions and other payments from mutual funds and other Issuers in respect of purchase, sale or other dealings in Securities pursuant to this Agreement.
- 12.8 The Portfolio Manager may, from time to time invest in Securities, for the issue of which the Portfolio Manager or any of its Affiliates is the lead manager, underwriter, merchant banker, advisor or other intermediary.

13. MARKET AND OTHER RELATED RISKS

- 13.1 It is expressly stated and understood by and between the Parties that the nature of the Services provided herein carries certain risks. The Client clearly understands that investments in Securities entail a high degree of risk and there can be no assurance from the Portfolio Manager that the objectives of Portfolio Management services will be achieved. There is no assurance for the achievement of minimum returns or guaranteed returns thereon or even as regards preservation of capital. Further, risk may also arise from the investment objective and the investment policy and these risks are inherent in this business. A list illustrating some of the associated risks is attached as **"Schedule – B"** hereto. The Client acknowledges that the list is merely an illustrative list indicative of some of the risks associated with the Services and does not purport to be exhaustive.
- 13.2 The Client acknowledges that the Client has received, read and understood the Disclosure Document provided by the Portfolio Manager as specified in Schedule V of the Regulations along with a certificate in Form C as specified in Schedule I of the said regulations, at least 2 days prior to the date of this agreement and has entered into this Agreement with the full knowledge of such associated risks.
- 13.3 Details of risk foreseen by the Portfolio Manager and the risk relating to the securities recommended by the Portfolio Manager for investment or disinvestment includes but are not restricted to the following:
- i. Investment in equities, exchange traded funds, derivatives and mutual funds are subject to market risks
 - ii. As with any investment in securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
 - iii. The performance of the Portfolio Manager and the objective of the Portfolio Management Services may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.

14. REPAYMENT

- 14.1 The Portfolio Manager shall, on termination of this Agreement, as stated hereinabove arrange to deposit the net realizable value (i.e. gross market value net of costs of realization) of Securities held in the Client's account together with all accruals, accretions, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividends, interest, bonus as well as residual cash balance, if any on such date, subject to the Client fulfilling all his/her obligations under this Agreement in the designated Bank Account. The Securities shall be disposed off by the Portfolio Manager as provided by the Securities Contracts (Regulation) Act, 1956 and/or any other relevant statute unless the Client desires, in writing, at least 10 (ten days prior to the termination of this Agreement to receive back the Securities held in his/her name to such extent that the same can be handed over to him. The amount so realized, and/or the Securities together with residual cash balances, if any, due and belonging to the Client shall be made over to the Client, subject to the following deductions:
- i. Fees and Charges levied and/or to be levied by the Portfolio Manager as described in **Clause 9**.
 - ii. All taxes, rates, fees, duties, commissions, costs, charges, penalties, deductions, recoveries and/or appropriations etc. to be made in accordance with law or otherwise on account of the Clients.
 - iii. Any other dues, liabilities, obligations etc. owed by/due on account of the Client under this Agreement.
- 14.2 The Portfolio Manager, by disbursement through payment or otherwise as provided in **Clause 14.1** hereinabove, subject to all the above recoveries, deductions and appropriations, is validly discharged of all its obligations owed to the Client or his nominee, as the case may be, in respect of this Agreement.
- 14.3 Any accruals, accretions, refunds, returns, or any other beneficial interest including dividend, interest, consideration from buy-back arising out of the amount as per **Clause 14.1** hereinabove, shall accrue to or vest in the Client and shall accrue to and/or continue to vest with the Portfolio Manager, which, if received by the Portfolio Manager shall be turned/made over to the Client.
- 14.4 Any, accretions, benefits, allotments, calls, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including rights, bonus, voting right arising out of the Securities held in the name of the Client, shall accrue to or vest in the Client with the Portfolio Manager which, if received by the Portfolio Manager shall be turned/made over to the Client.

15. ACCESS TO INFORMATION

- 15.1 Subject to prior notice, in writing, to the Portfolio Manager, the Client shall have a right to access the following documents of the Portfolio Manager as listed below on business days between 11.00 hrs to 17.00 hrs:
- i. Registration certificate of the Portfolio Manager;
 - ii. PM Regulations;
 - iii. Books of accounts of the Portfolio Manager relating to the transactions of the Client;
 - iv. Disclosure Document;
 - v. Certificate of chartered accountant certifying the Disclosure Document.

- vi. The Client shall have a right to appoint an Independent Chartered Accountant to get his/her/its accounts with the Portfolio Manager audited. However cost of such audit shall be borne by the Client alone and the Portfolio Manager shall not be responsible to bear the cost of such audit.
- 15.2 The Portfolio Manager shall maintain accounts in respect of transactions, Funds and Securities of or held by the Client separately from the accounts in respect of other Clients. The Client shall be entitled to obtain the details of the Portfolio from the Portfolio Manager.
- 15.3 The Portfolio Manager shall, on demand by giving prior written notice, provide the Client documents and information regarding the management of the Portfolio.
- 15.4 Nothing herein shall extend the obligation of the Portfolio Manager to provide any information relating to any other investments or securities of the Client, which do not form part of the Portfolio.
- 15.5 The Portfolio Manager may send the statements, reports and other documents in respect of the Discretionary Portfolio Management Services to the Clients in physical and/or electronic form and/or provide the same on online desks which shall be accessed by the Client by virtue of a Login ID and password given to Client by the Portfolio Manager.
- 15.6 The Client hereby agrees and permits the Portfolio Manager to provide all the statements, reports and other documents in respect of the Discretionary Portfolio Management Services rendered by the Portfolio Manager under the terms of this Agreement, in electronic form through the internet (web-based) on the email account(s) provided by the Client, and/or to make available such information on online desks with restricted access to each Client.

