

PORTFOLIO INVESTMENT MANAGEMENT AGREEMENT

This Agreement is entered into at Mumbai on this the _____ day of _____, 20____ between

- a) Individuals _____,
- b) Firm _____,
- c) HUF _____,
- d) Trust _____,
- e) Company _____,

incorporated/registered with relevant authority and having its residence/ registered office at

(hereinafter referred to as "the Investor", which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its legal heirs, successors and permitted assigns) of the One Part

AND

Kisan Ratilal Choksey Shares & Securities Private Limited., a company incorporated under the Companies Act, 1956, and having its registered office at 1102, Stock Exchange Tower, Dalal Street, **MUMBAI -400 001**. (hereinafter referred to as "KRCPMS", which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors and permitted assigns) of the Other Part.

WHEREAS

1. KRCPMS is a Portfolio Manager registered with the Securities and Exchange Board of India (SEBI) carrying on business of, *inter alia*, stock broking and portfolio management in the Capital Markets in India.
2. KRCPMS is a member of the National Stock Exchange of India Registration No. INB230975832 and Stock Exchange, Mumbai under registration no. INB010975834.
3. KRCPMS is a registered Portfolio Manager with the SEBI Registration No. PM/INP000001124.
4. The Investor is desirous of appointing KRCPMS as his agent for managing the investment of his funds and avail of investment advisory and portfolio management services from KRCPMS for investments to be made in securities in the capital markets in India.

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

1. APPOINTMENT (Please Select 1.1 or 1.2)

1.1 Non-Discretionary Portfolio Management (NDPM)

1.1A The Investor hereby appoints KRCPMS as Portfolio Manager for seeking advisory/consultancy services under Non-discretionary Portfolio Management

1.2 Discretionary Portfolio Management (DPM)

- 1.2A The Investor hereby appoints and authorizes KRCPMS as a Portfolio Manager with absolute and unfettered discretion under the terms of this Agreement, to act as his/its agent *inter alia*, for the purpose of managing the Funds by investing it in capital/money market instruments as KRCPMS may deem fit from time to time including in those enumerated in Annexure 1A hereto and to hold all or any of such investments in the name of KRCPMS on behalf of the Investor, including any undivided interest/share in one or more mutual funds units and/or capital/money market investments.
- 1.2B It is further agreed that KRCPMS, at its sole discretion has the right to purchase, acquire, obtain, take, hold, sell, transfer, substitute or change all or any of the investments in any securities including shares, stock, bonds, debenture, mutual funds units made on behalf of the Investor in pursuance of this Agreement and the Investor further agrees that he/it shall be deemed to have approved/ratified any such actions and deeds mentioned above.
- 1.3 KRCPMS shall be authorized to execute in the name and on behalf of the Investor, all necessary deeds, documents writings, forms, applications, as may be necessary to be filed with any company, organization, institution, government body or department in any manner relating to the management of the investment and to take all necessary actions to enable KRCPMS to effectively exercise the authority conferred in hereto and for any incidental and consequential actions. The Investor shall from time to time execute such further authorization and writings as may be required by KRCPMS for effectively exercising its functions under this Agreement. KRCPMS shall not change any terms of the agreement without prior consent of the client.
- 1.4 KRCPMS shall provide such services as may be agreed in writing, which may consist of portfolio management, occasional advisory or such other services as may be specifically agreed in writing between the KRCPMS and the Investor.
- 1.5 KRCPMS shall not be obliged to effect any transaction, which is believed to be a breach of any statute, law or regulation.
- 1.6 KRCPMS shall be under no obligation and shall accept no liability for any other person for whom the Investor may be acting and it is hereby further stated that the obligation of the Investor shall in no way be diminished by reason of the Investor acting for or on behalf of any other person.

2. PARTICIPATION

- 2.1 The Investor shall ensure that he is entitled to and eligible to enter into this Agreement with KRCPMS. The Investor having agreed to avail of the Service shall be deemed to have satisfied himself/herself/itself with regard to eligibility in this respect.
- 2.2 In the event of a change in the name, residential address, and/or structure or constitution of the Investor during the currency of this Agreement, it shall be the duty of the Investor to keep KRCPMS duly informed of such a change in the name, address and/or structure or constitution.
- 2.3 KRCPMS shall be authorized by the Investor to do anything which KRCPMS considers necessary or appropriate in order to provide the services or to comply with any applicable laws or regulations as may reasonably be appropriate. The Investor agrees to ratify and confirm everything lawfully done in the exercise of such discretion by KRCPMS.
- 2.4 The Investor represents and warrants that the Portfolio is free from all liens, charges or other encumbrances and that no liens, charges or other encumbrances shall arise from its acts of omission.

