

## PORTFOLIO MANAGEMENT SERVICES AGREEMENT

THIS PORTFOLIO MANAGEMENT SERVICES AGREEMENT (PMS Agreement) made BETWEEN Mr.....resident Indian/ Non-resident Indian/ Hindu Undivided Family/ Firm/Company/Trust residing/ having its registered office at .....

(hereinafter referred to as the "Client" which expression shall, unless repugnant to the context or meaning, thereof, be deemed to include its/his/her/their respective heirs executors, administrators, successors, legal representatives and permitted assigns) of the ONE PART.

AND

**MUNOTH FINANCIAL SERVICES LIMITED**, a Company incorporated under the Companies act, 1956 and having its registered office at Munoth Centre, Suite No.46 & 47, 3<sup>rd</sup> Floor, 343, Triplicane High Road, Chennai 600 005, INDIA, (hereinafter referred to as "**Portfolio Manager**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) of the OTHER PART.

WHEREAS:

- a) The Portfolio Manager is registered as a portfolio manager with SEBI under the SEBI (Portfolio Managers) Rules and Regulations, 1993 bearing Registration No.INP000000308.
- b) At the request of the Client, the Portfolio Manager has agreed to provide Discretionary Portfolio Management Services (as defined below) to the Client;
- c) The Client has satisfied itself of the capacity of the Portfolio Manager to provide the services of Portfolio Manager.
- d) The parties hereto are entering into this Agreement to set out the terms and condition on which the Portfolio Manager has agreed to render and the Client has agreed to avail of, the aforesaid services.

THE PARTIES AGREE AS UNDER:

### 1. Definitions:

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively:-

- 1.1 "**Agreement**" means this agreement and shall include all schedules and annexures attached hereto
- 1.2 "**Portfolio Manager**" means any person who pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as discretionary portfolio manager or otherwise) the management or administration of portfolio of securities or the funds of the client, as the case may be.
- 1.3 "**Discretionary Portfolio Management Services**" means the portfolio management services rendered to the client, by the portfolio Manager on the terms and conditions contained in this agreement, where under the Portfolio Manager exercises any degree of discretion in investments or management of assets of the client.
- 1.4 **Disclosure Document:**  
Disclosure document means this document disclosing inter alia the following as per Schedule V of SEBI (Portfolio Managers) Rules and Regulations, 1993.
  - a) The quantum and manner of payment of fees payable by the client for each activity for which services is rendered by the Portfolio Manager directly or indirectly.
  - b) portfolio risks
  - c) complete disclosures in respect of transaction with related parties as per the accounting standards specified by the Institute of Chartered Accountants of India in this regard.
  - d) Performance of the Portfolio Manager:
  - e) Audited financial statements of Portfolio Manager for the immediately preceding three years.

- 1.5 “**Application**” means the application made by the Client to the Portfolio Manager to place the monies and/or securities therein mentioned with the Portfolio Manager for Discretionary Portfolio Management services. Upon execution of this Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of this Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 1.6 “**Assets**” means (i) the Portfolio and/or (ii) the Funds
- 1.7 “**Bank Account**” means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client.
- 1.8 “**Depository Account**” means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.
- 1.9 “**Custodian**” means any person who carried on or proposes to carry on the business of providing custodial services.
- 1.10 “**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 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 Assets, so long as the same is managed by the Portfolio Manager.
- 1.11 “**Net Asset Value**” (NAV): Net Asset Value is the market value of assets in portfolio consisting of equity, debt, cash & cash equivalents.
- 1.12 “**Parties**” means the Portfolio Manager and the Client; and “Party” shall be construed accordingly.
- 1.13 “**Person**” includes any individual, partners in partnership, central or state government, company, body corporate, co-operative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.
- 1.14 “**Portfolio**” means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes any Securities mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to this Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.
- 1.15 “**Portfolio Management Fees**” shall have the meaning attributed thereto in Clause (5) below.
- 1.16 “**Regulations**” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as may be amended from time to time:
- 1.17 “**Rules**” means Securities and Exchange Board of India (Portfolio Managers) Rules, 1993, as may be amended from time to time.
- 1.18 “**Scheduled Commercial Bank**” means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).
- 1.19 “**SEBI**” means Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act.
- 1.20 “**Securities**” includes:
- (i) “securities” as defined under the Securities Contracts (Regulation) Act, 1956;

- (ii) shares, scrips, stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and/or by any mutual funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and
- (iii) any other instruments or investments (including borrowing or lending of securities) as maybe permitted by applicable law from time to time.

1.21 **“Sub Delegate”** means a person to whom the Portfolio Manager has delegated the performance of his duties, discretion, obligations, any of power and authority.