The Client further agrees as under:

 - i. The Client shall access the statements, reports and other documents issued by the Portfolio Manager electronically and/or available on online desks. The Client understands that it shall be the Client's responsibility to review all such statements, reports and other documents as issued / made available online by the Portfolio Manager.
 - ii. Such statements, reports and other documents shall be deemed to have been delivered on the day when the same is sent electronically and/or made available / uploaded on online desk by the Portfolio Manager.
 - iii. The Client shall take all the necessary steps to ensure confidentiality and secrecy of the Login ID and password of client's e-mail account and the online desk as provided by the Portfolio Manager.
 - iv. Unless the Client lodges a complaint with the Portfolio Manager as to his/her/its inability to access the system, it would be presumed that all the statements, reports and other documents have been properly delivered to the Client. The Portfolio Manager shall not be liable or responsible for any breach of secrecy.
 - v. The Client agrees that the Portfolio Manager fulfils its legal obligation to deliver to the Client any such statement, report or document if sent via electronic delivery at the registered e-mail account(s) provided by the Client for the purpose and the Portfolio Manager has not received any report indicating bouncing back of such electronic delivery from such e-mail account(s). In other words, e-mail sent to the registered e-mail account(s), which has not bounced back, shall be deemed to be duly delivered to the Client. It shall be the responsibility of the Client to intimate the Portfolio Manager of any change in the Client's e-mail account(s).
 - vi. The Portfolio Manager shall not be responsible for non-receipt of documents sent via electronic delivery / uploading on online desk due to change in e-mail address/incorrect e-mail address as mentioned or any other reason which inter alia include technical reasons or malfunction of the Client's computer system / server / internet connection etc.
 - vii. It shall be the responsibility of the Client to intimate the Portfolio Manager of any change in the Client's e-mail account(s)
- 15.7 All proxies, annual reports, shareholder information and all other similar or related material received by the Portfolio Manager in relation to the Securities or the Funds, may be destroyed or disposed off in any manner at the sole option/discretion of the Portfolio Manager. The Portfolio Manager shall not be obliged to send any of the aforesaid information or material to the Client.

16. LIABILITY OF PORTFOLIO MANAGER AND CLIENT

The Portfolio Manager shall not be responsible for any direct or indirect liability on account of anything done or omitted to be done by the Portfolio Manager in good faith or in accordance with or in pursuance of any request or advice of the third party or any committee of the Portfolio Manager or any agents unless such damage or loss is finally judicially determined to have resulted primarily from the willful misfeasance, negligence and bad faith of the Portfolio Manager. The Portfolio Manager shall not be liable for the error of judgement. In any event the liability of the client shall not exceed the total value of his portfolio with the Portfolio Manager.

17. LIMITATION ON LIABILITY OF THE PORTFOLIO MANAGER

17.1 The Client agrees and understands that the Services being provided by the Portfolio Manager under this Agreement involves certain risks and considerations generally associated with making investments in Securities and that the value of his portfolio may be affected generally by factors affecting the capital markets and that there is also risk of loss due to lack of adequate external systems for transferring, pricing, accounting and

safekeeping of record of securities. Further, the Client also agrees and understands that consequently, the Net Asset Value of his portfolio may fluctuate and the value may increase/decrease.

- 17.2 The Portfolio Manager does not, directly or indirectly, assure or guarantee any minimum returns or that the Investment Objectives will be achieved. The Portfolio Manager shall not be liable in case of depreciation in the value of Securities in which the Portfolio Manager invests. It is further expressly understood by the Client that no representation or warranties are held out by the Portfolio Manager about the safety or "soundness" of an investment made on behalf of the Client and all actions taken and acts done by the Portfolio Manager are done solely at the Client's account and risk; any actions which the Portfolio Manager takes or does not take as to the investments will be solely at the Client's account and risk and the Portfolio Manager shall not be held responsible in any manner whatsoever for making good any loss sustained or suffered by the Client for any action taken or failure to act unless the Portfolio Manager acts with willful default, fraud, malafide and gross negligence to the Client's interest.
- 17.3 The Client acknowledges and agrees that the Portfolio Manager (or directors, officers, employees, agents, group entities, consultants or other representatives) shall not be responsible or liable for any direct, indirect, incidental, consequential, special, exemplary, punitive or any other damages (including loss of profits, loss of goodwill, business interruption etc.) for any error of judgment, mistake or for any loss suffered by the Client in connection with the Services or in respect of any matter to which the Agreement relates unless such damage or loss is finally judicially determined to have resulted from mala fide, fraud or gross negligence of the Portfolio Manager. Without prejudice to the generality of the above, the Portfolio Manager shall not be liable for any loss or damage caused to the Client by reason of:
- i. Any delay, error, default and failure by the Client in providing instructions/communication to the Portfolio Manager;
 - ii. Any bad deliveries of any of the Securities;
 - iii. Any loss or damage or delay caused during the transit of the Securities (whether by reason of an act or omission of the courier service or otherwise);
 - iv. Any other risks generally associated with transactions on the stock exchange(s) and markets in general.
- 17.4 The Portfolio Manager shall not be liable for any loss, which may arise if it is prevented from discharging its obligations due to the occurrence of an event of force majeure as detailed in this Agreement.
- 17.5 The Portfolio Manager shall exercise due care and diligence in appointment of Service providers (who shall, upon appointment, be deemed to be the Client's agents) but shall not be responsible or liable in any manner whatsoever, for any negligence, lapse or any act of commission or omission on the part of the Service providers in carrying out their duties or any instructions issued by the Portfolio Manager and any loss due to above shall be borne by the Client.