3. SCOPE OF SERVICES

- 3.1 The services provided by KRCPMS are subject to the activities permitted under SEBI (Portfolio Managers) Regulations, 1993 as a Portfolio Manager and would include advisory services, Investment Management, custody of securities, keeping track of corporate benefits associated with the securities, providing audited reports to clients on yearly basis. The Portfolio manager shall act in a fiduciary capacity and as a trustee and agent of the Investor's account.
- 3.2 Where the service involves the giving of any advice or the provision of any information, the KRCPMS shall use reasonable endeavors in order to ensure that such advice or information is accurate. KRCPMS shall not be liable for any costs, claims, liabilities, expenses or losses which the Investor may suffer as a result of relying on any such advice or information.

4. INVESTMENT OBJECTIVE AND GUIDELINES

The investment objective of KRCPMS as portfolio manager is to maximize the annualized return on the funds placed with KRCPMS through a judicious deployment in capital/money market instruments, mutual fund units or derivatives based on a professional, detailed assessment and evaluation of all relevant macro and micro factors pertaining to the economy and industry.

4.1 Types of securities in which investment would be made specifying restrictions,

The investment shall be made in the following categories:

Asset Class

Equity Shares
Derivatives
Mutual Funds: Equity
Mutual Funds: Debt
Debentures
Government Securities
Any other Money Market Instruments

4.2 Particulars regarding amount, period of management, repayment or withdrawal.

4.2.1 Minimum Amount

The Portfolio Manager shall not accept from the client, funds or securities worth less than twenty five lacs rupees where the client is a Resident Indian or Non Resident Indian.

4.2.2 The Investor shall initially make available to KRCPMS funds for the purpose of investing in the form of:

The amount of Rupees _____, issent herewith by
Cheque/Demand Draft no. _____ dated _____ drawn on
_____ in favour of KRCPMS AND/OR Securities as per list
attached.

4.2.3 The investor can give the additional fund to KRCPMS for investments/additional securities by giving a written instruction and by way of addendum to be attached herewith.

4.2.4 Securities/ Mutual fund units which are detailed in Annexure 1A, out of which the securities detailed in Annexure 1B are being retained by KRCPMS to be included in the portfolio being managed by KRCPMS under this Agreement (referred to in this Agreement as the "Funds").

Provided that in case the Funds are being made available in the form of securities/ mutual fund units, the Funds to be managed in terms of this Agreement shall be the equivalent of their sale proceeds on sale in the open market, which sale shall be at the discretion of KRCPMS.

Provided further that in case securities are being retained as provided in (ii) above, the value shall be taken as the quoted value on the Bombay/National Stock Exchange at close of trading day prior to date of this Agreement

Provided further that in case mutual fund units are being retained as provided in (ii) above, the value shall be taken as based on the Net Asset Value (NAV) declared by the concerned mutual fund as on the date of this Agreement.

- 4.2.5 The Funds accepted by KRCPMS for management under this Agreement shall be credited to a bank account with a scheduled commercial bank/custodial. All receipts, payments, income, expense, sale proceeds, purchase cost of transactions of investments shall be debited or credited as the case may be to this account. Additional funds subsequently made available by the Investor will be credited to the same account.

4.3 *Period of management*

This Agreement shall commence on the date of its execution and shall be effective perpetually till withdrawal of Portfolio from the date of its execution, unless it is specifically terminated by the parties hereto in accordance with Clause 5.15.

- 4.4 The Investor can withdraw cash or securities/mutual funds from the portfolio account under the conditions mentioned in clause 5.15. The portfolio manager shall not change any terms of the agreement without the consent of the Investor.

4.5 *Repayment on withdrawal*

KRCPMS shall repay the proceeds based on a written notice given by the client as soon as the securities are liquidated. Please also refer to Clauses 5.14 & 5.15 for repayment and withdrawals.

4.6 *Taxation aspects such as Tax Deducted at Source, income taxes and other direct taxes*

Any income tax and other direct tax liability on the investments, the Funds, the yield (i.e., income/profits from the investments made by KRCPMS on behalf of the fund of the Investor, net of the transaction cost incurred by KRCPMS) and other returns will be solely borne by the Investor. In the event of there being any withholding tax or tax deductible at source relating to any income received by KRCPMS on behalf of the Investor on the investments, the credit in respect thereof shall be passed onto the Investor if legally permissible and practicable to do. In the event of KRCPMS paying any taxes on behalf of the Investor, KRCPMS may debit the same to the Investor's account and the Investor agrees to reimburse the same to KRCPMS forthwith.

4.7 *Investment of the funds*

Subject to any restrictions and/or prohibitions in the applicable guidelines/regulations of SEBI, the Funds shall be invested in any financial, money market or other instruments or investment including in, but not limited to shares, stocks, scripts, bonds, units, mutual funds, convertible debentures, non-convertible debentures, certificates of deposits, Government Securities, treasury bills and certificates of securitized debt. However no investment will be made in badla financing and lending to

corporate or any other bodies and such instruments as may be expressly prohibited by SEBI/other regulatory bodies. KRCPMS hereby agrees not to pledge or loan securities without the written permission of the Investor and the leveraging of portfolio shall not be permitted in respect of investment in derivatives. KRCPMS may, subject to authorization by the client in writing, participate in securities lending.

