

## PORTFOLIO MANAGEMENT AGREEMENT

THIS PORTFOLIO INVESTMENT MANAGEMENT SERVICE AGREEMENT entered into at Ahmedabad on the date as mentioned herein,

### Between

1. This Portfolio Management Agreement ("**Agreement**") entered Agreement between **StepTrade Share Services Private Limited, (Formerly known as Ace Share Services Private Limited)** a private limited company, incorporated under the Companies Act, 2013, having its registered office at 3rd Floor, Narayana House, Opp-Shellpump Road Sur No-128419, Plot No-4/9, Prahladnagar, Satellite, Ahmedabad, Gujarat – 380015, (hereinafter referred to as "**Portfolio Manager**") which expression shall, unless the context otherwise requires, be deemed to include its representatives and assigns) of the ONE PART,

### AND

2. The person mentioned in the Schedule annexed hereunder, (hereinafter referred to as "**Client**", which term shall, unless Client repugnant to or inconsistent with the context, mean and include the successors in interest and the heirs, executors, legal representative) of the OTHER PART.

### Whereas:

1. The Portfolio Manager is registered with the Securities and Exchange Board of India vide registration certificate no. INP000008598 dated 09 February, 2024 and is duly authorized to provide Portfolio Management Services under the SEBI (Portfolio Managers) Regulations, 2020 and any amendments thereto from time to time and rules, guidelines, circulars issued under the Act.
2. At the request of the Client, the Portfolio Manager has agreed to provide certain **Discretionary Portfolio Management Services** to the Client as more particularly set out in this Agreement.
3. 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.
4. The Parties hereto are entering into this Agreement to set out the terms and conditions on which the Portfolio Manager has agreed to render, and the Client has agreed to avail of, the Discretionary Portfolio Management Services.

This Agreement is intended to outline the functions, obligations, duties and responsibilities of the Parties with regard to the portfolio management services to be provided by Portfolio Manager and the obligations of the Client.

### 1 Definitions

- 1.1. "**Agreement**" means this agreement and shall include all schedules and annexures attached here to, the Application and any applicable Mandates, Investment Objectives and any other instructions and communication exchanged between the Parties under this Agreement.
- 1.2. "**Applicable Laws**" means any applicable local or national statute, rules, regulation, notification, circular, ordinance, requirement, directive, guideline or announcement issued by an Authority (including but not limited to the SEBI Regulations).
- 1.3. "**Accreditation Agency**" means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the SEBI from time to time.
- 1.4. "**Accredited Investor**" means any person who fulfils the eligibility criteria as specified by SEBI pursuant to circular dated 26 August 2021 on 'Modalities for implementation of the framework for Accredited Investors' (SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620), as may be amended from time to time, and is granted a certificate of accreditation by an Accreditation Agency.
- 1.5. "**Application**" means the application form(s) completed and signed by the Client for the purposes of applying for the Portfolio Management Services under this Agreement.
- 1.6. "**Assets**" means funds and securities handed over by the Client to the Portfolio Manager from time to time for investing in securities and other assets and include cash deposited by the Client with the Portfolio Manager but yet to be invested.
- 1.7. "**Asset Under Advice or AUA**" means the aggregate net asset value of securities and investment products for which the Portfolio Manager has rendered investment advice.
- 1.8. "**Asset Under Management or AUM**" means the value of Securities in the Client Portfolio. For the purpose of calculating the asset under management, securities shall be valued at the fair market value/marked to market basis (as applicable).
- 1.9. "**Associates**" means (i) a body corporate in which a director or partner of the Portfolio Manager holds, either individually or collectively, more than twenty percent of its paid up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
- 1.10. "**Authority**" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government including but not limited to the SEBI and the Reserve Bank of India.
- 1.11. "**Bank Account**" means one or more bank accounts opened by the Client in his own name or an account common to all clients of the Portfolio Manager opened by the Portfolio Manager, as the case may be, both maintained and operated by the Portfolio Manager / Custodian for the purposes of this Agreement and as permitted under the Applicable Laws.
- 1.12. "**Chartered Accountant**" means a Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act
- 1.13. "**Client**" or "**Investor**" means a Person that enters into an Agreement for availing services offered by the Portfolio Manager.
- 1.14. "**Custodian**" means any custodian registered under the SEBI (Custodian of Securities) Regulations 1996 acting as custodian of the Portfolio with whom the Portfolio Manager or the Client enters into an agreement for the provision of custodial services.
- 1.15. "**Co-investment Portfolio Management Services**" means services provided by the Portfolio Manager to the investors of the Alternative Investment Fund which are managed and sponsored by it, in its capacity as the Co-investment Portfolio Manager.
- 1.16. "**Depository**" means a body corporate as defined in the Depositories Act, 1996 (22 of 1996) and includes National

Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL").