18. INDEMNITY

- 18.1 The Client shall indemnify and keep indemnified the Portfolio Manager and directors, officers, employees, and representative and any custodian investment advisor, agent and other person specifically authorized by the Portfolio Manager of, from and against all and any costs, charges, expenses, losses, damages, claims and liabilities (including but without any limitation to any stamp duty, rates, taxes, and cess) incurred or to be incurred by the Portfolio Manager or its directors, officers, employees, or representative or any custodian or investment advisor, agent or other person specifically authorized by the Portfolio Manager or otherwise;
- i. In the performance of the Discretionary Portfolio Management Services and any other rights, duties, obligations and functions under this Agreement
 - ii. For acting or not acting on the basis of any information or instructions given by the Client
- 18.2 The Client shall indemnify and keep indemnified, the Portfolio Manager and its directors, officers, employees, or representative, any custodian, investment advisor, agent and any other person specifically authorized by the Portfolio Manager from and against any losses, cost, expenses, damages, actions and proceedings in the event of non-compliance and/or by the Client and/or its authorized representatives of the provisions of this clause or any applicable laws
- 18.3 The Client undertakes to comply with all statutory and other requirements as may be applicable to it from time to time and the Client shall indemnify and keep indemnified, the Portfolio Manager and directors, officers, employees, representatives, any custodian, investment advisor, agent and any other person specifically authorized by the Portfolio Manager from and against any losses, cost, expenses, damages, actions and proceedings in the event of non-compliance of statutory and/or other requirements by the Client and/or its authorized representatives.
- 18.4 The Client undertakes that the Client shall only invest with the Portfolio Manager those Cash and Securities of which the Client is a lawful owner. The Client undertakes that the Client shall not act in a capacity of a Sub broker or Portfolio Manager and all transactions pursuant to this Agreement shall be on own account. The Client shall indemnify and keep indemnified, the Portfolio Manager and directors, officers, employees, representatives, any custodian, investment advisor, agent and any other person specifically authorized by the Portfolio Manager from and against any losses, cost, expenses, damages, actions and proceedings in the event of non-compliance of such requirements by the Client

- 18.5 The Client shall indemnify and keep indemnified the Portfolio Manager; and every person appointed by the Portfolio Manager shall be entitled to be indemnified out of the funds deployed in respect of and against any charges arising out of payment of stamp duty or any taxes, costs, expenses and liabilities;
- i. Properly incurred or levied on it in the execution of its rights and duties under this Agreement;
 - ii. Incurred and or levied on it as a result of the Portfolio Manager acting or not acting on the basis of any information given by the Client or any agent of the Client;
 - iii. Consequent on any mistake, oversight or error of judgement on part of the Portfolio Manager or any appointee and;
 - iv. Against all actions proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way in relation to these presents.
- 18.6 The Client hereby unconditionally and irrevocably undertakes to the Portfolio Manager that:
- i. The Client shall promptly and regularly pay wealth-tax, income-tax and other taxes, if any payable, on the income, arising whether by way of interest, dividend, short term and long term capital gain or otherwise howsoever and on the value of the Portfolio registered in the name of the Client.
 - ii. The Client shall also promptly and in a timely manner pay all the aforesaid taxes, levies, duties, payments to be paid on the Portfolio as and when the same are to be paid under law; and
 - iii. The Client shall promptly and in a timely manner file all tax returns, statements, applications under the provisions of law.
 - iv. The client shall promptly return any sum of money or Securities, which have been erroneously credited to the account of the Client and the Client, shall indemnify and keep indemnified the Portfolio Manager from and against all losses, expenses, costs, actions and proceedings in this regard.
 - v. The Client shall inform the Portfolio Manager of any order passed against the Client and/or its associated entities by SEBI or any other regulatory authority including but not limited to orders restricting or debarring the Client and/or its associated entities from dealing in the securities market. The Client shall indemnify and keep indemnified the Portfolio Manager from and against all losses, expenses, costs, penalties, actions and proceedings in the event of non-compliance of the provisions of this clause by the Client and/or its authorized representatives.
 - vi. The Client shall (promptly on gaining knowledge of the same) disclose to the Portfolio Manager in writing the details of the interest of the Client in any listed company or other corporate body which may enable the Client to obtain unpublished price sensitive information in respect of such company or corporate body. The Client shall keep the Portfolio Manager indemnified against the consequences of any non-disclosure in this respect.
- 18.7 In the event that either of the Parties is found to be in breach of the terms of this Agreement, such Party shall, at all times, hereafter, indemnify and keep the other Party, its affiliates and their directors, officers, employees, representatives and agents ("Indemnified Party") fully indemnified against all claims, demands, actions, proceedings, losses, damages, costs, charges, expenses, interests and disbursements of any nature whatsoever which the Indemnified Party may pay or incur or suffer or sustain or be liable to pay or incur or suffer or sustain as a result or consequence, direct or indirect, of such breach.
- 18.8 The provisions of indemnity contained herein shall survive termination of this agreement.
- 18.9 Notwithstanding anything contained herein, subject to the PM Regulations, the Client shall be liable to the Portfolio Manager only to the extent of the Clients Investment.

19. ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO NRI [If Applicable]

In the event of the Client being a Non-Resident Indian ("NRI") (as understood in the applicable foreign exchange laws):

- a) The Client represents that the Client has obtained all relevant exchange control permissions for the purpose of entering into this Agreement and performing the transactions hereunder (including without limitation approvals required from the RBI). The Client shall adhere to all requirements of all exchange control regulations applicable to the Client in all dealings / transactions.
- b) All communications / intimations by the Client to the Portfolio Manager shall be accompanied by the requisite approvals from RBI and/or any other regulatory authorities.
- c) The Portfolio Manager shall also be specifically empowered pursuant to this Agreement to liaise with the RBI for legal approvals / reporting on behalf of the Client.
- d) The Portfolio Manager shall not be liable for any loss caused to the Client as a consequence of any delay of RBI or any other regulatory authority.
- e) The Client shall indemnify the Portfolio Manager for the consequences that the Portfolio Manager may suffer due to any non-compliance by the Client with any regulatory requirements.
- f) Without prejudice to the other provisions contained herein above, in all dealings with the Client the Portfolio Manager shall be entitled to presume (without being bound to) that the Client has obtained all necessary approvals pursuant to the applicable exchange control regulations.
- g) In the event of any Securities purchased for the Client not being registered in the Client's name due to any regulatory restrictions (including the ceiling on percentage of NRI holdings in the relevant company), the Client shall be liable for and shall indemnify the Portfolio Manager from all losses that the Portfolio Manager may suffer as a consequence of such transaction (including without limitation, the loss arising out of the sale of such securities in the market).

- h) The Portfolio Manager shall be entitled to rely upon and deduct tax at source on the basis of certificates and/or statements of calculation of income and capital gains given to the Portfolio Manager by the Client or the Client's chartered accountants. The Portfolio Manager shall not be liable for any inaccuracy or error in the computation thereby and shall be entitled to rely upon the same as being true, fair and complete in all respects. The Client shall indemnify the Portfolio Manager for all losses caused as a consequence of any misrepresentation, incompleteness, inaccuracy or error in such computations / statements / certificates, as the case may be.
- i) Presently, tax is not withheld at source for non-resident and resident. If any tax is required to be withheld on account of any future legislation, the portfolio manager shall be obliged to act in accordance with the regulatory requirements in this regards.

20. REPRESENTATIONS AND WARRANTIES

- 20.1 The Parties hereto represent and warrant that:
- i. Each of them has full power, capacity and authority to carry on his/her business;
 - ii. The execution and delivery of this Agreement and all other agreements contemplated herein will not result in the breach of any terms and conditions of any agreement or deed, or constitute default under Applicable Law or other obligations to which it/he/she is bound or violate any rule, regulation or law of any Government or any order, judgment or decree of any court or government body; and
 - iii. The execution and delivery of this Agreement and the other acts/covenants/contemplated hereby have been duly authorized by all necessary approvals / sanctions / resolutions such as those of board of directors and shareholders actions.
- 20.2 The Client hereby represents, warrants and declares to the Portfolio Manager that
- i. The execution, delivery and performance by the Client of this Agreement and the acts and transactions contemplated hereby do not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under :
 - a) Any law to which he/she is subject; or
 - b) Any order, judgement or decree applicable to him/her; or
 - c) Any term, condition, covenant, undertaking, agreement or other instrument to which he/she is a party or by which it is bound.
 - ii. There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgements or decrees of any nature made, existing, anticipated or pending against the Client which may prejudice the due performance or enforceability of this Agreement or any obligation, act, omission or transactions contemplated hereunder
- 20.3 The Client represents and warrants that he / she has received, read and understood the contents of the Disclosure Document sufficiently prior to the execution of this Agreement and that he/she acknowledges that he/she has understood the risks involved in investing in Securities and that the Client is financially capable of withstanding any loss incurred as a result of such investment.
- 20.4 The Portfolio Manager represents to the Client that the Portfolio Manager is duly registered with SEBI as a Portfolio Manager and continues to hold such registration as on the date of this Agreement.
- 20.5 The Client acknowledges that the Portfolio may have Securities that have limited liquidity and consequently, the Portfolio Manager may not be able to liquidate the investment in such Security. In the event that the Portfolio Manager is unable to liquidate the investment in such Security, the Portfolio Manager may, if required in terms of this Agreement, deliver the Security to the Client.
- 20.6 In the event of a change in the constitution, identity by change of name and/ or residential status of the Client during the tenure of this Agreement, it shall be the duty of the Client to keep the Portfolio Manager duly informed of such a change.

21. CONFIDENTIALITY

Neither Party hereto shall during the continuance of this Agreement or after its termination disclose to any person, firm, company or institution whatsoever (except with the authority of other party or except as required by the Applicable Law; or unless ordered to do so by a court of competent jurisdiction or any relevant regulatory authority) any information relating to the business, investments, finances or other matters of a confidential nature of any other Party of which it may in the course of its duties hereunder or otherwise become possessed and each Party shall use all reasonable endeavors to prevent any such disclosure as aforesaid.

22. ASSIGNMENT

Either party to this Agreement shall not assign or transfer all or any of its rights or obligations hereunder without the prior written consent of the other party.

23. NOTICE

Any notice or communication to be given by one Party to the other may be given by post, fax, e-mail and personal delivery. Such notice or communication shall be sent at the address of the Parties herein-before- mentioned in this Agreement or such other address that may be communicated by the Party concerned to the other Party from time to

time. All notices or communications thus given shall be deemed to have been received by the Party to whom it is addressed.

In the case of notices to the Portfolio Manager:

Address : Devansh, 133, DSP Road, Near Ranjit Studio, Dadar (E), Mumbai – 400 014.

