



# Nippon **india** Portfolio Management

(Formerly Reliance Portfolio Management)

## Nippon Life India Asset Management Limited

(formerly known as Reliance Nippon Life Asset Management Limited)

### PMS Solutions

Investor Code : \_\_\_\_\_

Investor Name : \_\_\_\_\_

Distributor Name : \_\_\_\_\_

Corporate Office : 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai 400013.

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Good gets *better*



# DISCRETIONARY PORTFOLIO MANAGEMENT AGREEMENT

**THIS DISCRETIONARY PORTFOLIO MANAGEMENT AGREEMENT** is entered into at Mumbai on this \_\_\_\_\_ day of \_\_\_\_\_ by and between **Nippon Life India Asset Management Ltd (NAM India) (formerly known as Reliance Nippon Life Asset Management Ltd)**, a company incorporated under the Companies Act, 1956 and having its registered and corporate office at 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai 400013, (hereinafter referred to as **"Portfolio Manager"** which expression shall unless repugnant to the meaning or context thereof be deemed to mean and include its successors and permitted assigns) of **One Part**;

**AND**

**Mr/Ms./Mess.** \_\_\_\_\_  
\_\_\_\_\_ resident of / having its registered office at/having its principal place of business at \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(hereinafter referred to as **"the Client"** which expression shall include, unless repugnant to or inconsistent with the subject or context thereof, his/her/its successors, heirs, administrators and executors) of the **Other Part**.

(The Portfolio Manager and the Client are hereinafter individually referred to as 'Party' and collectively as 'Parties')

## WHEREAS

1. The Portfolio Manager is a portfolio manager registered with the Securities and Exchange Board of India vide registration no. INP000007085.
2. The Portfolio Manager is engaged in providing portfolio management services to its clients on discretionary basis.
3. The Client is desirous of engaging the services of the Portfolio Manager for managing the investment of his/her/its funds on a discretionary basis to avail of portfolio management services from the Portfolio Manager.
4. The Portfolio Manager and the Client hereby record their mutual understanding and their common intention in the manner as hereinafter provided.

**NOW THIS AGREEMENT WITNESSTH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:**

## 1. DEFINITIONS AND INTERPRETATIONS

### 1.1 Definitions

**"Agreement"** means this Discretionary Portfolio Management Agreement and shall include all modifications, alterations, additions or deletions thereto made in writing upon mutual consent of the Parties hereto.

**"Assets"** means the funds and Securities standing to the credit of the designated Cash Account(s) and DP Account(s), which are managed by the Portfolio Manager in terms of this Agreement.

**"Cash Account"** means the bank account(s) in the name of the Client or a pooled bank account of all the Portfolio Manager's clients in the name of the Portfolio Manager, maintained with the bank designated by the Portfolio Manager, in which the funds are deposited by the Client for their management by the Portfolio Manager in terms of this Agreement.

**"Custodian"** means an entity registered as a custodian with SEBI under applicable law and appointed as custodian by Portfolio Manager from time to time and on case to case basis.

**"DP Account"** means the demat account(s) in the name of the Client maintained with the depository participant designated by the Portfolio Manager in which the Securities are deposited by the Client as well as the Portfolio Manager for their management by the Portfolio Manager in accordance with the terms of this Agreement.

**"FEMA"** means Foreign Exchange Management Act, 1999 and shall include the rules and regulations issued thereunder from time to time, including amendments thereof.

**"High Water Mark"** shall mean the value of the portfolio / account computed in accordance with applicable law at which performance fee is charged.

**"Issuer"** means a person issuing any Security.

**"Money Market Instruments"** means and includes commercial paper, trade bill, treasury bills, certificate of deposit, usance bills, fixed deposits and such other security/instrument as permissible under applicable law or as specified by SEBI from time to time.

**"NAV"** means net asset value of the Portfolio of the Client.

**"NRI"** means an individual resident outside India who is a citizen of India and/or an individual who is an Overseas Citizen of India.

**"Portfolio"** means the total Assets of the Client including the aggregate holding of all investments, Securities and funds belonging to the Client.

**"SEBI"** means Securities and Exchange Board of India established under sub-section (1) of Section 3 of Securities and Exchange Board of India Act, 1992.

**"Securities"** means shall mean securities listed or traded on a recognized stock exchange, Money Market Instruments, units of mutual funds or other securities as specified by SEBI from time to time (Provided that with respect to NRIs, the term "Securities" shall mean and include only those Securities in which an NRI is permitted to invest in terms of the extant Foreign Exchange Management Act, 1999 and other statutes, rules and regulations as may be applicable to investments by NRI in India).

**"Taxes"** means all taxes, cess, dues penalties, charges, duties, etc. including goods & service tax, service tax, excise duty, sales tax, turnover tax, withholding tax, value added tax whether direct or indirect, tax to be deducted at source by the Portfolio Manager or any other tax including tax payable on the income earned on the investments made for and on behalf of the Client by the Portfolio Manager.

### 1.2 Interpretation

- (a) In this Agreement, the headings are for convenience only and shall not constrain or affect the construction or interpretation in any way whatsoever;
- (b) where a word or phrase is defined, other parts of speech and grammatical variations of that word or phrase shall have corresponding meanings; and
- (c) the words importing the singular include the plural and vice versa; words importing a gender include the other gender.

## 2. Appointment of the Portfolio Manager

The Client hereby appoints the Portfolio Manager and the Portfolio Manager hereby accepts such appointment, as the portfolio manager of the Client for managing

the Assets on a discretionary basis and to provide administrative services in respect of the Assets deployed by the Client, on the terms and conditions as contained herein. The Portfolio Manager shall act in a fiduciary capacity and as a trustee and agent of the Client's account.