## 2. PORTFOLIO MANAGEMENT SERVICES

- 2.1 For the consideration and on the terms and conditions contained herein, the Portfolio Manager agrees to provide to the Client, and the Client agrees to avail of the Discretionary Portfolio Management Services.
- 2.2 The Client hereby entrust the Assets to the Portfolio Manager as per Schedule 1 (in the manner required by the Portfolio Manager) for the purposes of the performance of the Discretionary Portfolio Management Services by the Portfolio Manager.
- 2.3 Simultaneous with the execution of this Agreement the Client shall execute and deliver to the Portfolio Manager a Power of Attorney in the format specified by the Portfolio Manager authorizing the Portfolio Manager or any person appointed by the portfolio Manager in this behalf to do all acts on behalf of the Client necessary for rendering Discretionary Portfolio Management Services to the Client.
- 2.4 The Client hereby authorize the Portfolio Manager, either by itself or through any person 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) opening, operating and closing one or more bank accounts and one or more depository accounts (ii) transferring the Funds and Portfolio (deposited by the Client with the Portfolio Manager) to the Bank Account and Depository Account (iii) purchasing, subscribing to or otherwise acquiring or investing in Securities and paying the consideration for the same (iv) selling, redeeming, transferring or otherwise dealing with or disposing of Securities and receiving the consideration for the same (v) holding the Assets in the name of the Client or the Portfolio Manager or any custodian, nominee or agent of the Client or the Portfolio Manager as the Portfolio Manager considers appropriate (vi) appointing and instructing brokers, sub-brokers, custodians, depository participants and others in relation to the Discretionary Portfolio Management Services and entering into agreements with them for the same (vii) executing such documents as may be necessary (viii) receiving contract notes (ix) receiving dividend, interest and other accretions and amounts in respect of the Assets (x) paying all amounts (including any calls) required to be paid in connection with the Discretionary Portfolio Management Services and/or this Agreement including the Portfolio Management Fees and expenses incurred for or in connection with rendering Discretionary Portfolio Management.
- 2.5 The Portfolio Manager shall keep the Funds of the Client in a separate Bank Account.
- 2.6 The Portfolio shall be kept in the Depository Account either in the name of the Client or in the name of the Portfolio Manager or as the Portfolio Manager may determine (on behalf of the Client). Provided that any Securities which are not so dematerialized as to be capable of being held in a depository account may be held (either in the name of the Client/the Portfolio Manager/any other person as the Portfolio Manager may determine) by the Portfolio Manager or any custodian appointed by the Portfolio Manager in such manner as the Portfolio Manager may consider appropriate.
- 2.7 The investment objective of the Discretionary Portfolio Management shall be to undertake, on behalf of the Client, the management and administration of the Funds and Portfolio of the Client with the aim of generating a reasonable return on the client’s investment, while at the same time endeavouring to reduce the risk of capital loss as detailed in Schedule 3. However,

the Client agrees and acknowledges that while the aforesaid is the objective, there is no guarantee of such returns or of there being no capital loss.

- 2.8 The Portfolio Manager shall not accept from the client, funds or securities worth less than five lacs rupees. However, Portfolio Manager can fix a higher limit as mutually agreed.
- 2.9 The Portfolio Manager shall not borrow funds or securities on behalf of the client.
- 2.10 The Portfolio Manager shall not lend securities held on behalf of clients to a third person EXCEPT with the written authorization of the client to participate in securities lending activities.
- 2.11 The Portfolio Manager shall not while dealing with client's funds indulge in speculative transactions that is, he shall not enter into any transaction for purchase or sale of any security which is periodically or ultimately settled otherwise than by actual delivery or transfer of security except the transactions in derivatives.
- 2.12 The portfolio account of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountants shall be given to the client.
- 2.13 Alternatively the client may also appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transaction and the Portfolio Manager shall co-operate with such chartered accountant in course of the audit.
- 2.14 (i) The Client agrees that the Portfolio Manager shall be entitled to do all acts to invest and manage the Assets including but not limited to investing the Funds in Securities, selling, redeeming or liquidating Securities or changing the Securities forming part of the Portfolio, appointing intermediaries for the sale and purchase of securities in such manner as the Portfolio Manager may in its absolute and unrestricted discretion consider appropriate. All such decisions, including decisions as to the Securities in which investment/disinvestments should be made and the nature, quantity, timing and other details of the investments, disinvestments and other dealings with the Assets shall be in the absolute and unfettered discretion of the Portfolio Manager who shall not be required to give any notice to, or take any approval of the client for the same.
- (ii) "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 currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence".
- (iii)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.
- 2.15 The Discretionary Portfolio Management Services and the provisions of this Agreement shall be subject to the Rules and Regulations and other applicable provisions of law in force from time to time; and notwithstanding anything contained in this Agreement, the Portfolio Manager shall not be required or entitled to make any investments or otherwise deal with the Assets or render the Discretionary Portfolio Management Services in a manner which is contrary to the Rules or Regulations or any other provisions of law in force at the relevant time.
- 2.16 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.
- 2.17 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 Accounts and/or Depository Accounts and (ii) the Client shall not enter into any agreement with the custodian (or any other intermediary) or give any instructions to the custodian (or other intermediary) in relation to the Assets or this Agreement (iii) the Client shall not pledge, loan, create any charge, lien or other encumbrance of any nature over the Assets or otherwise deal with the Assets in any manner whatsoever.
- 2.18 For the purpose of discharging any of the duties, obligations and functions (whether under this Agreement or under the abovementioned 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 other person specifically authorized 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. In no event shall the Portfolio Manager be liable for the loss or damage caused to the Client due to the actions or omissions of the sub-delegates.