The money or securities accepted by KRCPMS shall not be invested or managed by KRCPMS except in terms of the agreement between KRCPMS and the Investor. KRCPMS shall not while dealing with Investors' funds indulge in speculative transactions that are, 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. KRCPMS shall not borrow funds or securities on behalf of the Investor. KRCPMS shall not lend securities held on behalf of the Investors to a third person except as provided under SEBI regulations.

The Portfolio managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence

5. FUNCTIONS, OBLIGATIONS, DUTIES AND RESPONSIBILITIES

- 5.1 The Investor hereby authorizes KRCPMS to do all such acts or things on behalf of the Investor as may be incidental or consequential to the discharge of its responsibilities under this Agreement.
- 5.2 KRCPMS shall invest the funds in accordance with the SEBI (MANAGER) Regulations 1993 as amended from time to time (hereinafter referred to as 'the Regulations').
- 5.3 KRCPMS may deal in securities on behalf of the investors through member brokers of the Stock Exchange, Mumbai (BSE), National Stock Exchange of India Ltd. (NSE) or through any other registered member broker.
- 5.4 KRCPMS may manage the funds raised or collected or brought from outside India in accordance with the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
- 5.5 KRCPMS shall provide quarterly statement on investments made on behalf of the Investor and the returns realized thereon.
- 5.6 5.6 KRCPMS shall maintain books and records relating to its transactions for the investor to ensure compliance with the Regulations and shall audit its accounts as required under the Regulations.
- 5.7 5.7 KRCPMS may open and operate under the Power of attorney bank account(s) for and on behalf of the Investor to deposit and withdraw monies and fully operate the same for the purpose of this Agreement. Such bank account may be opened with HDFC Bank Limited or with any other bank as per the discretion of KRCPMS.
- 5.8A KRCPMS may open and operate under the Power of Attorney DEPOSITORY ACCOUNT FOR AND ON BEHALF OF THE Investor for depositing the securities and fully operate

the same for the purposes of this Agreement. Such depository Agreement may be opened with Kisan Ratilal Choksey Shares & Securities Pvt. Ltd. Depository participant of National Securities Depository Limited (NSDL) and Central Depository Services Ltd. (CDSL) or with any other depository participant at the discretion of KRCPMS.

5.8B KRCPMS may open and operate bank account with the Custodian under Power of Attorney and may open and operate safe custody/depository account to keep in safe custody, the securities acquired on behalf of the client.

5.9 KRCPMS shall from time to time

- i. Purchase or sell securities inter se among Investors.
- ii. Deal with any broker and/or dealer in securities or depository participants, approved intermediaries and banks to the extent permitted by applicable law.
- iii. Purchase or hold or sell at the prevailing market price for the investors account securities inter se among two investor's account even if it enjoys business relations with the investor.
- iv. The investor hereby permits KRCPMS to lend any of its securities under this Agreement through an approved Intermediary under the Securities Lending Scheme 1997 at the discretion of KRCPMS.

5.10 The terms of this agreement are in compliance with the Act, SEBI (Portfolio Managers) Regulations, 1993, rules, regulations, guidelines under the SEBI Act and other Laws/rules/regulations/guidelines.

5.11 Information & Reporting to Clients

KRCPMS shall provide the Investor with Quarterly statements on investments made by KRCPMS on behalf of the Investor. The reports shall include composition, description and value of securities in the portfolio, cash balance, transactions details (of purchase and sale), interest, dividends, bonus received, etc. The books of accounts and relevant material documents maintained by KRCPMS relating to the investors accounts may be inspected by the client during office hours on any working day after giving a due notice to KRCPMS.

The Transaction Report and the Summary Portfolio Report shall be made available on the web site of KRCPMS with restricted access to each client.

5.12 Maintenance of Client wise transaction and related Books of Accounts

KRCPMS shall maintain accounts separately in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided under SEBI. KRCPMS shall maintain client wise transaction and related books of accounts such as bank books, ledger books, summary reports, transaction reports and financial statements viz. Profit and loss Account and Balance Sheet.

5.13 Provisions regarding audit of accounts as required under the SEBI (Portfolio Managers) Regulations, 1993

The accounts of the Portfolio Management Scheme will be audited by an independent Chartered Accountant atleast once in a year and a copy of the certificate issued by the Chartered Accountant shall be given to the Investor. The statements/documents/reports furnished by KRCPMS to the Investor shall present a true and fair picture of the actual transactions. The Investor may 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 the course of such an audit.

5.14 Settlement of accounts and procedure therefore including the provisions for payment on maturity or early termination of the contract.

