

portfolio holdings, should the Client so desire and subject to the Custodian requirements being met. The Portfolio Manager, however, accepts no responsibility for either ensuring availability of overdraft facilities, or for the terms on which such facility might be made available by the Custodian.

- 8.16 The Portfolio Manager shall put in place an alert based system to monitor compliance with the prudential limits on investments as prescribed by SEBI.
- 8.17 The Portfolio Manager shall ensure investment of its Clients' funds on the basis of the credit rating of securities as may be specified by SEBI.
- 8.18 The Portfolio Manager may invest in units of mutual funds only through direct plans.
- 8.19 The Portfolio Manager shall on a best effort basis, assist the Custodian in attending to the complaints of the Client in respect of the non-receipt of dividends, bonus shares, receipt of entitlements and subscription of right shares, transfer of shares and the like. However, the responsibility and liability in respect of the aforesaid shall be entirely that of the Custodian and/or the Client.
- 8.20 The Portfolio Manager shall exercise due care and diligence in rendering service to prevent as far as possible a loss of capital under this Agreement. However, it is understood that investments are made on certain evaluation basis and there can be no assurance with regard to returns or even preservation of capital.
- 8.21 The Portfolio Manager shall ensure proper and timely handling of complaints from the Clients and take appropriate action immediately.
- 8.22 The Portfolio Manager shall ensure that any person or entity involved in the distribution of its services is carrying out the distribution activities in compliance with the said Regulations and circulars issued thereunder from time to time.
- 8.23 The Portfolio Manager shall maintain separate client-wise accounts, which would properly account for the funds received from the clients, investments or disinvestments, all the credits to the account of the client like interest, dividend, bonus, or any other beneficial interest received on the investment and debits for expenses, if any. Even the tax deducted at source as required under the provisions of the Income-Tax Act, 1961, (43 of 1961) shall be recorded in the portfolio account.
- 8.24 The portfolio accounts 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.
- 8.25 The Portfolio Manager shall ensure that any person or entity involved in the distribution of its services is carrying out the distribution activities in compliance with the said Regulations and circulars issued thereunder from time to time.
- 8.26 The Portfolio Manager shall maintain separate client-wise accounts, which would properly account for the funds received from the clients, investments or disinvestments, all the credits to the account of the client like interest, dividend, bonus, or any other beneficial interest received on the investment and debits for expenses, if any. Even the tax deducted at source as required under the provisions of the Income-Tax Act, 1961, (43 of 1961) shall be recorded in the portfolio account.
- 8.27 The portfolio accounts 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.
- 8.28 The Portfolio Manager shall not:
- invest in Securities of any company that is engaged in or derives any benefit from killing of animals, sale of weapons, alcohol or any other item of intoxication;
 - invest in the Securities of any company that has at the time of investment (on the date of purchase) a market capitalization of less than Rs. 50,00,00,000/- (Rupees fifty crores only), except with the specific approval of the Client;
 - trade on margin or indulge in speculative basis on behalf of the Client that is, shall not enter into any transaction for purchase or sale of any securities which is periodically or ultimately settled otherwise than by actual delivery or transfer of Securities except the transactions in derivatives;
 - pledge Securities held on behalf of Client to a third person without obtaining prior written permission from the Client except to the extent of pledge of securities for the purpose of margin payment in respect of derivative trades, where applicable
 - borrow funds or securities on behalf of the Client
 - invest in Securities mentioned in Annexure D hereof;
 - lend Securities held on behalf of the Client except in a manner provided under this Agreement;
 - indulge in any transaction prohibited under the said Regulations such as leveraging of Client's Portfolio(s) in respect of investment in derivatives; or
 - while investing in units of Mutual Funds through direct plan charge any kind of distribution related fees to the Client
 - deploy the Clients' funds in bill discounting, badla financing or for the purpose of lending or placement with corporate or non-corporate bodies.
 - invest the clients' funds in the portfolio managed or administered by another portfolio manager.
 - invest client's fund based on the advice of any other entity.
 - execute off market transfers in Client's account except: (a) for settlement of the Clients' own trades; (b) for providing margin/ collateral for clients' own positions; (c) for dealing in unlisted securities in accordance with the said Regulations; (d) with specific consent of the Client for each transaction; (e) for any other reason specified by SEBI from time to time.
 - invest in instruments as may be expressly prohibited by SEBI from time to time.
 - invest Client's Capital in the unrated securities of associate / related parties of the Portfolio Manager.
- 8.29 As the clauses in this Agreement are drafted keeping in mind the generality of Products offered by the Portfolio Manager, and there may arise occasion wherein certain clauses may not be applicable to a Product in a particular situation, in which case, the Portfolio manager shall have the discretion to adopt the best approach keeping in mind the interests of the Client and general market practice.
- 8.30 The Portfolio Manager may enter into transactions on behalf of the Client for meeting the margin requirements of the broker. The Client warrants that the Client is aware of the inherent risks of such transactions.