For the purposes of this Agreement, the phrase 'managing the Assets on a discretionary basis' shall mean that the Portfolio Manager shall have complete freedom and authority to invest/ divest the Assets in such manner as it shall deem fit, without seeking any confirmation from the Client.

### 3. Participation

The Client hereby confirms that the Assets are his personal property and that he/she/it is eligible to enter into this Agreement and has the capacity to perform the rights and obligations arising out of this Agreement. The Client having agreed to avail of the service herein shall be deemed to have satisfied himself/ itself with regard to capacity and competency of the Portfolio Manager in this respect.

### 4. Investment objective and guidelines

In pursuance of the objectives of the Client to avail of the portfolio management services that can achieve preservation and growth of his/her / its Assets, the Portfolio Manager shall endeavor to apply its professional expertise in order to help the Client achieve his/ her / its objectives, as herein above stated.

### 5 Investment of funds

- 5.1 The Portfolio Manager shall invest / divest the Client's Assets in accordance with the relevant investment approach (as opted by the Client under Client Profiling Form) subject to SEBI (Portfolio Managers) Regulations, 2020 ("SEBI Regulations") as amended from time to time and such other extant regulations, as may be applicable.
- 5.2 The Portfolio Manager may deal in Securities on behalf of the Client through a member broker of the Bombay Stock Exchange Limited, Mumbai ('BSE'), or a member broker of the National Stock Exchange of India Limited ('NSE') or through any other registered member or broker through a panel of brokers, which may include associate brokers of the Portfolio Manager. The Portfolio Manager's decision (taken in good faith) in the deployment / divestment of the Client's Asset shall be absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or at any time thereafter except on the ground of mala-fide, fraud, conflict of interest or gross negligence.
- 5.3 The Portfolio Manager shall manage the funds raised or collected or brought from outside India in accordance with the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (applicable in the case of non- resident client).
- 5.4 The Portfolio Manager shall have the sole and absolute discretion to invest / divest the Client's Assets in permissible Securities, including the Securities issued by any of the group or associates companies / entities of the Portfolio Manager. The Client hereby acknowledges and agrees that the Portfolio Manager may invest / divest the Client's Assets in / from any of the mutual fund units issued by Nippon India Mutual Fund.
- 5.5 The Portfolio Manager may also invest in any financial instruments issued by any of the group companies of the Portfolio Manager. The Portfolio Manager may invest in units of mutual funds only through direct plans and shall not charge any distribution related fees to the Client in accordance with the SEBI Regulations.

- 5.6 THE CLIENT CLEARLY UNDERSTANDS AND ACKNOWLEDGES THAT INVESTMENT / DIVESTMENT IN SECURITIES ENTAIL 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. The Client confirms that it is aware that placing of Assets with the Portfolio Manager involves significant investment risk including the risk of loss of entire investment amount and seeks Portfolio Manager's services for its discretionary management. The Client shall initially place Assets worth not less than Rupees 50 lakhs (or such other amount as specified under the SEBI Regulations) for management by the Portfolio Manager. The initial value of Assets to be placed under management by the Client is agreed at Rs. \_\_\_\_\_/-

Rupees \_\_\_\_\_  
\_\_\_\_\_(in Words)

- 5.7 The Portfolio Manager shall follow the investment approach for investment of the Assets. The Portfolio Manager may call upon the Client for the deposit of the amounts, in one or more tranches, provided the first tranche is equal to or more than Rupees 50 lakhs (or such other amount as specified under the SEBI Regulations). The Portfolio Manager will however be at liberty to call upon the Client for the deposit of the amounts payable under the tranches ahead of the timelines agreed in respect thereof, by giving a prior written notice of at least ten (10) days to the Client. Similarly, the Client also has the option to deposit such amounts with the Portfolio Manager ahead of the timelines agreed in respect thereof.
- 5.8 Funds of the Clients shall be kept in the Cash Account, being a separate and distinct bank account from the other clients of the Portfolio Manager and they shall be used only for the purpose of the purchase of Securities, as specified in clause 5.4 above and also for payment of allowable expenses/fees.
- 5.9 Notwithstanding anything contained in Clause 5.8 above, if the Portfolio Manager so deems fit, subject to compliance with the applicable regulations, the Portfolio Manager may keep and maintain funds of all its clients in a separate bank pool account and such funds shall be used only for the purpose of the purchase and sale of Securities, in accordance with this Agreement and for payment of allowable expenses/fees. The Portfolio Manager or the Client shall not use the funds in any other manner. The Portfolio Manager shall not use funds of one client for the benefit of the other clients.
- 5.10 The Portfolio Manager shall be at liberty to manage idle cash balances of the Client, which may arise from time to time, in Money Market Instruments. In no case shall the Portfolio Manager deploy the Client's funds in or unregulated financing mechanism such as badla or discounting of bills of exchange.
- 5.11 The Portfolio Manager shall in its discretion invest / divest Assets of the Client in terms of this Agreement. The Client acknowledges that the investments / divestments of the Portfolio Manager and/or its other clients, officers, associates, brokers or custodians may be similar or dissimilar to the investments / divestments of the Client and such investments / divestments may be made at different times and/or at different prices than investments / divestments by any of the aforesaid.
- 5.12 Except in the event of redemption of portfolio in the form of Securities, either upon termination of this Agreement or otherwise, all transactions between the Portfolio Manager and the Client or between the Client and any other clients of the Portfolio Manager shall be at prevailing market prices.