- 5.14.1 All purchases and sale transactions between KRCPMS's account and the Investor's account shall be at prevailing market price. Inter se allocation of aggregate purchase or sale shall be on pro-rata basis and at the weighted average price of the day's transactions.
- 5.14.2 KRCPMS shall take due care in the scrutiny of the title validity or genuineness of the securities received or delivered.
- 5.14.3 KRCPMS shall not be responsible for any loss or damage arising from any cause beyond its control including, without limitation, acts or failure to act by any other party including any stock exchange, clearance house, strikes, civil commotion, acts of God, floods, riots or war.
- 5.14.4 All collections of the securities and of any funds or other property paid or distributed in respect of the securities are made at the risk of the Investor.
- 5.14.5 KRCPMS shall not be liable for any liabilities, damages, losses or claims or expenses resulting from or caused by carrying out any instruction from the Investor.
- 5.14.6 KRCPMS may rely on the performance of its duties under these presents and without liability on its part on any instructions believed by KRCPMS in good faith to be genuine and given by the Investor and/or any person authorized by the Investor.
- 5.14.7 It is expressly agreed that save and except the services expressly stipulated in these presents, no other services shall be rendered by KRCPMS.
- 5.14.8 It is agree that KRCPMS's fees to be charged to the Investor pursuant to these presents shall under some circumstances be charged on return sharing basis.
- 5.14.9 KRCPMS agrees and undertakes not to directly and/or indirectly benefit out of the Investors funds or securities save and except to the extent of KRCPMS's interest disclosed to the Investor.
- 5.14.10 KRCPMS shall be responsible for the safe keeping of the Investors Funds and securities and shall maintain adequate records identifying the securities/Funds as being held by KRCPMS for the account of the Investor. To the extent of securities held by KRCPMS, such securities shall be physically segregated from the assets of KRCPMS, any person other than the Investor, or any other person, firm or corporation.

5.15 Repayment And Withdrawal / Early Termination

- 5.15.1 If the Investor wishes to withdraw from this Agreement, he shall inform KRCPMS in writing at least thirty 30 days in advance. In the event of the Investor withdrawing, KRCPMS shall either liquidate the portfolio and hand over the sale proceeds net of costs to the Investor or based on the written instructions of the Investor, liquidate part of the portfolio and hand over the balance in the form of investments or KRCPMS may even transfer the whole of the portfolio in shares/Mutual Funds Units/Govt. Securities by

transferring shares to the Investors demat account.

- 5.15.2 In the event of death, insolvency, dissolution or winding up of a Investor during the currency of the Agreement and on receipt of notice in writing of such an event, the KRCPMS shall cease operations of the Investor's account and the agreement shall stand terminated with effect from the date of notification of such an event (hereinafter referred to as "Date of Termination")
- 5.15.3 The portfolio funds can be withdrawn or taken back by the Client as his sole risk before the maturity of the contract under the following circumstances:
- (i) Voluntary or compulsory termination of the services by KRCPMS or the Investor.
 - (ii) Suspension or cancellation of the certificate of the registration of KRCPMS by SEBI.
 - (iii) Bankruptcy or liquidation of KRCPMS.
- 5.15.4 Notwithstanding what is stated herein, KRCPMS reserves the absolute discretion independently to terminate this agreement at any time by giving notice of not less than thirty days, without assigning any reason and cause the Investor to transfer its Portfolio/Accounts to other intermediaries.
- 5.15.5 KRCPMS by disbursement through payment or otherwise as provided in clause 5.15.1 hereinabove, subject to all the above recoveries, deductions and appropriations, is validly discharged of all its obligations owed to the Investor or his nominee, as the case may be in respect of this Agreement.
- 5.15.6 KRCPMS may, at its sole discretion, choose to effect interim disbursements of amounts against the amount payable as per clause 5.15.1 hereinabove the Investors, on annual or such other frequencies, as KRCPMS deems fit, without setting any precedent whatsoever, on the part of KRCPMS and without conferring any right on the Investor demand such other similar disbursements from KRCPMS at any stage in respect of this Agreement.

5.16 Custody

Without prejudice to any other terms of this Agreement, all/any mutual fund units/financial money market instruments and other assets acquired by KRCPMS on behalf of the Investor in pursuance of this Agreement shall be kept in the custody of KRCPMS. KRCPMS is hereby authorized to be paid/reimbursed custodian service fees and all costs, charges, expenses, taxes, stamp duties or any other levies and expenses incurred by and/or levied on it for acting in accordance with this Agreement. In the event that KRCPMS deals with a depository in connection with the services being provided under this Agreement, the Investor shall bear all costs and expenses in connection with such dealings, including costs of dematerialization, rematerialisation and transaction costs, and shall suitably empower and authorize KRCPMS to pay out such costs and expenses from the Investor's account with the relevant depository.

6. FEES & CHARGES

- a) Notwithstanding anything contained herein or elsewhere a Portfolio Management fee as Specified in the scheme agreed to be payable on initial corpus amount including any additional placement of funds, if any during the tenor of this agreement shall be paid by the investor to KRCPMS.
- b) In addition to the Portfolio Management Fees stated hereinabove, the Investor shall pay

to KRCPMS, such transaction fee, brokerage charges, safe custody fees, demat fees, and/or disbursement, made in respect of the investments (and/or disbursements) made under this Agreement. The above fee, charges and expenses shall be directly debited to the Investor's Account as and when the same becomes due for payments.