Fax : 022-2414 8700

Attn. : Mrs. Swati S. Rajapkar

E-mail : swatis@ghallabhansali.com

In the case of notices to the Client: at the registered address & e-mail id of the client.

All notices shall be deemed to have been validly given on (i) the business date immediately after the date of transmission with confirmed answer back, if transmitted by facsimile / electronic transmission, or (ii) the business date of receipt, if transmitted by courier or registered airmail.

Either Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to the other not less than 10 days prior written notice.

24. ENTIRE AGREEMENT

This Agreement together with the annexure attached hereto and executed by the parties hereto constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes and cancels all previous agreements, negotiations thereof. This Agreement and annexure shall not be changed, altered or amended except in writing and on execution by duly authorized representatives of both Parties hereto.

25. WAIVER

No provision of and no default under this Agreement may be waived except by an instrument in writing signed by the Party waiving the provision of this Agreement or default committed thereunder. No waiver of any provision or default shall be deemed a waiver of any other provision or default.

26. FORCE MAJEURE

Except to the extent otherwise provided herein, no liability shall result to either Party from delay in performance or from non-performance caused by circumstances beyond the control of the Party affected, including but not limited to act of God, fire, flood, explosion, war, theft, action or request of governmental authority, accident, labour, trouble or shortage, inability to obtain material, power, equipment or transportation, but each of the Parties hereto shall be diligent in attempting to remove such cause or causes.

27. ANTI – MONEY LAUNDERING

The Client, including all his representatives power of attorney holder, or any other person in any representative capacity of the client who has either made any payment on behalf of the client, or has the power to effect any transactions or receive any payment on behalf of the Client, shall ensure that the Assets of the Account are derived through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of the provisions of the Money Laundering Requirements (as hereinafter defined) or any other applicable law in force, including without limitation the taxation laws, anti-corruption laws, and any rules, regulations, notifications or directions issued there under.

The Client undertakes and agrees to take full responsibility in complying with all applicable laws, regulations, protocols and other requirements relating to the prevention of money laundering and any requirements and / or requests made by the Portfolio Manager, either generally or in respect of a specific transaction, in order to comply with all applicable laws, regulations, protocols and other applicable requirements relating to the avoidance of money laundering including without limitation to Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines / circulars issued by SEBI thereto (herein referred to as the “Money Laundering Requirements”).

The Client agrees as a condition precedent to any transaction taking effect to comply with all and any Money Laundering Requirements. He further agrees, if he is becoming holder of the Assets of the Account in his own name, to provide the Portfolio Manager with adequate information on his identity if at any time requested so by the Portfolio Manager.

28. CONDITIONS TO BRING ADDITIONAL CASH:

The client can anytime bring in additional Funds / Securities in his Portfolio account if he wishes so. The Management fees would be charged on pro-rata basis of funds i.e. (period wise incoming / outgoing of funds). But at the time of withdrawal only excess corpus amount in form of cash / securities can be withdrawn by the client.

29. NOMINATIONS

- a. This agreement provides for nomination facility for individual clients subject to applicable laws. Nominations can be made by individuals only. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family or constituted attorney can not nominate. The nomination so made shall (unless modified by the survivor) take effect on the death of the holder. Subject to submission of following documents by the nominee, the Portfolio Manager will give effect to the ownership change:
 - (i) Copy of the death certificate, duly attested by a Notary;
 - (ii) Identity proof of the nominee;

- (iii) Indemnity Letter as per the format required by the Portfolio Manager;
 - (iv) Proof of guardianship to the satisfaction of the Portfolio Manager in case the nominee is a minor
- b. In case of death of a client without having made a nomination or in the case of the nominee also having died, the Portfolio Manager shall have a right to call for all such documents it deems appropriate, including without limitation, probate, letters of administration, death certificate, succession certificate, from person claiming to be the successor or the claimant of the Assets of the Client.
Transfer / Payment of the Assets to the nominee or the claimant as aforesaid shall discharge the Portfolio Manager. Provided, however, that if the Portfolio Manager incurs any loss or expenses whatsoever arising out of any litigation or harm that it may suffer in relation to the nomination; the Portfolio Manager will be entitled to be indemnified absolutely from the deceased client's estate and the Portfolio Manager will have a right to set-off such loss from the Client's Account.

30. SEVERABILITY

This Agreement is subject to the restrictions, limitations, terms and conditions of all applicable governmental regulations, approvals and clearances. If any term or provisions of this agreement shall for any reason be held invalid, illegal or unenforceable, it shall not affect any other term or provision hereof, and this agreement shall be interpreted and construed as if such term or provision, to the extent have been held as invalid, illegal or unenforceable, had never been contained herein. Any such invalidity or unenforceability of any provisions of this agreement in any jurisdiction shall not affect the validity, legality or enforceability of this Agreement, including any provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by Applicable Law.

31. GOVERNING LAW, JURISDICTION AND GOVERNMENT REGULATIONS

- 31.1 This Agreement shall be governed and construed in accordance with the laws of India and shall be subject to the exclusive appropriate jurisdiction of the courts at Mumbai.
- 31.2 The Portfolio Manager has formulated this Agreement as per rules, regulations, guidelines and circulars issued by SEBI, and other regulatory authorities. In case of a change in the Applicable Law, the Portfolio Manager shall modify the provisions of this Agreement and to the extent necessary to ensure conformity to the Applicable Law.