- 1.17. **"Depository Account" or "DP Account"** means one or more demat accounts opened, maintained, and operated by the Portfolio Manager in the name of the Client or a pool demat account in the name of the Portfolio Manager to keep the securities of all clients, where the securities of each of the Clients would be separately identified for the purpose of the Portfolio Management Services.
- 1.18. **"Disclosure Document"** means any disclosure document issued by Portfolio Manager filed with SEBI, under the SEBI Regulations and as may be amended by the Portfolio Manager from time to time.
- 1.19. **"Discretionary Portfolio Manager"** means the Portfolio Manager who, in relation to portfolio management, exercises or may exercise, any degree of discretion as to the investment of Funds or management of the Portfolio of the Client, in accordance with this Agreement.
- 1.20. **"Distributor"**: means a Person empaneled by the Portfolio Manager which refers clients to the Portfolio Manager in lieu of commission/charges.
- 1.21. **"Exit Load"**: means the withdrawal charge/s payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- 1.22. **"Funds"** means the monies managed by the Portfolio Manager, on behalf of the Client, pursuant to the Agreement as mentioned in the Application, placed by the Client from time to time with the Portfolio Manager for the purposes of being managed pursuant to this Agreement and includes the proceeds of the sale or other realization of the Portfolio and interest, dividends and other monies realized from the Assets.
- 1.23. **"Initial Corpus"** means the value of the funds and the value of readily realizable securities brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.
- 1.24. **"Non-Discretionary Portfolio Manager"** means the Portfolio Manager who, in relation to portfolio management, manages the Portfolio of the Client according to the directions of the Client, in accordance with this Agreement.
- 1.25. **"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, whereby the Portfolio Manager exercises discretion with respect to investments or management of the Portfolio of Securities or the Funds of the Client.
- 1.26. **"Funds"** means the monies managed by the Portfolio Manager, on behalf of the Client, pursuant to this Agreement as mentioned in the Application, placed by the Client from time to time with the Portfolio Manager for the purposes of being managed pursuant to this Agreement and includes the proceeds of the sale or other realization of the Portfolio and interest, dividends and other monies realized from the Assets.
- 1.27. **"Investment Objectives"** means the investment objectives as may be agreed by the Client and the Portfolio Manager and as detailed in the Application and the Mandate(s).
- 1.28. **"Investments"** means any form of investment including, without limitation, shares, debentures and other categories of Securities, derivatives and mutual funds.
- 1.29. **"Large Value Accredited Investor"** means an accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of ten crore rupees.
- 1.30. **"Mandate"** means the document completed by the Client from time to time setting out the Investment Objectives, portfolio allocation guidelines, fees payable and such other matters as agreed between the Client and the Portfolio Manager in relation to the management of the Assets under this Agreement.
- 1.31. **"Management Fee"**: means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- 1.32. **"Money Market Instruments"** includes commercial paper, trade bill, treasury bills, certificate of deposit and usance bills.
- 1.33. **"Parties"** collectively means the Portfolio Manager and the Client and "Party" shall be construed accordingly.
- 1.34. **"Performance Fee"** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- 1.35. **"Person"** includes any individual, partners in a partnership firm, central or state government, company, body corporate, cooperative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.
- 1.36. **"Portfolio"** means the Securities managed by the Portfolio Manager on behalf of the client.
- 1.37. **"Power of Attorney"** shall mean: (a) the Power of Attorney to be executed by the Client in favor of the Portfolio Manager in the form required by the Portfolio Manager; and (b) such other Power of Attorney as the Portfolio Manager may require the Client to execute from time to time.
- 1.38. **"Portfolio Entity"** means companies, enterprises, bodies corporate, or any other entities in the Securities of which the monies from the Client Portfolio are invested subject to Applicable Laws
- 1.39. **"Portfolio Management Fees"** shall have the meaning attributed thereto in Clause [5] below.
- 1.40. **Portfolio Manager:** means Steptrade Share Services Private Limited, a private limited company, incorporated under the Companies Act, 2013 and having its registered office at 3<sup>rd</sup> Floor, Narayana House, Opp-Shellpump Road Sur No-128419, Plot No-4/9, Prahladnagar, Satellite, Ahmedabad, Gujarat – 380015, which pursuant to a contract or arrangement with a Client/Investor, advises or directs or undertakes on behalf of the Client/Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the Client/Investor, as the case may be.
- 1.41. **"Principal Officer"** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
  - (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the funds of the Client, as the case may be; and
  - (ii) all other operations of the Portfolio Manager.
- 1.42. **"Scheduled Commercial Bank"** means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).
- 1.43. **"SEBI"** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act;

- 1.44. **“Related Parties”** means in relation to the Portfolio Manager,
- (i) a director, partner or his relative;
  - (ii) a key managerial personnel or his relative;
  - (iii) a firm, in which a director, partner, manager or his relative is a partner;
  - (iv) a private company in which a director, partner or manager or his relative is a member or director;
  - (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid up share capital;
  - (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager of the Portfolio Manager;
  - (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act Provided that nothing in sub clauses (vi) and (vii) above shall apply to the advice, directions or instructions given in a professional capacity;
  - (viii) any body corporate which is—
    - (A) a holding, subsidiary or an associate company of the Portfolio Manager; or
    - (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary;
    - (C) an investing company or the venturer of the Portfolio Manager;
- Explanation. —For the purpose of (C) above, “investing company or the venturer of a portfolio manager” means a body corporate whose investment in the portfolio manager would result in the portfolio manager becoming an associate of the body corporate.
- (ix) a related party as defined under the applicable accounting standards;
  - (x) or such other person as may be specified by SEBI: Provided that,
  - (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
  - (b) any person or any entity, holding equity shares:
    - (i) of twenty per cent or more; or
    - (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;
- shall be deemed to be a related party.

1.45. **“Regulations”** shall mean the SEBI (Portfolio Managers) Regulations, 2020 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.

1.46. **“Securities”** means “securities” as defined under the Securities Contracts (Regulation) Act, 1956 (as may be amended, supplemented or replaced from time to time) including, without limitation, shares, debentures, derivatives, mutual funds, Money Market Instruments and any other securities purchased, sold, held, acquired or otherwise dealt with by the Client.

1.47. **“Stock Exchanges”** means the National Stock Exchange of India, Metropolitan Stock Exchange of India and BSE formerly Bombay Stock Exchange Ltd.

## 2 Interpretation

2.1. In this Agreement, the headings are for convenience only and shall not constrain or affect its construction or interpretation.

2.2. In any way whatsoever, words and expressions used in this Agreement, the Schedules to this agreement and the Disclosure Document not expressly defined herein or the regulations shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall also

carry meanings assigned to them in regulations governing Portfolio Management Services.

2.3. All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.

2.4. If by the terms of this agreement, any act would be required to be performed on a day which is a Public Holiday, that act shall be deemed to have been duly performed, if performed on or within the period ending on the immediate next Business Day.

## 3 Appointment

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.

The Portfolio Manager shall act in a fiduciary capacity and as a trustee and agent of the Client’s Portfolio.

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 portfolio management services or otherwise perform its functions and obligations under this Agreement. 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 be half to open and operate Bank Account and depository accounts, buy and sell the permissible Securities and do other acts on behalf of the Client. The Client may make further contributions in form of additional contribution on one or more occasion(s) during the Term. Such amounts shall be governed by the terms and conditions of this Agreement.

## 4 Scope of Services

4.1 The Client hereby entrusts the Assets to the Portfolio Manager (in the manner required by the Portfolio Manager) for the purpose of the performance of the Discretionary Portfolio Management Services by the Portfolio Manager. The Portfolio Manager shall act in fiduciary capacity and as a trustee and agent of the Client’s account.

4.2 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.

4.3 In addition to the powers conferred by the Client on the Portfolio Manager vide the Power of Attorney specified above. the Client hereby authorizes 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 Securities (deposited by the Client with the Portfolio Manager) to the Bank Account and/or Depository Account, (iii) purchasing, subscribing to or otherwise acquiring or investing in Securities and paying the consideration for the same, (iv) selling, redeeming, surrendering, transferring, endorsing, assigning or otherwise dealing with or disposing of Securities and receiving the consideration for the same (v) rebalancing of the assets of the Client as deemed fit by the Portfolio Manager (vi) 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 (vii) holding the Assets in the name of the Client or the Portfolio Manager or any custodian, nominee or agent of the Client as the Portfolio Manager considers appropriate (viii) dematerializing physical securities and rematerializing securities (ix) appointing and instructing brokers, sub-brokers, custodians, depository participants, advisors and others in relation to the Discretionary Portfolio Management Services and entering into agreements with them for the same (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 Assets (xiv) 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 (xv) 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 respects before such authority or authorities and establish the ownership of the said assets in the name of the Client (xvi) 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 (xvii) 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 (xviii) 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 (xix) 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 (xx) Receiving and holding for the account of the Client 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 (xxi) Delivering securities to the designated receiving agent in the case of tender, offers or similar offers to purchase (xii) Exchanging interim or temporary receipts for definitive securities, and old, damaged, torn or over stamped certificates for new certificates (xxiii) To receive statements, notices, any other communication from the Depository Participant, brokers, custodian and/or any other agents from time to time (xxiv) 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 (xxv) 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.