For the purposes of this Agreement, the Investor agrees to and is aware that KRCPMS may utilize following services of approved intermediaries for broking , depository services, securities lending Scheme ,1997 or any other services as required from time to time for the purpose of servicing the Investors under this Agreement. The Investor is aware and agrees that the fees and charges payable for availing the said services under this agreement shall be debited to the Investors' account which shall be in addition to KRCPMS fees payable by the investor under this agreement. The said fees as debited to the Investor's account are not reversible.

- c) KRCPMS shall be entitled to recover any incidentals in the form of stamp duties, transaction charges, securities transaction tax, registration charges, brokerage, commission, compensation, professional fees, legal fees, consultancy charges, service charges etc. and such other expenses, duties, charges incurred on behalf of the Investor on account of the Service provided to him/her/it (hereinafter referred to as 'the incidental expenses'). The incidental expenses shall be charged to the Investor's account from time to time at the sole discretion of the Portfolio Manager.

7. ATTENDANT RISKS AND OTHER RISK FACTORS

- a) The Investor acknowledges that he has received and read the disclosure document provided by KRCPMS as specified in schedule V of the Regulations along with a certificate in Form C as specified in Schedule I of the said Regulations.
- b) The Investor acknowledges that he has read the Risk Disclosure documents in respect of investing the funds in derivatives and is being informed, is aware and has understood the risks associated with investing the funds in the capital and the money market instruments including derivatives but not limited to equities and other securities included in clause 4 hereinabove.
- c) The Investor acknowledges that he is aware of the obligations under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and is solely responsible for the obligations there under.
- d) KRCPMS shall not be responsible for any loss or damage occasioned including but not limited to market conditions. Force majeure circumstances, delays on the part of Companies, Corporations or other authorities including Government authorities in registering transfer of securities or other factors beyond the control of KRCPMS. The securities which are so purchased and refused to be transferred in the name of the Investor or KRCPMS by the company or the Corporation concerned will be sold by KRCPMS, at the best available market rate, at the risk and responsibility of the Investor concerned.
- e) Subject to applicable taxation laws , in force from time to time, KRCPMS shall not on its own deduct tax at source while effecting disbursement payments of amounts interim or otherwise to the Investor under this Agreement, and shall certify the debit of tax at source to the Investor's Account on a pro rata basis as far as practicable. For securities if any held in the name of KRCPMS on behalf of the Investor and other independent Portfolio Investors, as on date of declaration or record date of any Company's dividend declaration, KRCPMS shall receive the company's tax deduction at source certificate for any dividend subjected to tax. KRCPMS shall only distribute the net dividend to each Investor account. Any tax Securities if any held in the name of KRCPMS on behalf of the Investor, and other independent Portfolio Investors, as on date of declaration or record date of any Company's tax deduction at source certificate for any dividend subjected to

tax. KRCPMS shall only distribute the net dividend to each Investor account. Any tax arising on such disbursement shall be charged to the Investor's account and shall be borne by the Investor in full. The Portfolio Manager shall not undertake tax planning of the Investor under this Agreement. In the event of any demand being made on KRCPMS by the appropriate revenue/taxation authorities to pay certain amounts towards purported tax liability in connection with or arising from the transactions carried out by KRCPMS, the Investor hereby expressly authorizes KRCPMS to comply with the demand and pay such amount to the revenue/taxation authority and debit the Investor's account accordingly. KRCPMS will be at liberty but not obliged or required to resist such demands, if the KRCPMS at its discretion, thinks fit, and in this event, KRCPMS is hereby authorized to incur any fees, duties, commission, costs, charges, and expenses required to so resist the demand including the costs of appointing any chartered accountant, tax expert, lawyer, Solicitor or advocate but KRCPMS will not be responsible if ultimately demand is held/upheld to be proper and lawful. Despite the fact that KRCPMS does not undertake tax planning of the Investor, if in pursuance of directions issued by the appropriate revenue/taxation authorities, KRCPMS is obliged to represent any Investor in respect of any of the aforesaid directions, KRCPMS is hereby empowered by the Investor to file, sign, and/or execute such papers and/or documents on behalf of the Investor as might be necessary in that behalf. If required, the Investor shall have executed a valid, irrevocable power of Attorney in favor of the Portfolio Manager or any other nominee(s) or agents(s) of the KRCPMS conferring inter alia powers to represent the Investor before such revenue/taxation authorities and comply with other requirements envisaged in this Agreement. The Investor agrees and undertakes to furnish any information, papers and documents as may be required by the KRCPMS in connection with tax incidence or implications and also for the proper operation of the Investor's account thereto.