32. MISCELLANEOUS:

- 32.1 Notwithstanding above, the Client is not entitled to subcontract or transfer any of its rights and obligations under this Agreement without prior written consent of the Portfolio Manager. However, the Portfolio Manager may assign all or part of its obligations under this Agreement.
- 32.2 If any provision of this Agreement is held to be invalid, illegal or unenforceable then such provision shall be enforced to the maximum extent permissible so as to affect the intent of this Agreement, all other provisions will nevertheless continue in full force and effect.
- 32.3 Any amendment and/or revision of this agreement / T&C may be effected through the online (electronic) / digital signature acceptance by the Client and shall constitute a legally valid, enforceable and binding acceptance by the Client.
- 32.4 No modification or amendment of this agreement shall be valid or binding unless made in writing and duly executed by the parties hereto
- 32.5 The clause relating to Indemnification and Confidentiality shall survive even after termination of this Agreement.
- 32.6 Reservation of Rights: No forbearance, indulgence or relaxation or inaction by either Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision at a later point of time. Any waiver or acquiescence by either Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any right under or arising out of this Agreement, or acquiescence to or recognition of rights and / or position other than as expressly stipulated in this Agreement.
- 32.7 Relationship: Nothing contained in this Agreement shall constitute a partnership between the Parties or authorize any Party to act as an agent of the other except to the extent specifically agreed in writing.
- 32.8 Cumulative Rights: All remedies of the Parties under this Agreement, whether provided herein or conferred by statute, contract, civil law, common law, custom, trade, or usage, are cumulative and not alternative and may be enforced successively or concurrently.

33. ARBITRATION AND DISPUTE RESOLUTION

- 33.1 Any dispute, difference or claim arising out of or relating to this agreement, or the breach thereof, if unable to be resolved by the parties, shall be finally settled by arbitration under the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof or any statute enacted for replacement thereof and shall be referred to the sole arbitration of a person to be nominated / appointed by the Portfolio Manager. The Parties agree that until the arbitration proceedings are complete, they shall not take their disputes to a court of law. The arbitration shall in all be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

33.2 The place of arbitration shall be **Mumbai**. The language to be used in the arbitration proceedings shall be English.

Schedule above referred to

IN WITNESS THEREOF the parties to the Agreement have executed these presents and the date of execution shall be deemed to be the latter of the dates on which this agreement has been executed and the place at which it has been executed.

	Sole/First Applicant
Client Name	
Signatory Name	
Client's Signature	

Place: _____

Date : ____ / ____ / **20** _____

For Ghalla Bhansali Stock Brokers Pvt. Ltd.

Authorised Signatory

Place: **MUMBAI**

Date : ____ / ____ / **20** _____

WITNESS (for GBSB)

Signature
of Witness: _____

Name: _____

Address: _____

WITNESS (for Client)

Signature
of Witness: _____

Name: _____

Address: _____

"SCHEDULE – B"

RISKS

(Pursuant to Clause 12)

An indicative list of the risks associated with investing through the services is set out below:

- 1) 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 Disclosure Document and/or the Portfolio Management Services Agreement shall be accomplished.
- 2) The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
- 3) Past performances of the Portfolio Manager do not guarantee its future performance.
- 4) The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and demat, in the Client's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
- 5) Investment decisions made by the Portfolio Manager may not always be profitable.
- 6) The Portfolio Manager has limited experience or track record.
- 7) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
- 8) Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.
- 9) 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.
- 10) **Equity and Equity Related Risks:** Equity risk is the risk that one's investments will depreciate because of stock market dynamics causing one to lose money. 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.
- 11) **Derivative Instruments Related Risks:** Derivative products can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds.
The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.
- 12) **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.
- 13) **Liquidity Risk (Debt Instruments):** These are considered to be safe in terms of protecting the Capital as compared to other type of investment. But there is an inflation risk associated with these types of Investments. If the rate of returns doesn't match or beat the inflation rate, there is no use in investing in Debts Funds/Instruments. 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. This risk is higher under the Services since the Portfolio Manager may invest in unlisted securities. 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.

- 14) **Credit Risk:** Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.
- 15) **Interest Rate Risk:** This is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.
- 16) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
- 17) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by way of illustration include 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.
- 18) **Non-Diversification Risk:** This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.
- 19) **Mutual Fund Risk:** The level of risk in a mutual fund depends on what it invests in. Usually, the higher the potential returns, the higher the risk will be. For example, stocks are generally riskier than bonds, so an equity fund tends to be riskier than a fixed income fund. 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, strategy specific risk factors of each such underlying scheme, including performance of their underlying stocks, derivative 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.
- 20) Prospective clients should review / study the Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalisation, capital gains, any distribution and other tax consequences relevant to their Portfolio, acquisition, holding, capitalisation, disposal (sale, transfer or conversion into money) of Portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.
- 21) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
- 22) Clients are not being offered any guaranteed / assured returns.
- 23) The investments under the Portfolio may have exposure towards equity/equity related instruments of companies belonging to different sectors and hence shall be affected by risks associated with the respective companies / sectors. The performance of the companies which form the investment universe of the Portfolio would be affected by the growth and performance of the respective sector in the country
- 24) In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services 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
- 25) 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 situation the Clients may suffer opportunity loss.
- 26) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

- 27) In case of early termination of the Agreement, where Client 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 an investee company or its shareholders may no longer be available to the Client.
- 28) The Client has read and understood the disclosures made by the Portfolio Manager in the Disclosure Document.
- 29) Changes in Applicable Law may impact the performance of the Portfolio.
- 30) **Volatility risk:** Volatility refers to the dynamic changes in price that securities undergo when trading activity continues on the stock exchange. Generally, higher the volatility of security, greater is 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.
- 31) **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.
- 32) **Risk reducing orders:** most 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 times because of rapid movement in market conditions may make it impossible to execute such orders.
- 33) **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.
- 34) **System / Network Congestion:** Trading on Exchange is in 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 either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