- 5.13 The Portfolio Manager shall deal exclusively with the Client in respect of this Agreement and shall, under no circumstances, recognize or take cognizance of any privity of contract between the Client and any other person or entity in respect of this Agreement except in cases of duly constituted attorney(s) and/ or authorised agent(s), who will be recognized strictly for the limited purpose of representing the Client under this Agreement.
- 5.14 The Portfolio Manager shall enter into separate agreements with each and every of its client. The relationship of Portfolio Manager with each client is exclusive and does not create any interest of whatsoever manner amongst its clients inter-se or between its clients as a group and the Portfolio Manager.
- 5.15 In the event of a change in the constitution, identity by change of name and / or residential status of the Client during the currency of this Agreement, it shall be the duty of the Client to keep the Portfolio Manager duly informed of such a change. The Portfolio Manager shall seek advice or appropriate directions where required, from competent authority, under applicable laws, with regard to the continuation of this Agreement and other agreements with the Client, if any affected by such a change.
- 5.16 The Client will have an option to introduce further Assets for management by the Portfolio Manager. The Client may also place request for placement of additional funds through email or through the website of the Portfolio Manager.
- 5.17 The Portfolio Manager shall not lend the securities of the Client unless authorised by the Client in writing.

(c) **Type of derivative position & exposure thereof**

The limits of derivatives exposure per scrip/instrument and derivatives positions and limits are as follows:

Sr No.	Derivatives	Actions	Description/ Purpose	Limit/ Portfolio
1.	Index futures	Buy	Buy futures against cash to protect against rising market	<ul style="list-style-type: none"> <li>Maximum derivatives positions of upto 50% of Portfolio value</li> <li>To the extent of Cash/ Cash equivalents</li> </ul>
2.	Index Futures	Sell	Buy index of portfolio against expected market downturn	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Physical holding of portfolio of securities</li> </ul>
3.	Index Options - Call	Buy	Buy index of portfolio against expect against rising market	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Cash/ Cash equivalents</li> </ul>
4.	Index Options- Call	Sell	Covered Call Sale - against existing portfolio	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Physical holding of portfolio of securities</li> </ul>
5.	Index Options- Put	Buy	Buy index puts to hedge existing portfolio	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Physical holding of portfolio of securities</li> </ul>
6.	Index Options- Put	Sell	Covered Put Sale - Possible to sell index puts against cash	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Cash/ Cash equivalents</li> </ul>
7.	Stock Futures	Buy	Buy against cash to protect against rising share prices	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Cash/ Cash equivalents</li> </ul>
8.	Stock Futures	Sell	Sell against existing stock - Hedging against downside on existing stock in the face of expected volatility in the stock price	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Physical stock holding</li> </ul>
9.	Stock Options- Call	Buy	Buy against cash to protect against rising share prices	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Cash/ Cash equivalents</li> </ul>
10.	Stock Options- Call	Sell	Sell against existing stock	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Cash/ Cash equivalents</li> </ul>
11.	Stock Options- Put	Buy	Purchase against existing stock. Hedging against downside on existing stock in the face of expected volatility in the stock price	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Physical stock holding</li> </ul>
12.	Stock Options- Put	Sell	Covered Put Sale against cash	<ul style="list-style-type: none"> <li>Maximum derivative position of upto 50% of portfolio value</li> <li>To the extent of Cash/ Cash equivalents</li> </ul>

**6. Manner and terms of usage of derivative instruments**

The Client hereby authorizes the Portfolio Manager, 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 applicable laws prevailing at the time.

(a) **Type of derivative instruments**

Accordingly, the Portfolio Manager may use derivative instruments for hedging and portfolio rebalancing like stock index futures, stock futures, options on stocks and stock indices, interest rate swaps, forward rate agreements or other such derivative instruments as may be introduced from time to time, as permitted by SEBI.

(b) **Quantum of exposure**

The quantum of exposure to derivatives shall at all points of time be less than or equal to 50% of the portfolio value (including cash) of the Assets of the Client. For this purpose, the exposure limit would be computed in terms of notional value of the derivative position. The notional value of the derivative position for each specific instrument held is defined as:

Options: Number of contracts held x Number of underlying shares x strike price / index per contract

Futures: Number of contracts held x Number of underlying shares / index per contract x current or closing market price.



Further, in instances where a portfolio has long/potential long and short/potential short positions in derivatives with the same underlying, with the net of the gross long and gross short positions falling within limits, the gross position on both the long and the short side shall not exceed 150% of the permissible SEBI exposure limit position on either side.

Definition of the word "Cash" shall include cash, Money Market Instruments, deposits with scheduled commercial banks (public sector, private sector and foreign banks) and net current assets.

**(d) Valuation of Derivative Products:**

- i) Open positions in derivative transactions, will be marked to market on the valuation day.
- ii) In case of liquidation of the Portfolio for any reason whatsoever, the outstanding derivative position would be closed out at the then prevailing market rates.

Prior permission shall be obtained from the Client in the event of any changes in the manner or terms of usage of derivative contracts.