- 2.19 If the sub-delegates have been appointed on the behalf of the Client under the Power of Attorney given by the Client to the Portfolio Manager, the sub-delegates shall be deemed to be agents of the Client and the Client shall be responsible to the Portfolio Manager for the loss, damage caused to the Portfolio Manager (in its performance of the Discretionary Portfolio Management Services) due to the negligence or default of the Sub-delegates.
- 2.20 Unless the Portfolio Manager otherwise decides, all Assets shall, in the event the Client is a partnership, be held in the name of any one or more of its partners (as the Portfolio Manager may determine) and, in the event the Client is a Hindu Undivided Family, be held in the name of its karta.
- 2.21 Unless the Portfolio Manager otherwise decides, the Client's address in respect of the Bank Account, Depository Account, Funds and Securities shall be the address of the Portfolio Manager or the custodian of Securities appointed by the Portfolio Manager from time to time.
- 2.22 The Client agrees to provide to 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 "known 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. Without prejudice to the aforesaid, the Client shall inform the Portfolio Manager of (i) his residential status and of any changes thereto and (ii) any restrictions that have been or are imposed upon the acquisition of Securities by the Client.
- 2.23 The Client agrees and undertakes to sign all such documents and writings 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.
- 2.24 In the event the Client is not an individual, the Portfolio Manager shall be entitled to rely upon any instructions/notices it believes in good faith to be given by a person who is duly authorized by the Client in this behalf. Without prejudice to the aforesaid, the Portfolio Manager shall be entitled to rely upon a copy of a board resolution of the Client authorizing such person to act on behalf of the Client with respect to this Agreement. In the event of the revocation of authority of any such person, the Client shall promptly inform the Portfolio Manager of such revocation.
- 2.25 The Portfolio Manager may, if required by applicable law or regulations, disclose the identity of the Client to the issuers of Securities held as part of the Assets or to the agents of such issuer upon the request of such issuer, or to any Government body, without further consent from the Client.

### **3. CUSTODY AND SAFE KEEPING:**

- 3.1 The Portfolio Manager shall use reasonable care and diligence for the safe custody of the Assets and shall make reasonable endeavours to, at the Client's cost, arrange for the custody of the Assets 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 authorizes 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 Assets.
- 3.2 Notwithstanding anything stated above, the Portfolio Manager shall not be liable if any instruments relating to any of the Securities are damaged, mutilated, torn, destroyed, lost, misplaced or otherwise become unavailable or if any Assets are lost, stolen, destroyed or pilfered in any manner.

### **4. MINIMUM TENURE AND MINIMUM INVESTMENTS:**

- 4.1 The assets placed by the Client with the Portfolio Manager for Discretionary Portfolio Management Services under this Agreement shall be placed for a period as mutually agreed.
- 4.2 On the completion of the period mentioned in Clause 4.1, the Client shall either place the Funds/Securities with the Portfolio Management Services again or shall withdraw the funds/Securities from the Portfolio Manager 30 days before the expiry of the placement period, the Client shall give a written notice of its intention to the Portfolio Manager (in the form prescribed by the Portfolio Manager).
- 4.3 In case of placement of Funds/Securities by the Client for Discretionary Portfolio Management Services on more than one occasion or on a continual basis, each placement shall be for a minimum period as mutually agreed.
- 4.4 In the event that the Client does not place its Assets again with the Portfolio Manager it shall on the completion of the placement period mentioned in Clauses (4.1 and 4.3), withdraw its Assets from the Portfolio Manager at the Client's risk and cost by sending the Portfolio Manager a notice of withdrawal in the form prescribed by the Portfolio Manager (as mentioned in Clause 4.2).
- 4.5 Notwithstanding the provisions of Clauses (4.1, 4.2 and 4.3) but subject to the other provisions of this Agreement, the Client may at any time withdraw any Assets from Discretionary Portfolio Management Services at the cost and risk of the Client. The termination of portfolio management services can take place in the following circumstances:
  - i) By operation of Law
  - ii) Suspension or cancellation of registration of the Portfolio Manager by SEBI
  - iii) Bankruptcy or liquidation of the Portfolio Manager
  - iv) By mutual consent