- f) KRCPMS shall not be liable for any default of any counterparty, bank, custodian, sub-custodian or other entity which holds money, investments or other documents of title on behalf of the Investor or with or through whom transactions on Investors behalf are conducted.
- g) The Investor agrees and understands that the services being provided by KRCPMS under this Agreement involves certain risks and considerations generally associated with making investments in securities and that there can be no assurance that KRCPMS can achieve the investment objectives stated herein. The Investor further agrees and understands that the value of his/its Portfolio may be affected generally by factors affecting capital markets in India, such as price and volume volatility in the stock markets, interest rates, currency exchange rates, foreign investments, changes in Government policies, taxation, political, economic or other developments and closure of the stock exchanges and that there is also risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record keeping of securities. Further, the Investor also agrees and understands that consequently, the NAV of the Portfolio may fluctuate, and the value of the Portfolio may increase or decrease. Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the scheme will be achieved. Past performance of the portfolio manager does not indicate the future performance or any other future schemes of the portfolio manager. Risk arising from the investment, investment strategy and asset allocation are inherent with the investment is will be responsibility of the investor.

8 PROTECTION OF ACTS DONE IN GOOD FAITH

- 8.1 KRCPMS shall not be under any liability on account of anything done or omitted to be

done or suffered by the Investor in good faith in accordance with or in pursuance of any request or advice of the investment made or any committee of KRCPMS or any agents.

- 8.2 In relation to any advice given by KRCPMS or any transaction executed or arranged for the Investor, if KRCPMS or any associate shall have any interest, relationship or arrangement, or duty which is material or which gives or may give rise to conflict of interest with that of the investors interest in relation to the investment or the transaction concerned or investments or assts underlying , KRCPMS shall take reasonable steps to ensure fair treatment for the Investor client in relation to any such transactions and shall comply with a policy of independence and shall disregard any such interest when making a recommendation to the Investor or on behalf of the Investor.
- 8.3 KRCPMS shall be entitled to give advice or make recommendations to the Investor, notwithstanding any material interests and shall not be under a duty to disclose to Investor any profit arising therefrom. However in such cases KRCPMS may in its absolute discretion decline to carry out a transaction for the Investor or to give advice to the investor or make a recommendation to the Investor.

9. CLIENTS RIGHT AND LIABILITY

- 9.1 In no event shall an Investor have or acquire any rights against KRCPMS except as expressly conferred on such Investor hereby, nor shall KRCPMS be bound to make payment to any investor, except out of funds held by it for the purpose under the provisions of these presents. The liability of the Investor under the Discretionary Portfolio shall be restricted to the extent of the value of the Investor's portfolio with KRCPMS under this Agreement as on that date.
- 9.2 All investments made by KRCPMS on behalf of the Investor shall be subject to risk which cannot be accurately predetermined. KRCPMS shall give no warranty as to performance or profitability of the Investors investments or any part thereof.
- 9.3 Investor warrants and undertakes to comply with all laws, rules, regulations and disclosures requirements of any relevant jurisdiction, exchange, market or regulatory authority which shall apply to the investments of the Investors from time to time and including but not limited to the Companies Act 1956, (including the obligation to notify dealings in relevant shares during a takeover when the Investor acts either alone or together with other parties to an agreement or understanding) and the SEBI (Substantial Acquisitions of Shares and akeovers) Regulations 1997.
- 9.4 The Investor shall promptly give or procure to be given to KRCPMS all information and assistance as KRCPMS may reasonably require in order to enable or assist KRCPMS to achieve compliance with any such obligation in relation to the investments Portfolio of the Investor or the Services provided by KRCPMS to the Investor.

10. ACCESS TO INFORMATION

The investor will be able to verify the books of accounts etc as per the Clause 5.12 of the agreement.

11. BILLING

KRCPMS shall debit the Investors account at the end of each quarter for the amount of remuneration due and payable to it. KRCPMS shall also debit the Investors account at



the end of each month for custody charges.

12. INDEMNITY TO KRCPMS

- a) Without prejudice to the right of indemnity available to KRCPMS under any law KRCPMS and every person appointed by KRCPMS shall be entitled to be indemnified out of funds deposited in respect of all liabilities, losses and expenses incurred by them in the execution of these presents hereby declared or any of the powers, authorities and discretions vested in them pursuant to these presents and against all actions, proceedings, cost, claims and demands in respect of a matter or thing done or omitted in any way in relation to these presents and KRCPMS shall have a lien and may retain and pay out of funds and securities in their hands all sums or other amounts necessary to effect such indemnity.
- b) KRCPMS shall not be responsible for any loss or expenses resulting to one person as Investor, from the insufficient or deficiency of value of or title to any property or security acquired or taken on behalf of the Investor or the insolvency or wrongful act or any debtor or any person under obligation to the Investor or anything done in good faith in the execution of the duties of his office or in relation thereto.
- c) In case of discretionary Portfolio services, KRCPMS shall not be responsible to the Investor for any claim, loss or damage on account investments, disinvestments by KRCPMS in different securities for different Investors in the same scheme.
- d) The Investors shall indemnify and keep indemnified KRCPMS from and against any charges arising out of payment of stamp duties or any taxes, including income tax and other direct taxes and from and against all costs, charges and expenses incurred by or levied on the Portfolio Manager under this Agreement on behalf of the Investor.