**7. RISKS AND LOSSES**

- (a) The Client confirms and acknowledges having read and understood the disclosure document made available on the website of the Portfolio Manager, along with a certificate by a chartered accountant prior to execution of this Agreement.
- (b) The Client acknowledges that investments in Securities are subject to market risks. There are no assurances or guarantees that the objectives of any of the products will be achieved. The investments may not be suited to all categories of investors. The value of the products can go up or down depending on various market factors. Client is not being offered any guaranteed or indicative returns through any of the products. The names of the products do not in any manner indicate their prospects or returns. The performance of the products may be adversely affected by the performance of individual companies, changes in the market conditions, micro and macro factors and forces affecting capital markets in particular like interest rate risk, credit risk, liquidity risk and reinvestment risk. Derivative/future and options products are affected by various risks including but not limited to counter party risk, market risk, valuation risk, liquidity risk, basis risk and other risk. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives. In the case of stock lending; risks relate to the defaults' from counter parties with regard to securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks.
- (c) Past performance of the Portfolio Manager does not indicate the future performance of the products or any other future products of the Portfolio Manager. The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the products. Each Portfolio will be exposed to various risks depending on the investment objective, investment approach, investment strategy and the asset allocation. Non-diversified portfolio tends to be more volatile than diversified portfolio.
- (d) The Client acknowledges that he has read the "Risks" contained herein and the disclosure document in connection with investing the funds in derivatives as well as read the "Risks" contained in the product brochure/product presentation as shall be furnished from time to time in respect of each product in which the Client shall

invest and is informed, aware and has understood the risks associated with investing the Assets in the capital and money market instruments including derivatives but not limited to equities and other Securities.

- (e) The Client further acknowledges that investments may be made in index/stocks/stocks basket linked, privately placed non convertible debentures having some equity index as underlying, which could affect the liquidity of the Client's Portfolio and that the Client has read and understood the specific risk factors and disclosures pertinent to structured notes like index / stocks / stock basket linked debentures and securitized debt instruments as mentioned in the disclosure document and the product brochure / product presentation, as shall be provided from time to time.
- (f) The Portfolio Manager 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 the Portfolio Manager.
- (g) In case of the Client being an NRI the Parties agree and acknowledge that it shall solely be the Client's responsibility and liability to comply and conform to the provisions of all the applicable laws and regulations, including FEMA or SEBI Regulations or as may be prescribed from time to time by any other regulatory authority, including but not limiting to the amount(s) of investment that can be made by him.

**8. TRANSFER, REGISTRATION AND CUSTODY**

- (a) The Client authorizes the Portfolio Manager to manage the Assets of the Client, held in the Cash Account(s) and DP Account(s) maintained in the name of the Client, in terms of this Agreement.
- (b) The Client authorizes the Portfolio Manager to register the Client's Securities in the Client's name for claiming and receiving all accruals, accretions, benefits, allotments, calls, returns privileges, entitlements, substitutions, and/or replacements or any other beneficial interest including dividend, interest rights, bonus owing to the Client on account of such investments. Subscription/renunciation of rights entitlements shall be at the sole discretion of the Portfolio Manager. The Client shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities purchased/sold under this Agreement.
- (c) The Portfolio Manager shall arrange for the custody of Securities held on account or such other activities of the Client under this Agreement by keeping them in its actual custody, or by using/ appointing an agent for this purpose in its discretion. The Portfolio Manager shall not be liable, if any, instruments relating to the Securities is damaged, mutilated, torn, destroyed, lost, misplaced or otherwise becomes invaluable.
- (d) The Portfolio Manager shall execute off market transfers in the Client's account in accordance with the SEBI Regulations.

**9. AUTHORITY**

- 9.1 The Client hereby unconditionally and irrevocably appoints the Portfolio Manager as his/her fit lawful attorney to make decisions on investments, sale, purchase of Securities: to execute and deliver such documents as may be deemed necessary by the Portfolio Manager: to invest any of the cash or transfer any of the Securities into the name of the Client: to exercise any and all of

the powers or discretions entrusted upon the Portfolio Manager herein or to perform any obligations herein and to do and perform all acts, deeds, matters and things to effectually perform its functions herein and to do all such acts, deeds, matters and things as the Client can himself do and perform in respect of the Assets. Further such functions shall be performed by the Portfolio Manager on behalf and at the risk of the Client.

- 9.2 Without prejudice to the generality of the foregoing, the Client hereby undertakes to execute the power of attorney in favour of the Portfolio Manager in such form and manner as the Portfolio Manager may require or consider necessary for the delegation of the necessary authorities for the performance of his obligations herein.

## **10. NO WARRANTY**

- 10.1 The Portfolio Manager does not provide any warranty (express or implied) as to the appreciation in the value of the Securities in which the Portfolio Manager shall invest the funds of the Client or the preservation of the initial value of the Assets of the Client or the return from the investment of the Assets. The Portfolio Manager hereby expressly disclaims all liabilities, on any account whatsoever, including without limitation, due to errors of judgment or negligence, that may arise out of the performance of its duties hereunder and shall not be liable, in any manner whatsoever, in case of any depreciation in the value of Securities in which the funds of the Client are invested by the Portfolio Manager, or any indirect or consequential losses arising to the Client by virtue of the provision of the services herein by the Portfolio Manager. Further, the liability of the Portfolio Manager arising out of its willful misconduct or misfeasance, fraud or gross negligence shall under no circumstances, exceed the amount of the aggregate fees received by it under this Agreement, in respect of the Assets under contention, for the period of three months preceding the date when such liability arises.
- 10.2 The Client acknowledges and confirms that it is fully aware of the fact that dealing in Securities including their purchase and sale has inherent risk and accordingly, any loss, damage, cost, expenses, direct or indirect or consequential on account of the dealing in Securities including their purchase and sale by the Portfolio Manager in discharge of its obligations herein, out of the funds of the Client, shall be solely to the account of the Client. The Portfolio Manager shall not in any way, directly or indirectly, be responsible or liable for the losses or otherwise any liabilities that may arise to the Client on account of the aforesaid.