#### **5. CHARGES AND FEES:**

- 5.1 The Client agrees to pay the Portfolio Management Fee to the Portfolio Manager at the rates and in the manner provided in the Schedule of Fees (Schedule 2) hereto, which Portfolio Management fee shall be independent of the returns accrued to the Client on the performance of the Discretionary Portfolio Management Services by the Portfolio Manager. The Client further agrees to pay performance based management fee as mentioned in Schedule 2.
- 5.2 The client agrees that the fee payable (as per schedule 2) to the Portfolio Manager shall be billed and set-off against the Accounts on a Monthly/Quarterly basis as mutually agreed and the same will be incorporated in the Monthly/Quarterly Report.
- 5.3 The parties agree that all functions in relation to the Discretionary Portfolio Management Services or otherwise pursuant to this Agreement shall be performed by the Portfolio Manager for and on behalf of, and at the risk and cost of the Client and all liabilities concerning the Assets of the Discretionary Portfolio Management Services shall be to the account of the Client. In addition to the Portfolio Management Fee, all costs, fees, charges and expenses of whatsoever nature incurred by the Portfolio Manager or any other person appointed by the Portfolio Manager arising out of or in connection with or in relation to the management, acquisition, holding, custody, sale and/or transfer, of the Assets or the rendering of the Discretionary Portfolio Management Services or the performance of any act pursuant to or in connection with this Agreement including, without limitation to the generality of the aforesaid, the expenses and cost of safe keeping of Assets, charges of any Depository Participant and/or custodian, registration and transfer charges in respect of Securities, including legal fees of the Portfolio Manager incurred on behalf of the Client, brokerage and stamp duty, costs to be paid for the execution of this Agreement all other incidental and ancillary documentation pursuant to this Agreement, shall be paid or reimbursed by the Client.
- 5.4. The Portfolio Manager shall have a right to appropriate the amounts payable to it under Clauses ( 5.1 and 5.2) or under any other provision of this Agreement from the Assets and the Portfolio Manager may for this purpose sell or otherwise liquidate the portfolio, the Portfolio Manager shall have a right of lien and set off on the Assets for such amounts and any right of the Client to withdraw the Assets or any part thereof shall be subject to the Portfolio Manager having first received all such amounts.

#### **6.CONFLICT OF INTEREST:**

- 6.1 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 the respect.

6.2 The Client shall (promptly on gaining knowledge of the same) inform the Portfolio Manager in writing the details of all shares (which term, in this clause, includes any instruments carrying voting rights) 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 & Takeover) 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.

6.3 (i) The Client agrees and accepts that the Portfolio Manager may, from time to time.

- a) 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.
- b) 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);
- c) Purchase or sell on its own account or on behalf of any other Client, any Security which forms part of the portfolio.
- d) 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.
- e) Deal on the client's behalf with any Affiliate of the Portfolio Manager as long as the terms are as favourable to the Client as would be ordinarily obtained from a concern which is not an Affiliate.
- f) Purchase or sell Securities from or to anyone with whom the Portfolio Manager has a commercial or other relationship or agreement, including selling or purchasing the Securities to or from the account of the Portfolio Manager or another client of the Portfolio Manager;
- g) 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;
- h) Employ, retain or appoint any Affiliate of the Portfolio Manager as broker, custodian, investment adviser, consultant 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;
- i) Deal with any Affiliate of the Portfolio Manager on a principal-to-principal basis for any buying, selling or otherwise in any act relating to the Discretionary Portfolio Investment services provided to the Client.

ii) Specifically, the Client is aware that the Portfolio Manager also operates as a brokerage/depository participant divisions in the name of Munoth Financial Services Limited, which is a member of the National Stock Exchange of India Limited bearing SEBI Registration No CM INB 230803634 & INF 230803634 for Derivatives Segment, Dealer of OTCEI bearing Registration No.INB 200803630, Member of Madras Stock Exchange Limited bearing Registration No.INB 040803634 and also a Depository Participant with National Securities Depositories Limited bearing Registration No.IN-DP-NSDL-30-97. The Portfolio Manager may, from time to time, purchase, sell or otherwise deal in Securities through Munoth Financial Services Limited (MFSL) in which event, MFSL shall be entitled to charge brokerage in respect of such transactions. Furthermore, the Portfolio Manager may also purchase Securities from time to time for and on behalf of the Client, which Securities may be sold by the clients of the brokerage company/the brokerage company mentioned above. The Portfolio Manager shall ensure that there would be separation of operations and management in the day-to-day functioning of the Portfolio Manager and the Brokerage/Depository Participant Divisions.

iii) 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.

iv) The Portfolio Manager may, from time to time invest in Securities, for the issue of which the portfolio Manager is the lead manager. Underwriter, merchant bankers, advisor or other intermediary.

## **7. INDEMNITY:**

7.1. The Client shall indemnify and keep indemnified the Portfolio Manager or its officers, employees, or representative or any custodian or other person specifically authorised by the Portfolio Manager of, from

and against all and any costs, charges, expenses, claims and liabilities (including without limitation any stamp duty, rates, taxes, and cess) incurred or to be incurred by the

- a) Portfolio Manager or its officers, employees, or representative or any custodian or other person specifically authorised by the Portfolio Manager in the Performance of the Discretionary Portfolio Management Services and any other rights, duties, obligations and functions under this Agreement.
- b) The Portfolio Manager or its officers, employees, or representative or any custodian or other person specifically authorised by the Portfolio Manager as a result of the Portfolio Manager or its officers, employees, or representative or any custodian or other person specifically authorised by the Portfolio Manager acting or not acting on the basis of any information or instructions given by the Client.
- c) The Portfolio Manager or as a result of any prosecution and/or any of its officers, employees, or representative or any custodian or other person specifically authorised by the Portfolio Manager other action taken and/or which may be taken or enforced against the Client and/or the Portfolio Manager and/or any of its officers, employees, or representative or any custodian or other person specifically authorised by the Portfolio Manager with respect to the payment/recovery of wealth-tax, income tax, interest for delayed payment of income tax or wealth tax, penalty; and if any of the same shall have been recovered from the Portfolio Manager or any of its officers, employees, or
- d) Representative or any custodian or other person specifically authorised by the Portfolio Manager or if the Portfolio Manager or any of its officers, employees, or representative or any custodian of other person specifically authorised by the Portfolio Manager is held responsible for any of the aforesaid by any taxing authority, then the Client shall forthwith on demand pay and/or reimburse to the Portfolio Manager such amount as may be required, in the opinion of the Portfolio Manager to pay to the tax authorities (whether or not such payment has been lawfully demanded by the tax authorities).

