9. NO WARRANTY AND RISK DISCLOSURE

9.1 The Portfolio Manager does not provide any warranty (express or implied) as to the appreciation of value of the Securities or otherwise, in which the Capital is invested by the Portfolio Manager. The Portfolio Manager shall not be liable in case of depreciation in the value of the Securities in which the Capital is invested by the Portfolio Manager, or any indirect or consequential losses. The Client confirms to the Portfolio Manager of having read the disclosure document as prescribed under the said Regulations and has understood the risks associated with each type of investments including the standard risks, if any.

9.2 The Portfolio Manager in the ordinary course of business does not deal in physical Securities on behalf of the Client. However, securities received, if any, in the physical form either from the Client as a Capital contribution, or from the company on account of any corporate action like Rights, Bonus, Split, sub-division, amalgamation, merger, etc., the Client acknowledges and confirms that the purchase and sale of Securities on a stock exchange or otherwise has an inherent risk of theft, non-registration of transfer by the company and bad deliveries which includes circulation of fake certificates of Securities, tainted Securities, late delivery of Securities, etc. and accordingly, any loss, damage, cost, expenses, direct or indirect or consequential on account of purchase and sale of Securities by the Portfolio Manager with the Capital 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 or otherwise which arises to the Client on account of the aforesaid eventualities.

9.3 The Portfolio Manager's decisions, taken in good faith, in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of this Agreement or any time thereafter except on the ground of malefice, fraud, conflict of interest or gross negligence.

9.4 The past performance of the Portfolio Manager does not indicate the future performance of the same scheme in future or any other future schemes.

9.5 Any trades undertaken by any of the employees of the portfolio manager are pre-approved by the compliance officer before such execution by the employee to ensure that there is no conflict of interest with any of the transaction undertaken on behalf of any clients of the company. However, transactions of purchase and sale of securities by portfolio manager and its employees, if any, who are directly involved in investment operations will be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.

9.6 Investment decisions made by the Portfolio Manager may not always be profitable The liability of the client shall not exceed his investment with Portfolio Manager.

9.7 Pending deployment of Capital in Securities in terms of the investment objective, the Capital of the Scheme may be invested in short-term deposits of banks.

9.8 To the extent that the Portfolio Manager invests in the fixed income Securities, the value of the portfolio shall be affected by changes in the general level of interest rates.

9.9 Any act, omission or commission of the Portfolio Manager will be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission taken or failure to act save and except in cases of gross negligence, error of judgement and/or, willful misfeasance in connection with the discharge of duties fraud of the Portfolio Manager.

9.10 The Portfolio Manager shall not be liable for any loss or damage whatsoever caused to the Client by reason of any act or omission of the Client or various intermediaries and all other ancillary and other agents appointed pursuant to this Agreement including but not limited to the Custodian, stockbrokers, auditor, Bank provided the Portfolio Manager has acted with good faith and due care.

Standard Risks:

1. Investment in Securities entails a high degree of risk and that there can be no assurance by the Portfolio Manager about returns thereon or even as regards preservation of capital. There is no assurance or guarantee that the objectives of the product will be achieved. The Client is therefore, investing through this Agreement, only such funds that can be entirely risked and places them with the Portfolio Manager for its best advice.
2. Every portfolio manager has a particular style of investing. In each business cycle the client will see both the merits and demerits of the strategy adopted. All strategies have some base assumptions which may or may not be right due to the external circumstances like monsoon, political developments, international events (terrorism/war/SARS, etc.) and hence clients should only consider that all strategies are best at any given point in time and can also be unsuccessful with external changes.
3. There are tremendous risks of having concentrated portfolios in either any sector/ company and the Portfolio Manager follow a very sound approach of de–risking the entire portfolio by diversifying the same within many sectors/ companies. Diversification of portfolio can always give safe returns to clients with a relatively lower degree of risks but such a strategy does not ensure a huge out performance.
4. Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk) and price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk).
5. Equity instruments by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments.
6. The Portfolio Manager will make best efforts to safeguard the Client's interests with regard to dealings with capital market intermediaries such as brokers, custodians, bankers, etc. Any contract or understanding arrived at by the Portfolio Manager with any such intermediary shall be strictly on behalf of the Client, and the Portfolio Manager shall not be responsible for the due performance of the contract or understanding by the intermediary
7. The Portfolio Managers' decision (taken in good faith) in deployment of the clients' funds is absolute and final and cannot be called in question or be open to review at any time during the period of the agreement or any time thereafter except on the ground of malefice, fraud, conflict of interest or gross negligence.
8. The liability of the client shall not exceed his investment with Portfolio Manager.
9. The debt investments and other fixed income Securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
10. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities which may expose the Client's Portfolio to liquidity risks.
11. The arrangement of pooling of funds from various clients and investing them in Securities could be construed as an 'Association of Persons' ("AOP") in India under the provisions of the Income-Tax Act, 1961 and taxed accordingly.