## **11. DUTIES OF THE PORTFOLIO MANAGER**

- 11.1 The Portfolio Manager shall manage the Assets of the Client individually and in an independent manner, in accordance with the needs of the Client.
- 11.2 The Portfolio Manager shall act in a fiduciary capacity with regard to the Client's Assets. The Portfolio Manager and /or its officers, directors, employees or associates shall not derive any benefit, whether direct or indirect from the Client's Assets or Securities purchased for the Client and shall strive to safeguard the Client's interests to the best of its ability at all times.
- 11.3 The Portfolio Manager shall hold the Securities in a separate DP Account opened in the name of the Client for the purpose of Portfolio Management services. The Custodian/ Portfolio Manager shall follow up all entitlements such as bonus, rights, dividends etc. on behalf of the Client.

- 11.4 The Portfolio Manager shall segregate the accounts of each client in the books as are necessary to account for the Assets and any additions income, receipts and disbursements in connection therewith, as provided under SEBI Regulations.

- 11.5 The Portfolio Manager shall provide the statement of holding to the Client at such regular intervals, as may be agreed from time to time and in accordance with SEBI Regulations.

- 11.6 The Client's Securities shall always belong to the Client and the Portfolio Manager shall not pledge or lend all or any of such Securities with any entity, or derive any benefit from the same, without specific written consent of the Client.

- 11.7 The Portfolio Manager accepts no responsibility for either ensuring availability of overdraft facilities or for the terms on which the Custodian/broker/bank might make such facility available.

- 11.8 The Portfolio Manager shall provide the Client with a formal Portfolio Valuation Statement on such frequency as may be prescribed by SEBI from time to time.

- 11.9 The Portfolio Manager shall exercise due care and diligence in rendering service to prevent the possibility of loss of capital. However, the Client acknowledges and understands that investments are made on certain evaluation basis and there can be no assurance with regard to returns or even preservation of capital.

- 11.10 The Portfolio Manager shall ensure proper and timely handling of complaints from the Client and take appropriate action promptly.

- 11.11 The Portfolio Manager will take best efforts to safeguard the Client's interest 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.

- 11.12 The Portfolio Manager shall on a best efforts 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.

- 11.13 The Portfolio Manager shall not:

- (a) invest in any Securities except as mentioned in Clause 5.4;
- (b) trade on margin or on a speculative basis on behalf of the Client, all transaction shall be on delivery basis;
- (c) pledge or give loan on Securities held on behalf of the Client to a third person without obtaining a written permission from the Client;
- (d) the Portfolio Manager shall not deal based on price-sensitive classified information.

- 11.14 The Portfolio Manager shall make available the necessary reports as prescribed under applicable laws and/or by SEBI from time to time on its website and provide the Client with restricted access to the website.

Such reports may also be sent through electronic mail or the Portfolio Manager may also provide a physical copy on specific request from the Client.

- 11.15 The Portfolio Manager shall (in terms of the agreement with the Client) also furnish to the Client documents and information relating only to the management of a portfolio.

- 11.16 On termination of the Agreement, the Portfolio Manager shall give detailed statement of accounts to the Client and settle the account with the Client as agreed in this Agreement.
- 11.17 The Client shall have the right to obtain details of his Portfolio or in respect of his account from the Portfolio Manager upon giving notice of 10 days in advance. The report may be sent through electronic mail or made available on the website of the Portfolio Manager with access restricted to the Client.
- 11.18 The Portfolio Manager will allow access to such persons as are authorised by the Client by a prior written authorisation, of such information as is authorized by the Client including access to the website reports or e-mail reports addressed to the Client by the Portfolio Manager.
- 11.19 The Portfolio Manager shall ordinarily purchase or sell Securities separately for each client. However, in the event of aggregation of purchases or sale for economy of scale, allocation shall be done on a pro-rata basis at the weighted average price of the day's transaction. The Portfolio Manager shall not keep any open position in respect of allocation of sales or purchases affected in a day.
- 11.20 The Portfolio Manager shall at all times observe a high standard of integrity and fair dealing in all transactions undertaken by it on behalf of the Client and the statements / documents / reports furnished by the Portfolio Manager shall present a true and fair view of the actual transactions undertaken by the Portfolio Manager on behalf of the Client.
- 11.21 The Portfolio Manager shall maintain books and records relating to the transactions separately in the name of the Client as provided in the SEBI Regulations. The Portfolio Manager shall have the books of accounts relating to the Clients' transactions audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be given to the Client. The Client, after providing ten [(10) days] advance notice in writing to the Portfolio Manager, may appoint a chartered accountant (at its own cost and expense) to audit the books and accounts of the Portfolio Manager relating to the Client's transactions and the Portfolio Manager shall co-operate with such chartered accountant in the course of the audit. The Portfolio Manager shall also provide for inspection of such documents and shall fix the timing for such inspection with the client, if required by the Client.
- 11.22 The Portfolio Managers' decision in deployment / divestment of the Clients' Asset 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.
- 12. DUTIES AND OBLIGATIONS OF THE CLIENT**
- 12.1 The Client shall maintain utmost secrecy with regard to investment made by the Portfolio Manager on his / her / its behalf. In no case shall the Client replicate for himself / herself / itself or for the benefit of others, the investments made by the Portfolio Manager.
- 12.2 The Client shall disclose to the Portfolio Manager from time to time whether he is privy to any price sensitive information in relation to any entity, such that a conflict of interest may arise where the Portfolio Manager were to buy Securities of that entity on behalf of the Client.
- 12.3 The Client shall pay the agreed fees at the agreed times to the Portfolio Manager in the manner as hereinafter provided.
- 12.4 The Client shall not directly dispose off or acquire any Securities held in the Portfolio, except as agreed by the Portfolio Manager. The Custodian/bank or broker appointed by then Portfolio Manager is not authorised to accept instructions directly from the Client. The Client shall not issue any direct instructions to the Custodian or the broker or the bank in this respect. In case, the Client issues any instructions directly to the Custodian or the broker or the Portfolio Manager as part of the investable funds and in case of any purchase, the Client shall make payment directly to the Seller.
- 12.5 The Client shall within seven days notify the Portfolio Manager in writing if it notices any discrepancies or shortfalls in the portfolio holding statement. In case the Client does not notify the Portfolio Manager in writing of any discrepancies or shortfalls in the portfolio holding statement the same shall be deemed to be correct.
- 12.6 The Client shall plan and pay any tax (long term or short term capital gains, income tax etc.) and other liabilities that may arise as a consequence of the portfolio transactions on its account by the Portfolio Manager. It is clearly understood by the Client that tax considerations shall not be allowed to supersede investment decisions even though the Portfolio Manager recognizes the desirability of maximizing post tax returns.
- 12.7 The Client agrees that the investments / divestments made by the Portfolio Manager shall be at the sole discretion, judgment and opinion of the Portfolio Manager.
- 12.8 The Client understands and agrees that upon the repayment/withdrawal of the entire Assets or termination of this Agreement, the Assets shall be transferred by the Portfolio Manager in the accounts specified by the Client and thereafter the Cash Account and the DP Account shall be closed / maintained as dormant account by the respective service providers, and accordingly the Client hereby agrees that it shall not operate the Cash Account and the DP Account at any point in time.
- 12.9 Notwithstanding anything contained elsewhere in this Agreement, the liability of the Client shall not exceed his investment with the Portfolio Manager.
- 13. INDEMNITY**
- 13.1 The Client shall indemnify and keep indemnified the Portfolio Manager and every person appointed by the Portfolio Manager including the Custodian, bank(s) or broker(s), out of the funds deployed in respect of and against any taxes, costs, expenses and liabilities;
- properly incurred or levied on it in the execution of its rights and duties under or arising out of this Agreement.
  - incurred and / or levied on it as a result of the Portfolio Manager acting or not acting on the basis of any Information given by the Client or any agent of the Client.
  - incurred, levied or paid by it, on account of the discharge of its obligations and duties under or arising out of this Agreement.
  - consequent on any mistake, oversight or error of judgment on part of the Portfolio Manager or any appointee and
  - against all actions proceedings, costs, claims and demands in respect of any matter or thing done or omitted to be done in any way in relation to these presents whether made by a statutory, regulatory body, any tribunal or court or any other person whatsoever.
- 13.2 Notwithstanding anything contained herein but subject to the SEBI Regulations, the Client shall be liable to the Portfolio Manager only to the extent of the investments of the Client.