4.4 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 but strictly only in the manner permitted by the Regulations.

4.5 The Portfolio Manager shall individually and independently manage the Portfolio of each Client. The Securities in which investments/disinvestments are made by the Portfolio Manager may differ from Client to Client and accordingly the returns would differ from Client.

4.6 The Securities shall be kept in a Depository Account in the name of the Client or as otherwise permitted by the Regulations. Provided that any Securities which are not so dematerialised as to be capable of being held in a depository account may be held as permitted by the Regulations.

4.7 The Portfolio Manager shall in its books of accounts maintain separate Client wise accounts in respect of the Funds and Assets handed over by the Client to the Portfolio Manager and the transactions carried out for the Client from time to time as are necessary to account for the assets and any additions, income, interest, dividend, bonus, or any other beneficial interest received on the investments, receipts and debits or expenses or disbursements in connection therewith, as provided under the Regulations. The tax deducted at source as required under the provisions of the Income-tax Act, 1962, shall be recorded in the portfolio account.

4.8 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 Securities 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 from time to time. 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 as more particularly provided below.

4.9 The Portfolio Manager shall not accept from the Client, funds or securities worth less than Rupees Fifty 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 with the Client.

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. The 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. The Portfolio Manager shall activate the account of the Client, only after receipt from the Client, of the entire minimum corpus requirement as agreed.

4.10 The Portfolio Manager shall not borrow funds or securities on behalf of the Client.

4.11 The Portfolio Manager shall not lend securities held on behalf of the Client to a third person except with the written authorization of the Client to participate in securities lending activities.

4.12 The Portfolio Manager may aggregate the purchase or sale of securities of all or any of its clients in a manner as permissible under the Regulations.

4.13 The Portfolio Manager shall not while dealing with Client's funds indulge in speculative transactions i.e., it 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.

- Access to Information
- 4.14 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 Accountant shall be given to the client.
- 4.15 Alternatively, the client may also appoint a Chartered Accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such Chartered Accountant in course of the audit.
- The Client agrees to provide 10 (ten) days advance notice in writing to the Portfolio Manager in case of audit of the books of account by a Chartered Accountant appointed by the Client.
- 4.16 (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 /disinvestment 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 unlettered 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 Client has expressly and with full knowledge of the implications conferred absolute and unfettered discretion on the Portfolio Manager in relation to all decisions concerning the Discretionary Portfolio Management Services and the Client agrees and confirms that all such decisions of the Portfolio Manager taken in good faith (which shall, in this Agreement, include decisions taken in good faith by any employee, agents or any person 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. The Client shall not be entitled to hold the Portfolio Manager responsible or liable in any manner whatsoever or claim any damages, losses or other amounts on account of the exercise of such discretion by the Portfolio Manager or any decision taken in good faith by the Portfolio Manager except on the ground of fraud, malafide, 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. 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.
- 4.17 The Discretionary Portfolio Management Services and the provisions of this Agreement shall be subject to the 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 Regulations or any other provisions of law in force at the relevant time.
- 4.18 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 transaction.
- 4.19 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 Assets of this Agreement unless required by the Portfolio Manager (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
- 4.20 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 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.
- 4.21 If the sub-delegates have been appointed on behalf of the Client under a 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.
- 4.22 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.
- 4.23 Unless the Portfolio Manager otherwise decides, the Client's correspondence address in respect of the Bank Account, Depository Account, shall be the address of the Portfolio Manager or the custodian appointed by the Portfolio Manager from time to time.
- 4.24 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 '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.
- 4.25 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.
- 4.26 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 of any other intermediary.

4.27 In the event of the Client being a non-individual, the Portfolio Manager shall be entitled to rely upon any instructions/notices, which he believes to have been given in good faith by the person who is duly authorized in writing (by a Board Resolution in case of a corporate) 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. Failure to inform the Portfolio Manager of any such revocation/change shall discharge the Portfolio Manager from any liability/consequence of acting in good faith on the instructions of the existing authorized signatories of the Client as available in the records of the Portfolio Manager. The Client shall have no recourse to the Portfolio Manager in such event.

4.28 The Portfolio Manager may, if required by applicable laws or regulations, disclose the identity of the Client to the Issuer 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, or to the custodian/bank/depository participant/ brokers/ advisors without further consent from the Client. Further the Portfolio Manager may also disclose the identity of the Client to any third party as it may deem necessary for the purpose of rendering the services under this agreement.

## 5 Minimum Tenure

5.1. The Assets placed by the Client with the Portfolio Manager for Discretionary Portfolio Management Services under this agreement shall be under a lock-in of 6 months during which no withdrawals are permitted.

5.2. 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 less than the minimum amount specified by the Portfolio Manager; 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 less than the minimum amount specified by the Portfolio Manager.

5.3. In the event the Client intends to withdraw part of the Assets from the Portfolio Management Services, the Client must at its own cost and risk give to the Portfolio Manager minimum one week prior 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 Assets under the Management or the Portfolio Manager shall not fall below the required minimum 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 9** herein shall apply.

5.4. The Portfolio Manager shall handover the withdrawn Assets to the Client within 30 days of the withdrawal request in the form of securities or funds as may be deemed fit by the Portfolio Manager.

5.5. In the event the Client intends to withdraw the entire corpus, this Agreement shall be terminated in accordance with the provisions of **Clause 9** herein below.

5.6. All interest, bonus, dividend or any other sums, accretions and or income arising, due, accruing on all or any securities, funds and other Assets 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 Assets and the provisions of this **Clause 4** shall apply to all such withdrawals.

## 6 Terms For Trading In Derivatives

The Client hereby authorizes 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 trading in derivatives subject to the terms stated herein and only to the extent permissible under the law prevailing at that time. The terms of trading in Derivatives are:

- a. Quantum of Exposure in Derivatives: Upto 100% of the market value of the Assets, i.e. total exposure of the Client in derivatives shall not exceed the assets placed with the Portfolio Manager.
- b. Manner & Purpose of using Derivative Products: For Hedging, Portfolio Rebalancing, Yield Enhancement or for the purpose of taking such positions as may be permitted by the SEBI rules, regulations, and guidelines.
- c. Type of Derivative Instruments: Stock and Index Futures & Options and such other products as maybe permissible from time to time.
- d. Terms of Valuation of Derivative Products: These products shall be valued at the settlement/closing value (as per accounting policy of the Portfolio Manager) of the concerned securities on the Bombay Stock Exchange limited and /or the National Stock Exchange of India limited or any other Exchange (as the Portfolio Manager may choose).
- e. Terms of liquidation/Settlement: The Derivative Instruments will be liquidated at the prevailing market prices or will be allowed to expire/to be exercised at the price specified by the respective Exchange(s) on the expiry date/date of exercise.