The funds given to KRCPMS by the investor will have to be invested in accordance with this agreement and in accordance with the terms, conditions and regulations of the SEBI. KRCPMS shall not be responsible for any recommendations made to Investors in respect of Investments in Financial/Capital Market arising out of errors of judgment. KRCPMS shall also not be responsible for any negligence or willful misfeasance of brokers, custodians or other intermediaries in connection with their acts and discharge of their duties.

13. DEATH OR DISABILITY

The investor would include unless repugnant to the meaning or context thereof, its legal heirs, successors, executor and permitted assigns. The nomination form is also attached herewith in case of death or disability of the investor.

14. ASSIGNMENT

- 14.1 Either party to this Agreement shall not assign or transfer all or any of its rights or obligations hereunder without the prior consent of the other party.
- 14.2 This Agreement is personal to the Investor and shall not be capable of assignment by the Investor nor shall the same be capable of being transferred by the Investor. KRCPMS may however on giving the Investor 30 days written notice, appoint any appropriate Associate to provide the services in the place of KRCPMS and shall then transfer all the rights due and accruing to KRCPMS and all obligations thereunder under this Agreement.

- 14.3 A person who is not a party to this Agreement may not enforce any of its terms under the Indian Contract Act but this shall not affect any right or remedy of a third party which exists or is available other than under such Act.
- 14.4 The client can assign the agreement provided he has given the nomination form as per the Annexure enclosed herewith.

15. GOVERNING LAW

The agreement is made in compliance of the Securities and Exchange Board of India (Portfolio Managers) Amendment Regulations, 2002.

16. TAPE RECORDING OF CONVERSATIONS

The Investor is aware that the KRCPMS may have a system of tape recording the conversations between the Investor's representative and the Manager, either personally or over the telephone and hereby permits KRCPMS to do so. Such recordings may be relied upon by the Managers as and when required to resolve disputes in connection with the trading transactions.

17. SETTLEMENT OF GRIEVANCES/ DISPUTES AND PROVISION FOR ARBITRATION

Indemnity

The Investor hereby agrees that he has understood the risks associated with investments in stock markets and is fully conscious of the same. It is hereby agreed that KRCPMS shall not be liable in respect of any loss resulting from such risks. KRCPMS shall not be responsible for any loss or damage occasioned as a result of any factor whatsoever other than fraud or gross and willful negligence on its part. Without prejudice to the above, the Investor specifically agrees not to hold KRCPMS responsible for any loss or damage occasioned by adverse market conditions, force majeure circumstances, delays on the part of companies or other authorities including government authorities in registering transfer of shares and securities, errors of judgment on KRCPMS's part or other factors beyond its control. Notwithstanding the generality of the foregoing, KRCPMS shall not be liable if any or all of the securities and/or shares become illiquid due to force majeure circumstance, adverse market conditions, court statutory or regulatory injunctions, attachments or other prohibitions affecting them and/or other factors beyond their control.

The Investor shall indemnify KRCPMS and keep it indemnified from and against any damage, losses, cost, outgoing or expense arising out of or relating to the investments made by KRCPMS on behalf of the Investor, including any charges, costs, expenses, outgoing or outflows arising out of payments of stamp duty, transfer charges, legal expenses, and any taxes including income tax and other direct taxes or duties incurred by and/or levied on KRCPMS as a result of its acting on behalf of the Investor or which are levied on the Investor but are recoverable or are recovered by KRCPMS. KRCPMS shall have a lien on the Funds and the returns thereon for the purpose of indemnifying KRCPMS as aforesaid.

Alterations

The Investor agrees that the acknowledgment and acceptance of the Funds by KRCPMS for management in pursuance of the terms of this Agreement is subject to the terms and conditions specified herein. It is further agreed and confirmed by the Parties hereto that any alterations, variations, change or amendment in any or all of the terms contained in the

Agreement shall be by obtaining prior mutual consent in writing.

Notices

Any, notice, communication or documents to be given to the other party may be given by personal delivery, courier, registered post or fax at the address hereinafter mentioned. The notice shall be deemed to have been served upon the party to whom it is given, if given by personal delivery, when so delivered and acknowledgment received, if given by post on expiration of 3 days after the notice etc. shall have been delivered to the post office and if given by fax upon acknowledged transmission thereof:

Notice to the Investor:

Address: _____



Designated Person: _____



Notice to KRCPMS:

Address: Abhishek, C-5 & 6, 5th Floor,
Dalia Industrial Estate, Link Road,
Andheri (W), Mumbai - 4000 058

Designated Person: Mr. Vikash Khemka

18. Miscellaneous

18.1 Reservation of Rights

No forbearance, indulgence or relaxation or inaction by KRCPMS at any time, to require performance of any of the provisions of this Agreement shall, in any way, affect, diminish or prejudice the right of KRCPMS to require performance of the at provision and any waiver or acquiescence by KRCPMS of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any continuing or succeeding breach of such provisions or a waiver of any right under or arising out of this Agreement, or acquiescence to or recognition of rights and/or position other than as expressly stipulated in the Agreement.

18.2 Cumulative Rights All remedies of either Party under this Agreement, whether provided herein or conferred by statute, civil law, common law, custom, trade, or usage, are cumulative and not alternative and may be enforced successively or concurrently.