#### **14. FEES (NATURE OF COSTS AND EXPENSES FOR CLIENT)**

- 14.1 For the purposes of this Agreement, the Client is aware and agrees that the fees and charges payable for availing the services under this Agreement from the Portfolio Manager or its affiliates or the various other agencies shall be debited to the Client's Cash Account which shall be in addition to the portfolio management fees payable by the Client under this Agreement to the Portfolio Manager. The aforesaid fees, as debited to the Client's accounts, shall not be reversible. All fees and charges shall be levied on the actual amount of Client's assets under management. In case of interim contributions / withdrawals by the Client, performance fee, if any, may be charged after appropriately adjusting the High Water Mark on proportionate basis. Notwithstanding anything contained in the Client Agreement the performance fee, if any, shall be charged at a frequency that shall not be less than quarterly.
- 14.2 The Client hereby agrees to pay fees and incur charges/expense as per the fee and charges/expense schedule agreed by the Client and in terms of Clause 14.3 below. The frequency at which such fees/charges/expense shall be paid by, or charged to, the Client is set out in the fee schedule. The fees shall be debited from the Cash Account of the Client by the designated Custodian and credited directly to the account of the Portfolio Manager at the end of every month and the Client hereby undertakes to provide the requisite authority to the Custodian for the same. The fees shall also be payable in respect of any involuntary sales of Securities which may have been made during a month. In case the Agreement is terminated before the end of a month, the Client will pay fees for the proportionate period for which the services of the Portfolio Manager are availed.
- 14.3 The following are indicative types of costs and expenses for clients availing the Portfolio Management services. The exact basis of charge relating to each of the following services shall be agreed with the Client through separate fee schedule at the time of execution of this Agreement.

##### **(a) Management Fees**

Management Fees relate to the Portfolio Management Services offered to clients. The fee may be a fixed amount charge or a percentage of the quantum of funds managed or linked to portfolio returns achieved or a combination of any of these, as agreed by the Client in the Client Agreement. Profit /performance shall be computed on the basis of High Water Mark principle (wherever applicable) over the life of the investment, for charging of performance fee. In case of interim contributions/withdrawals by clients, performance fees may be charged after appropriately adjusting the High Water Mark on proportionate basis.

**High Water Mark Principle:** High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly. The Portfolio Manager shall charge performance based fee only on increase in portfolio value in excess of the previously achieved high water mark.

The applicable terms for charging of performance fee is agreed in the fee schedule.

##### **(b) Exit Fees**

Exit fees relates to exit charges payable to the Portfolio Manager at the time of complete withdrawal or partial withdrawal. The Portfolio Manager shall always comply with the limit on exit charge prescribed by SEBI under applicable laws.

#### **Other General Expenses applicable to all type of Portfolios**

##### **(a) Custodian/Depository fees**

The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts.

##### **(b) Registrar and transfer agent fee and charges**

Charges payable to registrars and transfer agents in connection with onboarding, documentation of the Client and effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges. Further, such charges shall also include charges payable to third party service provider in connection with maintaining client documentation & various communications to the Client.