Prior permission shall be required from the Client in the event of any changes in the manner or terms of usage of derivative products by the Portfolio Manager.

The Portfolio Manager may offer discretionary portfolio management services for investment up to 100% of the assets under management of the Large Value Accredited Investors in unlisted securities, subject to the terms agreed between the client and the Portfolio Manager.

## 7 Liability of Portfolio Manager

7.1. The Client confirms that the Portfolio Manager has explained the risks associated with investments and that the Client is fully conscious of them. All risk and rewards of Investments made by the Portfolio Manager on behalf of the Client, shall belong to and be the sole responsibility of the Client and the Portfolio Manager shall not be liable in respect of any loss resulting therefrom.

7.2. 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 acts 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 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 or misfeasance, fraud, malafide and gross negligence to the Client's interest.

7.3. The Client confirms that the Portfolio Manager will not be responsible for any loss or damage occasioned by, including but not limited to market conditions, force majeure circumstances, delays on the part of companies or other authorities including government authorities, errors of judgment on the part of Portfolio Manager, acts of other intermediaries, Custodian and other external agencies or other factors beyond the control of the Portfolio Manager.



- 7.4. Notwithstanding anything contained in this agreement the Portfolio Manager shall not be liable to the Client for any act or omission of any of its officers, employees, sub-delegates, representative or any custodian or other person specifically authorized by the Portfolio Manager or any other third parties. The Portfolio Manager 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 does not guarantee the performance of the responsibilities of such intermediaries.
- 7.5. The Client understands that while every effort will be made by the Portfolio Manager to maximize the value of the Investment, the Portfolio Manager does not provide nor guarantee to the Client a minimum return on the Investments, made in accordance with this Agreement.
- 8. Liability of the Client**
- 8.1. The Client is fully aware that the income and all tax liabilities on the Assets managed by the Portfolio Manager, the yield or other return thereon will belong to and be the sole responsibility of the Client.
- 8.2. The maximum liability of the Client arising out of this Agreement shall be limited to the extent of the assets under management invested with the Portfolio Manager.
- 8.3. The Client confirms and acknowledges having received, read and understood the Disclosure Document a copy of which is also available on the website of the Portfolio Manager prior to execution of this Agreement.
- 9. Fees, Charges and Billing**
- A. The Client agrees that under the terms of this Agreement, the Portfolio Manager fee structure as detailed in the Disclosure Document will be computed on the funds / securities managed as opted by the Client, in the capital allocation and fee structure section of the Application Form.
- 9.1. The Client authorizes the Portfolio Manager to debit the management fees at the end of every month/quarter to the Client's account and reimbursed periodically.
- 9.2. The performance fees will be computed and charged as per the fee structure of each investment approach.
- 9.3. Profit computation for profit share fees shall be net of all costs and take into account the mark to market impact on outstanding positions on the computation date.
- 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. Fees shall be charged on any infusion/withdrawal of funds / securities on a pro rata basis based on the number of days for which the funds / securities have been managed. The amount so calculated will be added/reduced to arrive at the fee to be charged.
- B. Brokerage charges and other incidental charges like goods and services tax, securities transaction tax, turnover fee, depository participant charges, custodian and administrative charges and audit fees etc. will be charged to the Client as detailed in the Disclosure Document.
- C. It is agreed that all expenses as listed in the Disclosure Document will be debited to the Client's account maintained by the Portfolio Manager and reimbursed periodically.
- D. 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 or its delegates, including inter alia custodian, advisors, brokers, for and on behalf of, and at the risk and cost of the Client and all liabilities concerning the Assets or 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, advisor, custodian, Registration and Transfer, Research, charges in respect of Securities, audit and attestation fees including legal fees incurred on behalf of the Client, brokerage and stamp duty, costs to be paid for the execution of this Agreement and other incidental and ancillary documentation pursuant to this Agreement, shall be paid or reimbursed by the Client.
- E. The Portfolio Manager shall have a right to appropriate the amounts payable to it under this Clause 5 or under any other provision of this Agreement from the Assets of the Client and the Portfolio Manager may for this purpose sell or otherwise liquidate the Portfolio or any part thereof. 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.
- 10. Taxes**
- In view of the individual nature of tax consequences, the Client is advised to consult his or her tax advisor with respect to the specific consequences to him/her of participation in any of the investment approaches.
- 10.1. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the Clients' tax obligations.
- 10.2. Tax deduction at source: If any tax is required to be withheld on account of any present or future legislation, the Portfolio Manager will be obliged to act in accordance with the regulatory requirement in this regard.
- 10.3. Advance tax installment obligations: It will be the responsibility of the Client to meet the advance tax obligation installments payable on the due dates under the Income tax Act, 1961.
- 11. Custody And Safe Keeping**
- 11.1. The Portfolio Manager shall use reasonable care and diligence for the safe custody of the Assets and shall make reasonable endeavors to, at the Client's cost, arrange for the custody of the Assets by, in its discretion, keeping them in its actual control and/or custody or by appointing and using a Custodian or other agent for this purpose. 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.
- 11.2. 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.
- 12. Conflict of interest**

12.1. The Client shall from time to time promptly 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.

12.2. The Client may from time to time promptly 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 & Takeovers) Regulations, 2011 ("the **Takeover Regulations**"). Compliance with the provisions of the Takeover Regulations on account of any purchases of Securities 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.

12.3. 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 forming part of the Securities held, purchased or sold for the Client's account;
- 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); purchase or sell on its own account or on behalf of any other Client, any Security which forms part of the Portfolio.
- c. 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;
- d. 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.
- e. Act as Principle, Agent or Broker in any transaction; and in such event, the Portfolio Manager shall be separately compensated for its action in that capacity.

### 13. Indemnity

13.1. The Client shall indemnify and keep indemnified the Portfolio Manager or its officers, employees, or representative or any custodian or investment advisor or other person specifically authorized by the Portfolio Manager of, from and against all and any costs, charges, expenses, claims and liabilities (Including but without any limitation to any stamp duty, rates, taxes, and cess) incurred or to be incurred by:

13.5. 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.

a) The Portfolio Manager or its officers, employees, or representative or any custodian or investment advisor or other person specifically authorized by the Portfolio Manager in the performance of the Discretionary Portfolio Management Services and any other rights, duties, obligations and functions under the is Agreement.

b) the Portfolio Manager or its officers, employees, or representative or any custodian or investment advisor or other person specifically authorized by the Portfolio Manager for acting or not acting on the basis of any information or instructions given by the Client.

c) the Portfolio Manager or its officers, employees, or representative or any custodian or investment advisor or other person specifically authorized by the Portfolio Manager for any loss arising as a result of any prosecution of the Portfolio Manager or any of its officers, employees, or representative or any custodian or other person specifically authorized by the Portfolio Manager or 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 authorized 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 representative or any custodian or advisor or other person specifically authorized by the Portfolio Manager or if the Portfolio Manager or any of its officers, employees, or representative or any custodian or advisor or other person specifically authorized 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 (under the Income TaxAct/Wealth TaxAct).