18.3 Partial Invalidity If any provision of this Agreement, or the application thereof to any person or circumstance, is or is held to be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflecting the original intent of the unenforceable provision.

18.4 Relationship None of the provisions of this Agreement shall be deemed to constitute a partnership between the Parties hereto and no Party shall have any authority to bind the other Party otherwise than under this Agreement, or shall be deemed to be the agent of the other in any way.



- 18.5 Arbitration If any dispute/difference arises between the Parties hereto during the subsistence of this Agreement or thereafter, in connection with the validity, interpretation, implementation or alleged breach of any provision of this Agreement or regarding questions, including the question as to whether the termination of this Agreement by one Party hereto has been legitimate, such dispute shall be referred to Arbitration. The place of arbitration shall be Mumbai. The Arbitration proceeding shall be governed by the Indian Arbitration & Conciliation Act, 1996. The arbitration proceedings shall be in the English language. The arbitrator's award shall be substantiated in writing. The court of arbitration shall also decide on the costs of the arbitration procedure. The Parties hereto shall submit to the arbitrator's award and the latter shall be enforceable in any competent court of law.
- 18.6 Counterparts This Agreement may be executed in any number of counterparts each of which when executed shall be an original, but all the counterparts together shall constitute one and the same Agreement.
- 18.7 Headings The headings used in this Agreement are merely indicative and shall not in any way guide or restrict the interpretation of the provisions contained herein.
- 18.8 References In this Agreement, references to the singular shall include the plural and vice-versa.

19. Jurisdiction

The laws of India shall govern this Agreement. All legal actions and proceedings if any relating hereto shall be subject to the exclusive jurisdiction of the courts in Mumbai.

Voting Rights

As far as all rights, including voting rights, attached to all the securities invested by KRCPMS on behalf of the Investor are concerned, KRCPMS shall be authorized to exercise the same in such manner, as it thinks fit in accordance with law without reference to the Investor. In the event there is any delay or refusal on the part of any company or authority in registering transfer of any shares or securities, KRCPMS shall be entitled to file and continue any proceedings in any courts or other forums including the Company Law Board at the cost of the Investor. KRCPMS shall keep the Investor informed in respect of such proceedings or actions taken by it.

20. GENERAL

- a) KRCPMS, at its absolute discretion, may act or delegate the performance of its duties, discretions and obligations hereunder to any of its employee(s) or to such agent(s) as it may think fit and may pay any fees/consultancy charges may be charged to the Investor's account as described in clause 6.
- b) All mail and notice from KRCPMS to the Investors shall be sent to the Investor's last known address, as in existence in the records of KRCPMS. All mail and notices from the Investor to KRCPMS shall be sent to the address as stated in this Agreement.
- c) KRCPMS may record telephone conversations with the Investors with or without the use of a warning tone, and may use all such recordings as evidence in the event of a dispute.
- d) KRCPMS may at its sole discretion permit the Investor to mark lien or create a charge on the Investor's account maintained with KRCPMS under this Agreement consisting of investments together with accretions, accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and/or replacement or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash, balances, if any.

- e) Where the due date for any payment to the Investor from KRCPMS under this agreement falls on a Saturday, Sunday or a holiday under the Negotiable Instruments Act, 1881, if any, the same will be made on the next working day.

21. CONFIDENTIALITY

- 21.1 KRCPMS shall be under no duty to disclose the Investor or in making any decision or taking any action in connection with the provision of the Services to take into account any information or other matters which come to the notice of any of the employees, directors, agents or associates of KRCPMS.
- 21.2 where this would or may be a breach of any duty of fidelity or confidence to any other person; or
- 21.3 which comes to the notice of an employee, officer or agent of KRCPMS, but does not come to the actual notice of the account executive or individual providing the Investor with the service in question.
- 21.4 The Parties to the Agreement will at all times keep confidential any information of a confidential nature acquired in connection with this Agreement or the Services, except for information which they are bound to disclose under compulsion of law or by request of regulatory agencies or to their professional advisers in the proper performance of the Services.

21. FORCE MAJEURE

Whilst KRCPMS shall Endeavour to comply with the obligations and duties in a timely manner, KRCPMS shall incur no liability whatsoever for any partial or non performance of its obligations by reason of any cause beyond its reasonable control including but not limited to any communications, systems or computer failure, market default, suspension, failure or closure, or the imposition or change (including the change of an interpretation) of any law or governmental or regulatory requirement and KRCPMS shall not be held for any loss the Investor may incur as a result thereof.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET AND SUBSCRIBED THEIR RESPECTIVE HANDS TO THESE PRESENTS ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN:

SIGNED AND DELIVERED BY THE WITHINNAMED "Investor"

THE ____ DAY OF _____ 20__
In the presence of.....



SIGNED AND DELIVERED BY THE WITHINNAMED "KRCPMS"

M/S. KRC Shares & Securities Pvt. Ltd.

THE ____ DAY OF _____ 20__ In
the presence of.....