##### **(c) Brokerage and transaction costs**

The brokerage charges on purchase and sale of Securities shall be charged at actuals.

##### **(d) Securities lending and borrowing charges**

The charges pertaining to the lender of securities, costs of borrowing including interest, and costs associated with transfers of securities connected with the lending and borrowing transfer operations.

##### **(e) Professional charges**

Professional Charges payable for outsourced professional services like accounting, auditing, taxation, legal services, notarizations etc. For avoidance of doubt, such charges shall also include all expenses incurred towards court receiver fees, litigation fees, etc. in respect of recovery of investment amount from the issuer of Securities.

##### **(f) Account activation expenses**

All expenses payable in connection with the courier expenses, stamp duty, franking, service tax, postal, telegraphic, opening and operation of bank accounts etc at the time of account activation of the Clients.

##### **(g) Index Licensing Fee**

Any Charges incurred by the Portfolio Manager towards index licensing fee payable for reference to benchmarks for respective investment approaches.

##### **(h) Miscellaneous Expenses**

Any other charges incurred by the Portfolio Manager in respect to the management and operation of the Portfolio of the Client.

All fees and charges shall be levied on the Clients' assets under management. The operating expenses (excluding brokerage) shall be charged within the applicable limits as may be prescribed by SEBI from time to time.

#### **15. TAX OBLIGATIONS**

- 15.1 All Taxes payable on any transaction entered into or undertaken by the Portfolio Manager on behalf of the Client, whether by way of deduction at source, withholding, payment or otherwise, shall be fully borne by the Client. Payment of the Tax shall be the personal responsibility and liability of the Client. The Portfolio Manager is not by law, contract or otherwise required to discharge any obligation on behalf of the Client with respect to the payment of any Taxes payable by the Client. If, however, any Tax is paid by the Portfolio Manager to any tax authority for and on behalf of the Client, the Portfolio Manager shall be entitled to recover the same

from the Client. If the Client does not pay, the Portfolio Manager has the unconditional and irrevocable authority to deduct or appropriate the same from any amount or Security held by the Portfolio Manager on behalf of the Client. In the event, however, no Security or amount is available for reimbursement to the Portfolio Manager of any Taxes paid by the Portfolio Manager on behalf of the Client, the Client shall make such reimbursement forthwith on demand of the Portfolio Manager. In the event of the failure of the Client to reimburse any such amount, the Portfolio Manager shall, without prejudice to its other rights, be entitled to recover the same from the Client with interest at 15 % per annum with quarterly rests.

- 15.2 Subject to applicable taxation laws in force from time to time, the Portfolio Manager may on its own deduct any Tax at source while effecting disbursements / payments of amounts interim or otherwise to the Client under this Agreement, and shall certify the deduction of Tax at source to the Client's Account on a pro- rata basis as far as practicable.
- 15.3 For Securities held in the name of the Client, as on date of declaration or record date of any company's dividend declaration, the Portfolio Manager shall receive such company's certificate of Tax deduction at source for any dividend subjected to Tax.
- 15.4 The Portfolio Manager shall only distribute the net dividend to the Client's account, any Tax arising on such disbursements shall be charged to the Client's account and shall be borne by the Client in full.
- 15.5 The Portfolio Manager is not required to undertake any tax planning of the Client under this Agreement.
- 15.6 In the event of any demand being made on the Portfolio Manager by the appropriate authorities to pay any amount towards purported liability for Tax in connection with or arising from the transactions carried out by the Portfolio Manager on behalf of the Client, the Client hereby expressly authorizes the Portfolio Manager to comply with the demand and pay such amount to the appropriate authorities and debit the Client's account accordingly.
- 15.7 The Portfolio Manager will be at liberty but not obliged or required to resist such demands. If the Portfolio Manager at its discretion thinks fit, and in this event, the Portfolio Manager is hereby authorised to incur any fees, duties, commissions, costs, charges and expenses required to incur so as to resist the demand including the costs of appointing any chartered accountant, tax expert, lawyer, solicitor or advocate but the Portfolio Manager will not be responsible if ultimately the demand is held / upheld to be proper and lawful.
- 15.8 Despite the fact that the Portfolio Manager is not required to undertake any tax planning of the Client, if in pursuance of directions issued by the appropriate authorities, the Portfolio Manager is obliged to represent the Client in respect of any of the aforesaid directions, the Portfolio Manager is hereby empowered by the Client to file, sign, and / or execute such papers and / or documents on behalf of the Client as might be necessary in that behalf.
- 15.9 If required, the Client shall execute a power of attorney in favour of the Portfolio Manager or any other nominee(s) or agent(s) of the Portfolio Manager conferring Inter alia powers to represent the Client before such authorities and comply with other requirements as envisaged in this Agreement.

15.10 The Client agrees and undertakes to furnish any information, papers and documents as may be required by the Portfolio Manager in connection with Tax incidence or implications and also for the proper operation of the Client's account thereto.

15.11 The Client shall at all times indemnify and keep the Portfolio Manager indemnified from and against all liabilities, whatsoever, that may at any time arise or be brought or made by any authorities against the Portfolio Manager in respect of any act, matters and things lawfully done or caused by the Portfolio Manager in connection with the Securities or in pursuance of or in connection with any matter under this Agreement.

## 16. VALUATION OF SECURITIES

The value of the Securities shall be computed as per the extent SEBI Regulations or as may be decided by the Portfolio Manager.