7.2. The Client hereby unconditionally and irrevocably undertakes to the Portfolio Manager that:

- a) 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 Assets and irrespective as to whether such Assets are held and/or registered in the name of the Client or the Portfolio Manager or any other person nominated by the Portfolio Manager;
- b) The Client shall also promptly and in a timely manner pay all the aforesaid taxes levies, duties, payments to be paid on the Assets including payment for unpaid calls on shares and when the same are to be paid under law; and
- c) The Client shall promptly and in a timely manner file all tax returns, statements, and applications under the provisions of law.

## **8. STATEMENT AND INFORMATION:**

8.1. The Portfolio Manager shall furnish to the Client periodically in writing all the information regarding the Assets and all purchases and sales of Securities made by the Portfolio Manager on behalf of the Client as provided herein ("Report"). In particular, within (30) days of the expiry of each calendar quarter or as and when required by the client the Portfolio Manager shall furnish to the Client a report for such previous quarter containing the following details, namely:

- i) The composition and the value of the Assets (Funds and Securities), description of the Securities, number of Securities, value of each Security held as part of the Assets, cash balance and aggregate value of the Assets as on the date of Report.
- ii) Transactions undertaken by the Portfolio Manager during period covered by the Report including date of transaction and details of purchases and sales;
- iii) Income or other interest received during the concerned period in respect of the Assets by way of interest, dividend, bonus shares, rights shares and debentures or otherwise;
- iv) Expenses incurred in managing the Assets of the Client;

Provided that during any such quarterly period if the term of this Agreement shall expire on a date other than the last day of March, June, September, or December as the case may be, of a calendar year, the period covered by the last of such quarterly report shall end on that date.

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 Assets.

- v) Details of risk foreseen by the Portfolio Manager and the risk relating to the securities recommended by the Portfolio Manager for investment or disinvestments.

## **Risk Factors**

- i) Securities investments are subject to market and other risks and there can be no guarantee against loss resulting from an investment in the scheme nor can there be any assurance that the scheme's objectives will be achieved.
- ii) The past performance of the Portfolio Manager does not indicate the future performance of the same scheme or any other future schemes of the Portfolio Manager.
- iii) Risk arising from the investment objective, investment strategy and asset allocation are mentioned as follows:
  - The liquidity of the portfolio may be restricted by trading volumes and settlement periods. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the scheme are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities. By the same token, the inability to sell securities held in the portfolio, due to the absence of a well developed and liquid secondary market for debt securities, would result at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of securities held in the portfolio.
  - The liquidity and valuation of the Portfolio's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment.
  - Corporate debt securities are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The Portfolio Manager will endeavour to manage credit risk through in-house credit analysis. The Portfolio Manager may also use various hedging products from time to time to reduce the impact of undue market volatility on the portfolio.
  - The value of the portfolio, to the extent invested in fixed income securities, will be affected by changes in the general level of interest rates. 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.
  - As with any investment in securities, the value of the portfolio can go up or down depending on various factors that may affect the values of the investments. In addition to the factors that affect the value of individual securities, the value of the portfolio can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in governmental policies, taxation, political, economic or other developments and increased volatility in the stock and bond markets.
  - Subject to necessary approvals as may be required and within the investment objectives of the Portfolio, the Portfolio Manager may invest in overseas markets which carry a risk on account of fluctuations in foreign exchange rates, nature of securities market of the country concerned, repatriation of capital due to exchange controls and political circumstances.
  - As and when the Portfolio Manager trades in the derivative products, there are risk factors and issues concerning the use of derivatives that investors should understand. Derivatives require the maintenance of adequate controls to monitor the transactions and the embedded market risks that a derivative adds to the portfolio. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives. Other risks in using derivatives include but are not limited to : (a) Credit Risk – this occurs when a counterparty defaults on a transaction before settlement and therefore, the Portfolio Manager is compelled to negotiate with another counter party, at the then prevailing (possibly unfavourable) market price, in order to maintain the validity of the hedge. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement but one takes the performance risk on the exchange. (b) Market Liquidity risk where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices. (c) Model Risk, the risk of mis-pricing or improper

valuation of derivatives. (d) Basis Risk arises when the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.