13.2. 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 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 statutory and/or other requirements by the Client and/or its authorized representatives.

13.3. The Client hereby declares that the funds/securities being invested by the Client is derived through legitimate sources and is not held or designed for the purpose of contravention of any Act, Rules, Regulations or any statute or legislation or any other applicable laws or any Notifications. Directions issued by any governmental or statutory authority from time to time. The Client further undertakes that any additional funds or securities handed over by the Client to the Portfolio Manager during the tenure of this agreement shall be from legitimate sources.

13.4. The Client shall indemnify and keep indemnified, the Portfolio Manager or its officers, employees, or representative 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 by the Client and/or its authorized representatives of the provisions of this clause.

13.6. The Client undertakes that the Client shall only invest with the Portfolio Manager those funds 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 its own account. 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

13.7. 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, as 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, applications under the provisions of law.
- d. 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.
- e. 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 debaring 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.
- f. 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.

13.8. The provisions of indemnity contained herein shall survive termination of this agreement.

#### 14. Statement and information to the Client

14.1. 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 at least on quarterly basis. The Portfolio Manager shall furnish to the Client a report for such three-month period containing the following details, namely:

- a. 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.
- b. transactions undertaken by the Portfolio Manager during period covered by the report including date of transaction and details of purchases and sales.
- c. income or other interest received during the concerned period in respect of the Assets by way of interest,

dividend, bonus shares, rights shares or debentures or otherwise.

- d. Beneficial interest received during the concerned period in respect of the Assets by way of interest, dividend, bonus shares, rights shares or debentures or otherwise;
- e. expenses incurred in managing the Assets of the Client; Provided that during any such three-month period, if the term of this Agreement shall expire on a date other than the last day of June, September, December or March 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..
- f. details of risk foreseen by the portfolio manager and the risk relating to the securities recommended by the portfolio manager for investment or disinvestment.
- g. default in payment of coupons or any other default in payments in the underlying debt security and downgrading to default rating by the rating agencies, if any
- h. details of commission paid to Introducer(s) for the particular client.
- i. other information as may be required to be included in such report by SEBI (Portfolio Managers) Regulations, 2020 or other circulars issued by regulatory authorities.

14.2. 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 as per the provisions of Clause 12 of this Agreement. The Client shall bear all costs, charges and taxes that may become payable as a consequence of settling of accounts of the Assets.

14.3. 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.

14.4. Hard copies and soft copies of this Agreement and ancillary documents shall be stored at the Corporate address of the Portfolio Manager or at the discretion of the Portfolio Manager it can be stored in any place in India.

#### 15. Statements In Electronic Form

15.1. The Portfolio Manager may send the statements, reports and other documents in respect of the Portfolio Management Services to the Clients in physical and/or electronic form.

15.2. The Client hereby agrees and permits the Portfolio Manager to provide all the statements, reports and other documents in respect of the Portfolio Management Services rendered by the Portfolio Manager under the terms of this agreement, in electronic form through the internet (web-based). Such statements, reports and other documents shall be duly authenticated by means of a digital signature as specified in the Information Technology Act, 2000 and the rules made there under. Such statements, reports and other documents shall be sent to the client at its e-mail account(s) provided by the client for the purpose or created for the client by the Portfolio Manager as per the specific request of the client. The Client further agrees as under:

- a. The Client shall access the statements, reports and other documents issued by the Portfolio Manager electronically. The Client understands that it is the Client's responsibility

- to review all such statements, reports and other documents as issued by the Portfolio Manager.
- b. Such statements, reports and other documents shall be deemed to have been delivered on the day when the same is sent electronically by the Portfolio Manager.
  - c. Should the Client experience any difficulty in opening a document electronically delivered by the Portfolio Manager, the Portfolio Manager may, on receipt of intimation from the Client in that behalf, make the required delivery by any other electronic means ( e-mail, fax, electronic mail attachment, or in the form of an available download from the back-office website) or in paper based format.
  - d. 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. 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.
  - e. 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 any one of the e-mail account(s) provided by the Client for the purpose or created by the Portfolio Manager for the Client, at the Client's specific request and the Portfolio Manager has not received any report indicating bouncing back of such electronic delivery from any of such e-mail account(s). In other words, e-mail sent to any one of the 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)
  - f. The Portfolio Manager agrees that in case of receipt of bounced back notification from all the e-mail account(s), the Portfolio Manager shall make the required delivery by any other electronic means (e-mail, fax, electronic mail attachment, or in the form of an available download from the back-office website) or in paper based format immediately thereafter. However the Client agrees that the Portfolio Manager shall not take cognizance of out-of office/out-of-station auto replies and the Client shall be deemed to have received such electronic mails.
  - g. The Portfolio Manager shall not be responsible for non-receipt of documents sent via electronic delivery due to change in/incorrect e-mail address / correspondence 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.
  - h. The Portfolio Manager shall not be liable or responsible for any statement, report or document received from frauds or impostors or any consequences thereof.
  - i. The Portfolio Manager shall not be liable for any problem, which arises at the Client's computer network because of the Client receiving any statement, report or document from the Portfolio Manager. The Portfolio Manager may also post the statements, reports and other documents pertaining to the Portfolio Management Services rendered to the Client on the website of the Portfolio Manager and the same can be accessed by the Client on the website with the help of the login and password given to the Client by the Portfolio Manager. The Client shall ensure confidentiality and secrecy of the login id and password. The Portfolio Manager shall not be liable or responsible for any breach of secrecy.

losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

- i. Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
- 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 may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- iv. The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
- v. The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the market place and industry specific and macro-economic factors. The investment approach is given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.
- vi. Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.
- vii. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
- viii. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.
- ix. Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
- x. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
- xi. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the

