

**4. SUBSCRIPTIONS**

- 4.1 The total Capital deposited by the Client with the Portfolio Manager shall not be less than Rs. 50,00,000/- (Rupees Fifty lakhs only) or the amount which is the sum of the minimum Capital required to be deployed by the Client in accordance with each part of Annexure A or such other amount as may be prescribed by SEBI from time to time. In the event that such limit is altered by SEBI, the Portfolio Manager shall intimate the Client who shall immediately ensure compliance with the minimum amount requirement failing which this Agreement shall be terminated by the Portfolio Manager notwithstanding anything contained in this Agreement.
- 4.2 The Client shall provide to the Portfolio Manager Capital in form of cash and/or Securities. In the event the Client provides Securities as Capital, the Securities that are acceptable to the Portfolio Manager shall be valued at the closing price on the date of receipt of such Securities by the Portfolio Manager. Remaining Securities, which are not accepted by the Portfolio Manager shall be sold at prevailing market rates. The Net Realized Value of such Securities shall then be included in the Capital.
- 4.3 The Client shall be entitled to bring in additional cash and/or Securities for investment purposes, over and above the initial amount of Capital placed by him and such additional investment by the Client shall be covered by the terms and conditions of this Agreement and form a part of the Capital and submit the details thereof (including the Product it wants to subscribe to) in the format attached hereto as Annexure B. The dates on which the Client shall bring the additional cash and/or Securities in accordance with this Clause 4.3 shall be hereinafter referred to as the "Subsequent Subscription Dates".
- 4.4 The details of the Capital being deposited by the Client on the Initial Subscription Date are contained in Annexure B of this Agreement and such Capital shall be hereinafter referred to as the "Initial Subscription Amount".
- 4.5 The Client shall indemnify the Portfolio Manager from any claim or losses arising from transaction in Securities held jointly by the Client with any other person.

**5. INVESTMENT OF CAPITAL**

- 5.1 In management of the Client's Capital, the Portfolio Manager may, at its sole discretion apply for, subscribe, obtain, buy, accept, acquire, endorse, transfer, redeem, renew, exchange, dispose, sell or otherwise deal in the Securities and generally manage, convert, transpose and vary the investments in such manner as the Portfolio Manager in its absolute discretion thinks fit and proper. The various Products in accordance with which the Portfolio Manager shall invest the Client's Capital have been mentioned in different parts of Annexure A hereto (which may be amended from time to time by way of exchange of letter(s)) along with investment objectives and other specific conditions of each Product. The Portfolio Manager shall endeavour to apply its professional expertise and best efforts in order to help the Client achieve its goals as stated in Annexure A herein. Client's prior written consent shall be required for any change in the nature of the Product being offered to the Client.
- 5.2 The Portfolio Manager shall invest funds of his Clients in the securities listed or traded on a recognized stock exchange, money market instruments, units of Mutual Funds and other securities as specified by SEBI from time to time, on behalf of its clients. Money market instruments include commercial paper, trade bill, treasury bill, certificate of deposit and usance bills.
- 5.3 The Portfolio Manager shall ensure compliance with the prudential limits on investments as may be specified by SEBI, which are applicable at the Client level at the time of making investments by the Portfolio Manager.
- 5.4 The Portfolio Manager shall also be entitled to invest the idle cash balances of the Client in various deposits with a bank such as fixed deposit and for investment in marketable fixed income instruments, which shall include debentures, units of income funds or money market funds. Investments in such marketable fixed income instruments shall be treated as investment in Securities and shall be hereinafter referred to as "Cash Equivalents".
- 5.5 The Client understands and acknowledges that investment in Securities entails a high degree of risk and that there is no assurance by the Portfolio Manager about returns thereon or even as regards preservation of Capital. The Client is therefore, investing through this Agreement, only such Capital that can be entirely risked and places them with the Portfolio Manager for its best advice.
- 5.6 The funds deployed by the Client and Securities in relation to the different Products shall be kept in the Pool Bank Account. However, in the case of Non- Resident Indians (NRI's) the funds deployed by the Client shall be kept in separate accounts in the name of the Client with a Bank appointed by the Client in consultation with the Portfolio Manager which will also account for all the Clients' assets and any additions, income, receipts and disbursements in connection therewith. The Capital of the Client contributed for a Product shall be deployed in accordance with this Agreement and the said Regulations.
- 5.7 The Client agrees and acknowledges that the investments of the Portfolio Manager and/or its other clients, officers, associates, brokers or custodian may be similar or dissimilar to holdings in the Client's account and such investments may be made at different times and/or at different prices than investment made on its behalf.
- 5.8 All transactions in securities between the Portfolio Manager and the Client or between the Client and any other client(s) of the Portfolio Manager shall be at prevailing market prices.
- 5.9 The liability of the Client shall not exceed his investment with the Portfolio Manager.
- 5.10 The Client hereby grants its consent to the Portfolio Manager to lend the Securities held on behalf of the Client in accordance with SEBI Securities Lending Scheme, 1997.

**6. RENEWAL**

Renewal of this agreement shall be governed by Clause 26 of this Agreement.

**7. REDEMPTIONS**

- 7.1 Subject to the minimum amount the Client is required to invest as per Clause 4.1 above, the Client shall be entitled to withdraw any cash or Securities as the case may be, at any point of time by giving a written notice ("Withdrawal Notice") of the same to the Portfolio Manager. In the Withdrawal Notice, the Client shall give details of the Product, quantum of cash and/or Securities that are being withdrawn by the Client.
- 7.2 In the event the Client desires that the Portfolio Manager sells certain Securities to facilitate withdrawal of funds, then the Client shall give details of the