- iv) Risk arising out of non diversification: The investment objectives of one or more of the portfolio management schemes could result into concentration on a specific asset/asset class/sector/issuer etc., which could expose the portfolio to improper and/or undesired diversification.
  - v) In case the portfolio invests in mutual funds registered with SEBI, scheme specific risk factors of each such underlying scheme will be applicable to the Portfolio. All risks associated with such underlying schemes, including performance of their underlying stocks, derivative instruments, stock-lending, off-shore investments etc., will therefore be applicable to the Portfolio. Clients are required to and deemed to have read and understood the risk factors of the underlying schemes.
  - vi) Such other documents and information relating to the Discretionary Portfolio Management provided to the Client by the Portfolio Manager and the Assets as the Portfolio Manager may determine.
- 8.2. On termination of the Agreement, the Portfolio Manager shall give a detailed statement of accounts of the Assets to the Client and settle accounts with the Client in a mutually agreed manner. The Client shall bear all costs, charges and taxes that may become payable as a consequence of settling of accounts of the assets.
- 8.3 In the event of any dispute between the Portfolio Manager and the Client, the Client shall have the right to obtain details of the Assets from the Portfolio Manager and the Portfolio Manager shall provide these details to the Client at the cost of the Client.

## **9. NON WARRANTY OF PORTFOLIO MANAGER:**

- 9.1 The client hereby confirms that he/it is aware that the investment of the Funds and the Securities are subject to a very wide range of risks which include amongst others (and by way of illustration) an unpredictable loss in value of the Assets Funds which may extent to a total loss of value of the Assets due to, inter alia.
- i) Overall economic slowdown, unanticipated corporate performance, environment or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports.
  - ii) Acts of force majeure including nationalization, expropriation, currency restriction, measures taken by any government or agency of any country, state or territory in the world, industrial action or labour disturbances of any nature amongst staff of the Portfolio Manager or of its agents (or of any third parties) boycotts, power failures or breakdowns in communication links or equipment (including but not limited to loss of electronic data) international conflicts, violent or armed actions, acts of terrorism, insurrection, revolution, nuclear fusion, fission or radiation, or acts of God, default of courier or delivery service or failure or disruption of any relevant stock exchange, depository, clearing house, clearing or settlement systems or market, or the delivery of fake or stolen securities;
  - iii) De-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume;
  - iv) Limited liquidity in the Stock markets impending readjustment of portfolio composition,
  - v) Volatility of the stock market scams, circular trading of securities and price rigging
  - vi) Default or non-performance of a third party, company's refusal to register a Security due to legal stay or otherwise and disputes raised by third parties.
  - vii) Low possibilities of recovery of loss due to expensive and time-consuming legal process
- 9.2. The Client acknowledges and confirms that the terms of this Agreement do not constitute any warranty or similar obligation on the part of the Portfolio Manager and the Portfolio Manager does not guarantee or assure the Client of the value of or returns on the Assets in any manner whatsoever. The Client is aware that the value of the Assets under Discretionary Portfolio Management could depreciate to an unpredictable extent.

**10. LIABILITY OF THE PORTFOLIO MANAGER:**

- 10.1 It is expressly understood that nothing contained herein amounts to any warranty or guarantee (express or implied) of the Portfolio Manager to pay any return of any nature or guarantee any returns or accretions or accruals to the Client. The client expressly accepts that Funds and Securities placed with the Portfolio Manager and the sale and purchase of Securities by the Portfolio Manager and the investments of the Funds by the Portfolio Manager are and shall be at the sole risk of the Client and the Portfolio Manager shall not be liable for any loss or damage caused to the Client as a result of any action or omission of the Portfolio Manager pursuant to this Agreement. 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 act done by the Portfolio Manager are done solely at the Clients account and risk; any actions which the Portfolio Manager takes or does not take as to the investments will be solely at the Clients account and risk and the Portfolio Manager shall not carry liability 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 and gross negligence to the Client's interest.
- 10.2 The Portfolio Manager shall not be liable to the Client for any act or omission of any of its officers, employees, or representatives or any custodian or other person specifically authorised by the portfolio manager and any other third parties. The Client shall not be responsible for any breach by the Client of the applicable laws, regulations, procedures, practice and guidelines. Consequently the Portfolio Manager shall also not be responsible for any acts or omissions of any intermediaries and shall not guarantee the performance of the responsibilities of such intermediaries.
- 10.3 In the event of the Client being held liable for any loss suffered by the portfolio Manager pursuant to this Agreement, the liability of the Client shall be limited to the extent of his investment.

**11. TERMS AND TERMINATION:**

- 11.1 This Agreement is deemed to have commenced on and from the .....
- 11.2 This Agreement shall continue to subsist until terminated under Clause 4 or under this Clause 11 in the manner provided herein below.
- 11.3 The Portfolio Manager may at any time terminate this Agreement by written notice of termination to the Client.
- 11.4 In addition to being entitled to terminate this Agreement under Clause 4, the Client may at any time terminate this Agreement by not less than 30 days' written notice of termination to the Client. Provided that the Client shall not be entitled to terminate this Agreement by withdrawing the Assets, within the period mentioned in Clauses (4.1 and 4.3) unless the events mentioned in Clause (4.4) have occurred.
- 11.5 The Portfolio Manager may cease to render Discretionary Portfolio Management Services to the Client at any time after receiving written notice of termination/withdrawn under Clause 4 from the Client. Upon termination of this Agreement, the Portfolio Manager shall, within a period of (30) days from the date of termination, pay and/or deliver the Assets to the Client. The Client shall be entitled to choose to receive the Securities forming part of the Assets in the form of Securities or the equivalent cash amount representing the Securities by informing the Portfolio Manager in this regard within 7 days of termination. In the event the Client chooses to receive the Securities in the form of cash, the Portfolio Manager shall endeavour to sell the Securities and pay the net proceeds thereof to the Client within a period of (30) days of termination of the Agreement. Provided that if the Portfolio Manager is for any reason unable to sell the Securities, the Client shall be obliged to accept the Securities.
- 11.6 In the event of the death of the client, the legal representative 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 the expiry of (30) days of the Portfolio Manager receiving such intimation. The power of attorney granted by the Client shall continue to subsist after the demise of the Client for a period of (30) days from the date on which the Portfolio Manager is informed of the death of the Client by the legal representative of the Client and the Portfolio Manager shall be entitled to continue to act under the terms of the said power of attorney.
- 11.7 Upon the termination of this Agreement as a consequence of the death of the client, the Portfolio Manager shall deliver the Assets to the nominee of the Client (as designated in the Application). Upon such delivery, the Portfolio Manager shall stand discharged of all obligations hereunder or in relation to the Assets.