## 16. No warranty of portfolio manager/risk factors

The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any

- “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
- xii. Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- xiii. There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.
- xiv. Prepayment risk: there may be unscheduled return of principal on a particular Security, which may result in a reinvestment risk.
- xv. Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income Security may default. Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default.
- xvi. The Net Asset Value may be affected by changes in settlement periods and transfer procedures.
- xvii. Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.
- xviii. Risks pertaining to investments in Gold ETF's will be as provided in the disclosure document of the Portfolio Management Services. However, some of the specific risks may include market risks, currency risks, counter party risk, liquidity risk and loss of physical gold.
- xix. Currency Exchange Rate Risk: The Client's portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the price of the Client's portfolio Securities or in foreign exchange rates or prevent losses if the prices of these Securities should decline. Performance of the Client's Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Client's portfolio may not correspond with the Securities positions held.
- xx. In case of investments in mutual fund, the Client bear the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.
- xxi. After accepting the Assets for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss.
- xxii. Risks associated with investment in equity instruments using Quantitative Analysis/ Quant Model: Some of the Risks attached with Quantitative Analysis are: (i) Market Risk: Like any other equity investments, these are subject to market risk. (ii) Modeling Error: Quant models are subject to price and volume inputs. It is possible that some of these inputs are entered incorrectly. The quant model selected by the Portfolio Manager may not perform as tested; such a scenario is entirely possible and would result in a loss. (iii) Deviation from theoretical model: A quant model is theoretical in nature, however at times the market may act unexpectedly resulting in a loss, the quant model cannot account for any such market behavior. The quant model may initiate a sell signal; however, the stock may not have adequate liquidity at that moment forcing the portfolio manager to further drive down the stock price.
- xxiii. Spread risk: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the Strategy accordingly.
- xxiv. Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.
- xxv. Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned: (i) The promoter may choose not to accept the discovered prices (ii) Regulatory hurdles may delay any specific corporate action.
- xxvi. Risk Associated with Securitized Debt: Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
- xxvii. Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.
- xxviii. Risk factors associated with Derivatives: Derivative products are leveraged instruments and 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 the 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. 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. Trading in derivatives has the following risks: (i) An exposure to Derivatives in excess of the hedging requirements can lead to losses. (ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment



transaction. (iii) Derivatives carry the risk of adverse changes in the market price. (iv) Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

xxix. The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable.

xxx. Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio.

xxxi. Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.

xxxii. Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

xxxiii. Operational and IT Risk: there may be risks related to the exposure to loss due to human error or fraud, or from a system of internal controls that fails to adequately record, monitor and account for transactions or positions. There may also be risks related to hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fires, cyclones or floods and other force majeure events, more specifically stated in Clause 20 of this Agreement.

xxxiv. The Client acknowledges and confirms that the purchases and sale of Securities have inherent risks and accordingly, any loss, damage, cost, expenses, direct, indirect or consequential on account of purchase and sale of assets / Securities by the Portfolio Manager with the funds of the Client shall be that of the Client. The Portfolio Manager shall not in any way, directly or indirectly be responsible or liable for the loss, damage, cost, expenses, direct, indirect or consequential, which arises to the Client for any reason whatsoever including but not limited to on account of recommendations made, error of judgment, acts of brokers, custodians, intermediaries etc., except in case of wilful default or misfeasance, fraud, malafide and gross negligence.

xxxv. The Client further 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 regulation, at least 2 days prior to the date of this agreement.

xxxvi. The Client hereby confirms that he/she/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 extend to a total loss of value of the Assets due to, inter alia:

(i) 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;

(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 impeding readjustment of portfolio composition,

(v) Volatility of the stock markets, 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 slay or otherwise and disputes raised by third parties.

(vii) Low possibilities of recovery of loss due to expensive and time - consuming legal process

xxxvii. 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.

## 17. Confidentiality

17.1. The Client will treat as confidential (both during and after the termination of the relationship between the Parties) any information obtained from or learned about the Portfolio Manager, including without limitation, its investment approach or holdings or its products or services in the course of their relationship under this Agreement. The Client will not disclose the same to any third party without the Portfolio Manager's prior written consent. These obligations shall not apply to information which (i) is, or becomes, known to the public, (ii) is received by the Client from a third party entitled to disclose it, or (iii) is disclosed to competent government authorities or courts or other tribunals in accordance with the requirements of the Applicable Laws

17.2. The Client consents and authorizes the Portfolio Manager to hold and process any personal information relating to the Client (including information relating to repayment or fulfillment of the Client's obligations under this Agreement or failure thereof, details of any of the Client's accounts, assets, transactions and account relationship with the Portfolio Manager (if any)), biometric information to uniquely identify the Client and financial information obtained by the Portfolio Manager in connection with or pursuant to this Agreement and dealings between the Portfolio Manager and the Client, whether it concerns the Client, its relevant beneficial owner(s) (if applicable) or acquaintances.

17.3. The client consents and authorizes the Portfolio Manager to share with Client's Introducer / Referrer, if any, as mentioned on account opening form or on schedules to this agreement, the details of any of the Client's accounts, assets, transactions and account relationship with the Portfolio Manager in connection with or pursuant to this Agreement and dealings between the Portfolio Manager and the Client

## 18. No Partnership

This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between the Parties. Neither Party shall have any right to obligate or bind the other Party or Parties other than stipulated in this Agreement in any manner whatsoever and nothing contained in this Agreement shall give any rights of any kind to any third parties.

## 19. Term & Termination

- 19.1. This Agreement is deemed to have commenced on and from the date of its signing / execution
- 19.2. This Agreement shall continue to subsist until terminated by the Portfolio Manager or the Client in accordance with the provisions of this Agreement.
- 19.3. The Termination of this Agreement can take place in any of the following circumstances, namely:
- Misrepresentation by the Client at the time of account opening or otherwise;
  - By Operation of Law
  - Breach of terms of the Agreement by the Client or any fraud committed by the Client in respect of transactions under this Agreement;
  - Suspension or Cancellation of Registration of the Portfolio Manager by SEBI e. Bankruptcy or Liquidation of the Portfolio Manager.
  - Any proceedings or investigations that involve the Client or his / her /its properties have been initiated or is ongoing; or
  - Client fails to fulfill his / her / its payment obligations under this Agreement or otherwise due to the Portfolio Management
  - Insolvency, bankruptcy, winding up or liquidation, or lack of legal capacity or death or disability of the Client.
  - By Mutual Consent.
- 19.4. The Client may at any time terminate this Agreement by not less than [60] days' written notice of termination to the Portfolio Manager in writing. Provided that the Client shall provide a shorter notice period to terminate this Agreement if the events mentioned in Clause 19.3 have occurred.
- 19.5. The Portfolio Manager may cease to render Portfolio Management Services to the Client at any time after receiving written notice of termination from the Client.
- 19.6. The Portfolio Manager may cease to render Discretionary Portfolio Management Services to the Client at any time after receiving written notice of termination/ withdrawal under Clause 4 or Clause 9 of this agreement from the Client. Upon termination of this Agreement, the Portfolio Manager shall within a period of 30 days from the date of termination notice, pay and/or deliver the Assets 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 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. Till such termination of this agreement, the Portfolio Manager shall be entitled to act in its capacity as Portfolio Manager as per this agreement.
- 19.7. 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. 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 of this agreement 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.

- 19.8. Upon the termination of this Agreement as a consequence of the death of the Client (or, in case the Client comprises of two or more persons, death of any such person) the Portfolio Manager shall be entitled to deliver the Assets as follows:

- where the Client comprises of only one person, the Portfolio Manager shall be entitled to:

permit the nominee of the Client (if any, designated in the Application) or, if for any reason the same is not possible or practicable, permit such persons as the Portfolio Manager has bona fide reason to believe are the 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 opened in the name of the Client), if the rules of operation of the Bank Account and/or the Depository Account so permit; and/or

deliver Assets to the nominee of the Client (if any, designated in the Application) or, if for any reason it is not possible or practicable to deliver the Assets to the nominee, to such persons as the Portfolio Manager has bona fide reason to believe are the heirs, executors or administrators of the deceased Client.