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“SCHEDULE - C”

FEES & OTHER CHARGES (REVISED)

	Particulars	Basis of Charge	Frequency / Interval / Period
Option A	Fixed Fees	_____ % p.a	Quarterly, calculated on daily weighted average NAV basis (a) In the first instance, upon the end of the calendar quarter in which the PMS Agreement becomes effective and (b) thereafter, at the end of every quarter thereon. Upon the termination of the Agreement by the client, the client shall be liable to pay the Fixed Fee mentioned above on proportionate basis for the quarter in which the agreement is terminated.
	Exit Fees	Up to 36 Months - _____ %	On redemption (applicable for full and all partial redemption made within 36 Months).

	Particulars	Basis of Charge	Frequency / Interval / Period
Option B	Variable Fees	_____ % p.a	<p>Annual (charged annually at the end of every year starting effective date)</p> <p>Charged annually, Variable Performance Management Fee is a _____ % of returns subject to High Water mark level.</p> <p>Variable Performance Management Fee:</p> <p>Hurdle Rate: _____ % of Return</p> <p>0% - 10% of Return: _____ %</p> <p>10% - 12.5% of Return: _____ %</p> <p>Above 12.5% of Return: _____ %</p> <p>Where in first year: Return = Closing NAV – Starting NAV</p> <p>And thereafter for subsequent year: Return = Closing NAV – High Water Mark</p>
	Exit Fees	Up to 36 Months - _____ %	On redemption (applicable for full and all partial redemption made within 36 Months).

Swap Fees:

The client shall be charged / levied 1% swap fees in case client changes the model from Discretionary to Non-Discretionary or from fixed fees to variable fees and vice versa.

“High Water Mark” means value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (inclusive of any additional funds placed by the Client in that year) and net of (i) the Portfolio Management Fees and (ii) any withdrawals, if any, made by the Client in accordance with this Agreement, for that year. Provided that in no event shall the High Water Mark be reckoned to be less than the Starting NAV as on the date of activation of account.

Note: In case of redemption, the performance management fees shall be calculated up to the date of the redemption.

1. Other Charges

The Portfolio Manager shall also recover the following charges on a monthly basis from the client at actuals:

- i. Demat Charges;
- ii. Brokerage+ Service Tax + Securities Transaction Tax (STT) + Exchange Transaction charges + Stamp Duty + any other statutory levies;
- iii. Bank Charges;
- iv. Custody Charges;
- v. Fund Accounting Charges;
- vi. Fees, entry/exit loads and charges in respect of investment in mutual fund;
- vii. Certification charges or professional charges;
- viii. Registrar and Transfer Agents' fees
- ix. Taxes as may be applicable from time to time;
- x. Such other cost and expenses incurred by the Portfolio Manager directly in connection with the provision of the services.

2. Redemption

- a.) The Client shall be allowed to redeem (withdraw) its portfolio by giving adequate redemption notice in writing to the Portfolio Manager.
- b.) In the event the client makes any withdrawal(s) during the term of this agreement then the client shall be liable to pay Fixed Portfolio Management / Variable Fees thereon on pro rata basis calculated up to and until the date of such withdrawal(s)
- c.) The Portfolio Management Fee shall be calculated and payable by the client up to the date of termination.
- d.) Partial redemption will only be permitted subject to the residual value of the portfolio not falling below Rs. 25 Lakhs as on the date of the redemption request.

Signature of the client: _____

Name of the client: _____

Illustration for Annexure on Fees and Charges

For all products where Performance fee is charged

Pursuant to SEBI circular No. Cir./IMD/DF/13/2010 dated October 5, 2010; we provide these illustrations for fees and charges payable to the Portfolio Manager under the Portfolio Management Agreement executed with Ghalla Bhansali Stock Brokers Private Limited.

The illustrations are provided for three scenarios:

Scenario 1 - Portfolio Performance: Gain of 20%

Scenario 2 - Portfolio Performance: Loss of 20%

Scenario 3 - Portfolio Performance: No change

The assumptions for the illustrations are as follows:

The computation is for illustrative purposes. The illustration provided and the terms offered to the client may differ, however the principles of calculation remain same.

Size of sample portfolio is taken as Rs. 10 lacs.

Period taken as 1 Year.

Brokerage/DP charges are charged at actuals on a transaction basis. However, for the purpose of the below illustration the same has been estimated @ 0.50% of Assets Under Management (AUM).

Fixed Management Fees is charged @ 2.5% p.a. on a quarterly basis at the end of each calendar quarter. The same is calculated on the daily weighted average portfolio value.

Fees calculated below are exclusive of service tax charges, which will be charged as per prevailing service tax rates.