- 11.8 The provisions of this Agreement relating to payment of Portfolio Management Fees and Costs, charges, expenses and other amounts to the Portfolio Manager, choice of law, jurisdiction and notice and all rights and obligations which have accrued or arisen prior to the termination of this Agreement shall survive the termination of this agreement.

## **12. NOTICES:**

All Notices to the Client shall be sent to the address or facsimile numbers stated in Application. All notices to the Portfolio Manager shall be sent by Registered Post (AD) at the following address or such other address/number as the Portfolio Manager may inform the client:

Munoth Financial Services Limited  
Munoth Centre, suite No.46 & 47  
3<sup>rd</sup> Floor, 343, Triplicane High Road  
Chennai – 600 005, INDIA.

## **13. PROXIES:**

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 of 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.

## **14. REPRESENTATIONS, WARRANTIES AND DECLARATIONS:**

The client hereby represents, warrants and declares to the Portfolio Manager as under:

- i) The client has full power, capacity and authority to, deliver and perform this Agreement and has taken all necessary action (corporate, statutory, contractual or otherwise) to authorise the execution, delivery and performance of this Agreement in accordance with its terms.
- ii) This Agreement has been duly executed and delivered by the Client and constitutes a legal, valid and binding obligation of the Client, enforceable against the Client in accordance with its terms.
- iii) 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 it is subject; or
  - b) any order, judgement or decree applicable to it; or
  - c) any term, condition, covenant, undertaking, agreement or other instrument to which it is a party or by which it is bound.
- iv) There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgments or decrees of any nature made, existing, threatened, anticipated or pending against the Client which may prejudicially the due performance or enforceability of this Agreement or any obligation, act, omission or transactions contemplated hereunder.
- v) The Portfolio Manager shall not change any terms of the agreement without prior consent of the client.

## **15. SETTLEMENT OF GRIEVANCES OR DISPUTES:**

The Grievances, if any that may arise pursuant to Portfolio Management Services Agreement shall be resolved in the manner detailed below:

While resolving the Grievance, acts done in good faith, risk or losses arising out of normal business practices, which have been disclosed in the Agreement or have bearing on the normal operations shall be taken into consideration.

- At the out-set, the Grievances is referred to the Dealing Officer, who shall resolve the same within a week.
- In the event of non-redressed Grievance within the stipulated time the same is escalated to Investor Relation Officer, who should resolve the same within 3 days of the reference.
- If the Grievance still persists, the same is referred to the Portfolio Manager, who shall resolve the same within 3 days of the reference.
- The Client can also refer the Matter to Arbitration as provided in the Agreement under Arbitration and Conciliation Act, if he is not satisfied of its resolution by the Portfolio Manager.

#### **16. PROPER LAW:**

This Agreement shall be subject to the guidelines regarding portfolio management viz., the Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993 made by SEBI and any amendments made thereto from time to time. This Agreement shall be governed by the law of India. All legal actions and proceedings, if any, relating hereto shall be subject to the jurisdiction of the Courts in Chennai, India only.

#### **17. INTERPRETATION:**

In the event of there being more than one Person as Clients mentioned in the recitals/signature clause of the Agreement, wherever the context so requires, the word "Client" shall be construed as "Clients" and the grammar and construction of every concerned sentence shall be deemed to be appropriately amended to indicate more than one Client.

The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

#### **18. ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO NRI:**

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 permission 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 with all requirements of all exchange control regulations applicable to the Client in all dealings/transactions.

b) In the event of any change in the status of the Client, the Client shall forthwith inform the Portfolio Manager of the same.

c) 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.

d) 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.

e) 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.

f) 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.

g) Without prejudice to the other provisions contained hereinabove, in all dealings with the Client and 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.

h) In the event of any Securities purchased for the Client not being registered in the Client's name due to any regulatory reasons (including without limitation the percentage of NRI holdings in the relevant company exceeding permissible limits), 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).

i) 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 respect. 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.

In Witness whereof the parties have caused this Agreement including schedule of fees and the Application forming part thereof to be signed in duplicate on the day and year and manner hereinafter mentioned.