- where the Client comprises of two or more persons, the Portfolio Manager shall be entitled to:

- permit the surviving person(s) who comprise the Client ("survivor/s") to operate the Bank Account (if opened in the name of the Client) and/or the Depository Account (if opened in the name of the Client), if the rules of operation of the Bank Account and/or the Depository Account so permit; and/or.

- deliver Assets to the survivor/s. Upon acting in accordance with the provisions of this clause 26.8, the Portfolio Manager shall stand discharged of all obligations hereunder or otherwise in relation to the Assets. 20.8 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.

## 20. Waiver

No forbearance, relaxation or inaction by any party at any time to require the performance of any provision of this Agreement shall in any way affect, diminish, or prejudice the right of such party to require the performance of that or any other provision of this Agreement or be considered to be a waiver of any right, unless specially agreed in writing.

## 21. Alteration

No change or modification of this Agreement shall be valid unless the same shall be in writing and signed by both Parties; provided however, the Portfolio Manager may from time to time alter the agreement if required, for complying with any change in statute, Regulations or with the requirements of any competent authority and further provided that a Client request via its registered email address

regarding changes in information submitted by the client at the time of account opening with portfolio manager, changes in fees, top up or redemption that has been accepted by the Portfolio Manager via its registered email address shall be considered as a valid amendment to this Agreement. The same shall be intimated to the Client by the Portfolio Manager and the Client shall be deemed to have agreed to the alterations.

## 22. Notices

- 22.1. All notices to the Client shall be sent to the addresses, facsimile numbers or e-mail address stated in Application. A certificate from the Portfolio Manager that any notice was sent to an e-mail address on a particular date or at a particular time shall be conclusive and final and binding on the Client.
- 22.2. 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: 3rd Floor, Narayana House, Opp-Shellpump Road Sur No-128419, Plot No-4/9, Prahladnagar, Satellite, Ahmedabad, Gujarat – 380015.

## 23. Proxies

All proxies, annual reports, shareholder information and all other similar or related material received by the Portfolio Manager in relation to the Investments, 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.

## 24. 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 execute, deliver and perform this Agreement and has taken all necessary action (corporate, statutory, contractual or otherwise) to authorize 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 any order, judgment or decree applicable to it; or
  - b. 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.

## 25. Settlement of disputes/arbitration

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 at Ahmedabad 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.

In the event of death, refusal, neglect, inability or incapability of the persons so appointed to act as an arbitrator, the Portfolio Manager may appoint a new arbitrator. The Arbitral Award shall be in writing and shall state reasons upon which it based. The Award shall be binding on the Parties. The award may include award of costs, including reasonable attorney's fees and disbursements

## 26. Grievance redressal and dispute settlement mechanism

In the event the Client has any grievance on the services standards or reporting that the Portfolio Manager has agreed to provide, then the Client shall write to the Compliance Officer of the Portfolio Manager, whose contacts coordinates are provided below:

Name: Ms. Krishna Mukesh Choksi  
 Address: 3rd Floor, Narayana House, Opp-Shellpump Road Sur No-128419, Plot No-4/9, Prahladnagar, Satellite, Ahmedabad, Gujarat – 380015  
 Tel: +91 6357956903  
 Email: [ig@steptrade.capital](mailto:ig@steptrade.capital)

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

- a. **SEBI SCORES Platform:** SEBI has launched a new web based centralized grievance system called SCORES i.e. SEBI Complaints Redressal System, for online filing, forwarding and tracking of resolution of investor complaints.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System), post which SEBI may forward the complaint to the Portfolio Manager and the Portfolio Manager will suitably address the same. SCORES is available at <https://www.scores.gov.in/scores/Welcome.html>

## 27. 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:

- i. 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.
- ii. In the event of any change in the status of the Client, the Client shall forthwith inform the Portfolio Manager of the same.
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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.
- vii. 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.

- viii. 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).
- ix. 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

The parties have caused this Agreement including the schedules forming part thereof to be signed on the day and year and manner hereinafter mentioned.

*(Signature pages to follow)*



**Declaration**

I/WE hereby confirm and agree that I/We have read and understood the terms and conditions under clauses no. 1 to 29 including Schedule I of PMS Agreement

**Schedule I**

**Description of the Client**

NAME	
<b>Constitution:</b>  (Individual/Sole Proprietorship/ Partnership Firm/Trust/ Other registered/incorporated under the provisions of the Indian Partnership 1932/ the Companies Act, 1956/ Relevant Regulation	
Residence Address/Office Address/Registered Office Address:	

SIGNED AND DELIVERED  
by the within named Portfolio Manager  
the hand of its authorized representative

in the presence of (Name & Signature of the Witness)

SIGNED AND DELIVERED  
by the within named Client

Name & Sign of First / Sole  
Holder/ Authorized Signatory

Name & Sign of Second Holder  
/ Authorized Signatory

Name & Sign of Third Holder  
/ Authorized Signatory

in the presence of:

Name of the Witness:

Signature of the Witness:

Date:

In WITNESS WHEREOF the Parties hereto, acting through their authorized signatories, have executed this agreement as of the day and year first above written.

SIGNED AND DELIVERED by within named [Client]

**Schedule I Details of the Client**

Name of the Client	[•]
Name of the joint Client (if any)	[•]
Permanent / Registered Address of the (first) Client	[•]
Email address	[•]
Capital Commitment	[•]
<b>Period of Agreement</b>	[•]

Schedule II Fee Schedule

a) **Steptrade SME Fund**

<b>Upfront Fees (including GST)</b>	<b>NIL</b>
Management Fee	Fixed Management Fee: 2.5% per annum (p.a.) of the daily average assets under management in the portfolio
Custody Fee	4 bps per annum (p.a.) of the daily average assets under management in the portfolio
Transaction Charges	<b>Nil</b>
Fund Accounting Fees	4 bps per annum (p.a.) of the daily average assets under management in the portfolio
Hurdle Rate	18% p.a
Performance Fee	30%
Hurdle Rate	Brokerage shall be charged at actuals.
Performance Fee	30%
Brokerage	Brokerage shall be charged at actuals
Account Opening & Closing	<b>Nil</b>
Account Maintenance	<b>Nil</b>
Professional Fees for NRI Clients	<b>Nil</b>
Exit Load	<p>Withdrawal before completion of 1 year, an exit load@ 3% will be charged.</p> <p>Withdrawal after completion of 1 year but before completion of 2 years, an exit load@ 2% will be charged.</p> <p>Withdrawal after completion of 2 years but before completion of 3 years, an exit load@ 1% will be charged.</p> <p>Withdrawal after completion of 3 years, no exit load will be charged.</p> <p>Exit load period will continue from date of respective Capital Inflow.</p>