ILLUSTRATION FOR FEES AND CHARGES

A: Illustration showing calculation of Fees and Charges in case of Fixed Management Fees:

Nature of Fees	Frequency of charge	Scenario 1 Gain 20%	Scenario 2 Loss 20%	Scenario 3 No Change
Capital Contributed		1,000,000	1,000,000	1,000,000
Less: Upfront Charges		0	0	0
Assets under Management		1,000,000	1,000,000	1,000,000
Add: Gain or Loss on Investment based on the Scenario		200,000	(200,000)	0
Gross Value of the portfolio at the end of the year		1,200,000	800,000	1,000,000
Less: Amount of Brokerage / DP charges / any other similar charges (e.g. 0.50% of Assets under Management)	Event Based	(5,000)	(5,000)	(5,000)
Less: Depository account maintenance charges	One time	(500)	(500)	(500)
Less: Fixed Management Fees (as agreed) (e.g. 2.5% p.a. of Daily Weighted Average of Assets under Management. Refer the note below)	Quarterly	(27,500)	(22,500)	(25,000)
Total charges during the year		(33,000)	(28,000)	(30,500)
Net value of the portfolio at the end of the year		11,67,000	7,72,000	9,69,500
% change over Capital Contributed		16.70%	-22.80%	-3.05%
Note : Daily Weighted Average of assets under management assumed to be		1,100,000	900,000	1,000,000

B: Illustration showing calculation of Fees & Charges in case of Variable Fees:				
Nature of Fees	Frequency of charge	Scenario 1 Gain 20%	Scenario 2 Loss 20%	Scenario 3 No Change
Capital Contributed		1,000,000	1,000,000	1,000,000
Less: Upfront Charges		0	0	0
Assets under Management		1,000,000	1,000,000	1,000,000
Add: Gain or Loss on Investment based on the Scenario		200,000	(200,000)	0
Gross Value of the portfolio at the end of the year		1,200,000	800,000	1,000,000
Less: Amount of Brokerage / DP charges / any other similar charges (e.g. 0.50% of Assets under Management)	Event Based	(5,000)	(5,000)	(5,000)
Less: Depository account maintenance charges	One time	(500)	(500)	(500)
Less: Performance fees (if any). (Refer calculation below)	Annually	(30000)	0	0
Total charges during the year		(35500)	(5,500)	(5,500)
Net value of the portfolio at the end of the year		1164500	7,94,500	9,94,500
% change over Capital Contributed		16. 45%	-20.55%	-0.55%
Calculation of Performance Fees for above				
Profit for the year		200,000	(200,000)	0
Amount on which Profit Sharing Fees to be calculated		200000	(200,000)	0
Performance Fees (e.g.@15%)		30000	0	0

DECLARATION by the Client (in his own handwriting);

The client needs to provide the below declaration in his own handwriting in the box below:

I / We have understood the fee/charge structure.

X _____
Signature of the client

“ANNEXURE - A”

SUBSCRIPTION AMOUNT DETAILS

Asset of the Account

I / We wish to avail the Portfolio Management Service offered by Ghalla Bhansali Stock Brokers Pvt. Ltd. as a Portfolio Manager.

A) Funds

I / We hereby place amount of Rs. _____ (Rupees _____) vide
Cheque / Demand Draft / Pay Order No. _____ dated _____ Drawn on _____

B) Securities

I / We also place the following securities with their market value as on _____

Sr. No.	Name of Security	ISIN Code	Quantity	Valuation Rate	Market Value (Rs.)
1.					
2.					
3.					
4.					
5.					
6.					
Total Market Value of Securities					

(Please attach separate list for securities, if required)

Aggregating to total funds (A + B) of Rs. _____ (Rupees _____
_____) as Initial Corpus.

SIGNATURE OF THE CLIENT : _____

FULL NAME OF THE CLIENT : _____

“ANNEXURE - B”

DISCLOSURE LIST

In case of individuals, sole proprietorships, trusts, association of persons and partnership firms:

The Principal Officer,
Ghalla Bhansali Stock Brokers Pvt. Ltd.
Devansh, 133, DSP Road, Near Ranjit Studio,
Dadar (E), Mumbai.
Pin Code: 400014.

Dear Sirs,

I, _____ son / daughter of
_____ residing at _____
_____ hereby give
notice that I am interested directly/through my relative(s) in the following bodies corporate, as per the particulars
given below:

A.	Name of bodies corporate in which I am interested directly	Address	Nature of Interest

B.	Name of bodies corporate in which I am interested through my relatives	Address	Nature of Interest

Place : _____

SIGNATURE OF THE CLIENT : _____

Date : _____

NAME OF THE CLIENT : _____

“ANNEXURE - C”
FEES FOR TECHNICAL SERVICES

The fees payable to the Portfolio Manager under this Agreement falls under the ambit of “Fees for Technical Services” under Section 194 J of the Income Tax Act, 1961. As the section calls for withholding tax, the Client is required to withhold tax on all fees that is payable to the Portfolio Manager under this Agreement, if the Client is:

- a.) An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.
- b.) Corporates.

Declaration by Individuals / HUFs

PMS Account Reference Number: _____

I hereby declare that:

I have sales / turnover exceeding the limits specified under clause (a) of section 44 AB of Income Tax Act.

‘OR’

I have gross receipt from profession exceeding the limit specified under clause (b) of section 44 AB of Income Tax act.

‘OR’

Not Applicable

Other Information

My / Our: Permanent Account Number (PAN) _____

Tax Deduction at Source Account Number (TAN) _____

Place : _____

Date : _____

Name and Address: _____

SIGNATURE OF THE CLIENT

Declaration by Corporate (on the letterhead of the Corporate)

Permanent Account Number (PAN) _____

Tax Deduction at Source Account Number (TAN) _____

Place : _____

Date : _____

SIGNATURE OF THE CLIENT

We hereby undertake to pay to the Central Government the applicable withholding tax on the Professional fees payable to Ghalla Bhansali Stock Brokers Pvt. Ltd. as per the provisions of Sec. 194J of the Income Tax, 1961 within the specified due dates. Ghalla Bhansali Stock Brokers Pvt. Ltd. shall not be held liable for any default in this regard. We also undertakes that we will provide Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of deduction.

Place : _____

Date : _____

SIGNATURE OF THE CLIENT