Signed by

Witnessed by:

(Client)

(Witness)

Witnessed by:

(Witness)

Signed on behalf of  
MUNOTH FINANCIAL SERVICES LIMITED

JASWANT MUNOTH  
MANAGING DIRECTOR

Date :

Place

**SCHEDULE 1**

**Portfolio Details**

**A. Portfolio Securities**

Sl.No.	Name of Scrip	Registered Holders	Demat A/c No.	Purchase Date Price	No.of shares In Demat Form (A)	Current Market Price (Rs.) (B)	Present Market Value (Rs.)© (C=AxB)

B. Portfolio Funds tendered Rs.....

C. Portfolio Value (present market value of Portfolio Securities as stated above PLUS Portfolio Funds) Rs.....

**Note:**

- ❖ You may attached additional sheet in the above format, if required
- ❖ The Portfolio Manager has the absolute right to accept/reject the securities without assigning any reason therefore.

## SCHEDULE – 2

### PRODUCT FEATURES & SCHEUDLE OF FEES

#### Product Features:

- ❖ Minimum Size: Rs.10 million Cash or approved securities per individual
- ❖ Fee Structure:

The client shall pay to the Portfolio Manager the Portfolio Management Fees as hereunder provided:

a) **Management Fees:** Base Minimum Fees charged: 0.25% per quarter.

Management Fees on any infusion and withdrawals within quarter would be charged on pro-rata basis.

b) **Depository/Custody Fees:** Depository fees for MFSL as depository participant would be 0.25% per annum (payable quarterly) of assets under management, subject to minimum of Rs.10,000/- per annum and maximum of Rs.50,000 per annum (payable quarterly) based on closing NAV for the quarter. External Depository Participant / custodian fees, where such is appointed by the client, will be as fixed by them.

c) **Performance based Management Fees:** Performance based management fees would be charged based on performance in terms of positive returns on the portfolio at 10% of the excess return generated over the hurdle rate as defined below:

Hurdle Rate:

10% of the corpus.

The fee will be charged every quarter.

#### Illustration:

Mr X has given Rs.100 Lacs in cash for Portfolio Management. Following is the performance of the portfolio:

Year	Opening NAV* (Rs Lacs)	Closing NAV (Rs.Lacs)	Absolute Incremental Returns (Rs Lacs)	Pre Tax Returns (%)	Performance based Fees(%)	Abs.Fee (Rs Lacs)
Year 1	100.00	125.00	25.00	25.00	1.5%	1.50
Year 2	123.50	100.00	(23.50)	(23.50)	0%	0.00
Year 3	100.00	130.00	30.00	30.00	2.0%	2.00

\* NAV would be calculated as under:

NAV = (Market Value of Equity Investments) + (NAV of Equity Funds) + (Debt & Fixed Income Securities on face value + accrued interest) + NAV of Debt Mutual Funds) + (Cash) + (Balance with Broker) + (Dividend/Interest/any other receivables) – (Liabilities) – (Accrued Expenses i.e brokerage/taxation/portfolio management fees, depository charges and other statutory liabilities)

\* opening NAV (for purpose of calculating performance based fee) would be the previous year closing NAV.

**Note 1:** All the above fees would be charged pro-rata for account opened during the quarter for fixed management fees and custodial fees and pro-rata for accounts opened during the year for performance based fees till 31<sup>st</sup> March. It would be normalized to quarterly basis and financial year basis subsequently i.e., April 1 to March 31.

Note 2: The fixed management fees, depository/custody fees and performance based management fees will be charged on weighted average corpus of the portfolio during the period of reference which is quarterly for fixed management fees & depository/custody fees, and performance based management fees.

**d) Broker:** Munoth Financial Services Limited (MFSL) would be appointed as the Broker. Brokerage on trade: Brokerage on trade would be normally capitalised and the same may be upto 1%

**e) Depository Account:** A Depository Account will be opened with MFSL, depository Participant, National Securities Depository Limited. Depository charges would be as applicable by MFSL.

**f) Withdrawals:** All withdrawals would be with the mutual consent of the client and the fund manager. The withdrawals may be in form of shares or in cash at the end of the agreed period.

**g) Bank Charges:** would be levied by the Bank where the special account attached to the PMS service is opened.

**h) Service Tax:** as applicable from time to time.

Service Standards:

- Valuation Report (NAV Report) would be sent at quarter end.
- Transaction Statement would be sent every quarter.
- Contract notes, bank statements would be retained by the Portfolio Manager. These would be available for inspection by client/auditor appointed by clients during working hours.
- Report on tax status on portfolio would be sent at the end of every quarter ahead of advance tax payment dates and consolidated at the end of fiscal year.

**SCHEDULE 3**

**INVESTMENT OBJECTIVES**

**Investment Objective**

The Investment objective of MGPS is to generate capital appreciation on investment for investor in line with the risk profile. This will be done by primarily investing in equity.

**Investment Pattern**

MGPS shall invest in a mix of equity, equity related securities and derivatives, to generate capital appreciation. When opportunities are not available in equity market, the Portfolio Manager might invest in Bank deposit for a short time/debt instruments.

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**Negative Sectors or Securities (if Applicable) – Please provide a listing**

The Portfolio shall not invest the funds of the Client forming part of the Portfolio in any of the following:

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