## Illustration of Fees for Steptrade SME Fund

	Amount in Indian Rupees	Gain of 30%	Loss of 30%	No change
A	Capital Contribution	50,00,000	50,00,000	50,00,000
B	Amount available for investment	50,00,000	50,00,000	50,00,000
C	Profits / loss during the year	15,00,000	-1500000	NILL
D	Gross value of Portfolio as on 31st March	65,00,000	35,00,000	50,00,000
E	Less : Other expenses ( brokerage , custody and fund accounting etc. ) calculated on average of B and D for this illustration(1.5% )	86,250	63,750	75,000
F	Portfolio value post expenses	64,13,750	34,36,250	49,25,000
G	Less : Management Fee(2.5%) calculated on average of B and F for this illustration	142672	1,05,453	1,24,062
H	Portfolio value post Management Fee and other expenses	62,71,078	33,30,797	48,00,938
I	Hurdle rate of 18 % p.a.	900000	NILL	NILL
J	Balance post Hurdle rate	53,71,078	33,30,797	48,00,938
K	Pre - Performance Fee returns %	7.42%	-33.38%	-3.98%
L	Performance Fee % 30%	2.23%	NILL	NILL
O	Performance Fee ( L x A )	1,11,500	NILL	NILL
p	Portfolio Value post Performance Fee ( H - O )	61,59,578	33,30,797	48,00,938
Q	Total charges in the year ( E + G + O )	3,40,422	1,69,203	1,99,062
	<b>Net returns %</b>	<b>23.19%</b>	<b>-33.38%</b>	<b>-3.98%</b>

**b) Steptrade Rising Star Fund**

<b>Upfront Fees (including GST)</b>	<b>NIL</b>
Management Fee	Fixed Management Fee: 2.5% per annum (p.a.) of the daily average assets under management in the portfolio
Custody Fee	4 bps per annum (p.a.) of the daily average assets under management in the portfolio
Transaction Charges	<b>Nil</b>
Fund Accounting Fees	4 bps per annum (p.a.) of the daily average assets under management in the portfolio
Hurdle Rate	18% p.a
Performance Fee	30%
Hurdle Rate	Brokerage shall be charged at actuals.
Performance Fee	30%
Brokerage	Brokerage shall be charged at actuals
Account Opening & Closing	<b>Nil</b>
Account Maintenance	<b>Nil</b>
Professional Fees for NRI Clients	<b>Nil</b>
Exit Load	Withdrawal before completion of 1 year, an exit load@ 3% will be charged. Withdrawal after completion of 1 year but before completion of 2 years, an exit load@ 2% will be charged. Withdrawal after completion of 2 years but before completion of 3 years, an exit load@ 1% will be charged. Withdrawal after completion of 3 years, no exit load will be charged. Exit load period will continue from date of respective Capital Inflow.

## Illustration of Fees for Steptrade Rising Star Fund

	Amount in Indian Rupees	Gain of 30%	Loss of 30%	No change
A	Capital Contribution	50,00,000	50,00,000	50,00,000
B	Amount available for investment	50,00,000	50,00,000	50,00,000
C	Profits / loss during the year	15,00,000	-1500000	NILL
D	Gross value of Portfolio as on 31st March	65,00,000	35,00,000	50,00,000
E	Less : Other expenses ( brokerage , custody and fund accounting etc. ) calculated on average of B and D for this illustration(1.5% )	86,250	63,750	75,000
F	Portfolio value post expenses	64,13,750	34,36,250	49,25,000
G	Less : Management Fee(2.5%) calculated on average of B and F for this illustration	142672	1,05,453	1,24,062
H	Portfolio value post Management Fee and other expenses	62,71,078	33,30,797	48,00,938
I	Hurdle rate of 18 % p.a.	900000	NILL	NILL
J	Balance post Hurdle rate	53,71,078	33,30,797	48,00,938
K	Pre - Performance Fee returns %	7.42%	-33.38%	-3.98%
L	Performance Fee % 30%	2.23%	NILL	NILL
O	Performance Fee ( L x A )	1,11,500	NILL	NILL
p	Portfolio Value post Performance Fee ( H - O )	61,59,578	33,30,797	48,00,938
Q	Total charges in the year ( E + G + O )	3,40,422	1,69,203	1,99,062
	<b>Net returns %</b>	<b>23.19%</b>	<b>-33.38%</b>	<b>-3.98%</b>

**Notes:** The above table is only for illustrative purposes.

### A. Ongoing Fees and Expenses

#### 1. Management Fee

“**Assets Under Management (AUM)**” means the value of the Securities in the Client Portfolio. For the purpose of calculating the Assets Under Management, Securities shall be valued at the Fair Market Value and/or marked to market basis, as applicable.

The Management Fee for the 1<sup>st</sup> year shall be payable monthly in arrears, calculated on the basis of the average value of the daily Assets Under Management and will be computed pro rata from the date on which the capital/Securities are managed on behalf the Client.

Management Fee from the 2<sup>nd</sup> year onwards shall be payable monthly in arrears, calculated on the basis of the average value of the daily Assets Under Management for the previous quarter.

All applicable taxes (including goods and services tax (GST)) and levies, if any (together with surcharge and additional surcharge, as may be applicable) leviable on such Management Fee, shall be charged to the Client Portfolio.

#### 2. Performance Fee

Performance Fee shall be charged on last day of every calendar quarter. For the first year, the Performance Fee shall be calculated and charged on the 31<sup>st</sup> day of calendar quarter immediately following the date on which the capital/securities are managed on behalf the Client.

In case of termination of Agreement during the year, the Performance Fee accrued till the termination date shall be payable to the Portfolio Manager.

All applicable taxes (including GST) and levies, if any (together with surcharge and additional surcharge, as may be applicable) leviable on such Performance Fee, shall be charged to the Client Portfolio.

### B. Other Charges/Expenses

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

All applicable taxes (including GST) and levies, if any (together with surcharge and additional surcharge, as may be applicable) leviable on such other charges, shall be charged to the Client Portfolio.

I/We have read and understood the above fees and charge's structure. I/We am/are in agreement with the same. (Confirmation of fees in clients own handwriting)

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Applicant Signature

**\* Notes:**

In the above illustration, Management Fees and other expenses have been calculated on the average of the capital contribution and the gross value of the portfolio as on 31<sup>st</sup> March. The other expenses above are based on indicative rates for brokerage, STT, custody charges, transaction charges and other statutory charges.

All fees and charges in the above illustration do not include applicable taxes (including GST) and levies. All applicable taxes (including GST) and levies (together with surcharge and additional surcharge, as may be applicable) shall be charged to the Client Portfolio and may be subject to change to the extent that the applicable statutory rates change.

Please note that the table above is only for illustrative purposes.

**Declaration of Acceptance**

*[I/We, within named Client, have read and understood the above Schedule on fees and charges structure. I/We am/are in agreement with the same.]*

*[The above declaration to be reproduced by the Client in his/her hand.]*

By and under the hand of the Client:

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(Client's Name & Signature)