## 17. RIGHTS OF PORTFOLIO MANAGER

The Portfolio Manager may assign its rights or obligations hereunder to any other company, person, firm or institution acceptable and approved by SEBI by executing an instrument in writing whereby it shall assume the obligations of the Portfolio Manager hereunder and agree to be bound by the provisions hereof, or to become the successor to the Portfolio Manager hereunder and thereafter such assignee/successor may exercise all of the powers and enjoy all of the rights and be subject to all the duties and obligations of the Portfolio Manager hereunder as fully as though originally named as a party to this Agreement. This Agreement cannot be assigned by the Client.

## 18. REPAYMENT

- (a) The Portfolio Manager shall on redemption or termination and/ or determination of this Agreement as stated herein arrange to deposit the net realisable value (i.e. gross market value net of costs of realization) of Securities held in the Client's account together with all accruals, accretions, benefits, allotments, call refunds, returns, privileges, entitlements, substitutions and/ or replacements or any other beneficial interest including dividend, interest, bonus as well as residual cash balance, if any on such date subject to the Client fulfilling all his obligations under this Agreement in such account as may be instructed by the Client to the Portfolio Manager in writing. The Securities shall be disposed off by the Portfolio Manager as provided for in the Securities Contracts (Regulation) Act, 1956 and/or any other relevant statute unless the Client desires to have the Securities transferred to him, which is duly expressed in writing at least thirty (30) days prior to the termination of this Agreement. The amount so realized, and/or the Securities together with residual cash balances, if any, due and belonging to the Client, shall be made over to such bank and / or demat account as instructed by the Client in writing, subject to the following deductions.
  - i. Interim disbursements, if any, of amounts paid to the Client as described in clause 18(d).
  - ii. Fees and charges levied and/or to be levied by the Portfolio Manager as described in clause 14.
  - iii. All taxes, rates, fees, duties, commissions, costs, charges, penalties, deductions, recoveries and/or appropriations etc. to be made in accordance with law or otherwise on account of the Client.
  - iv. Any other dues, liabilities, obligations etc. owed by/ due on account of the Client under this Agreement.

(b) The Portfolio Manager, by disbursement through payment or otherwise as provided in clause 18(a) hereinabove, subject to all the above recoveries, deductions and appropriations, is validly discharged of all its obligations owed to the Client or his nominee, as the case may be, in respect of this Agreement.

(c) Any accruals, accretions, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions, and/or replacements or any other beneficial interest including dividend, interest, rights, bonus arising out of the amount as per clause 18(a) hereinabove, shall accrue to or vest in the Client and shall accrue to and/or continue to vest with the Portfolio Manager, which if, received by the Portfolio Manager shall be turned/ made over to the Client.

(d) The Portfolio Manager may, at its sole discretion, choose to effect interim disbursements of amounts against the amount payable as per clause 18(a) hereinabove to the Client, on annual or such other frequencies, as the Portfolio Manager deems fit, without setting any precedent whatsoever, on the part of the Portfolio Manager and without conferring any right on the Client to demand such other similar disbursements from their Portfolio Manager at any stage in respect of this Agreement.

#### 19. **SECRECY**

Neither Party hereto shall during the continuance of this Agreement or after its termination disclose to any person, firm, company or institution whatsoever (except with the authority of other Party or except as required by the laws; or unless ordered to do so by a court of competent jurisdiction on any relevant regulatory authority) any information relating to the business, investments, finances or other matters of a confidential nature of any other Party of which it may in the course of its duties hereunder or otherwise become possessed and each Party shall use all reasonable endeavors to prevent any such disclosure as aforesaid.

#### 20. **NOTICE**

Any notice or communication to be given by one Party to the other shall be given by electronic mail. Such notice or communication shall be sent at the email address of the Party herein before mentioned or such other email address that may be communicated by the Party concerned to the other Party from time to time (such communication also to be in line with this Clause). All notices or communications given by a Party shall be deemed to have been received by the Party to whom it is addressed within 2 (Two) business days from the electronic mail being sent.

#### 21. **ENTIRE AGREEMENT**

This Agreement together with the client profiling form and fee schedule and executed by the Parties hereto as well as the disclosure document and the products brochures / presentations constitute the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes and cancels all previous agreements, negotiations, thereof. This Agreement, client profiling form and annexure thereto shall not be changed, altered or amended except in writing and on execution by duly authorized representatives of both Parties hereto.

#### 22. **WAIVER**

No provision of and no default under this Agreement may be waived except by an instrument in writing signed by the Party waiving the provision of this Agreement or default

committed thereunder. No waiver of any provision or default shall be deemed a waiver of any other provision or default.

23. **GOVERNMENT OF INDIA/RESERVE BANK OF INDIA APPROVAL** This Agreement shall be subject to obtaining necessary approvals from the appropriate governmental and regulatory authorities. In the event that one of the Parties is required to obtain the necessary approvals or validation or to file a notification with the Indian government in connection with this Agreement, the other Party shall co-operate fully with such other Party.

#### 24. **FORCE MAJEURE**

Except to the extent otherwise provided herein, no liability shall result to either Party from delay in performance or from non- performance caused by circumstances beyond the control of the Party affected, including but not limited to act of God, fire, flood, explosion, war, theft, action or request of governmental authority, accident, labour trouble or shortage, inability to obtain material, power, equipment or transportation, but each of the Parties hereto shall be diligent in attempting to remove such cause or causes.

#### 25. **COUNTERPARTS**

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts each of which will be deemed to be an original and will constitute one and the same document.

#### 26. **AMENDMENT**

Any modification or amendment to this Agreement shall be made by way of a letter, which has to be signed by both the Parties and such a letter may be given by one Party to the other by post, courier or personal delivery and such an amendment signed by both Parties to this Agreement shall be valid and binding and shall form part of the Agreement.

#### 27. **TERMS**

27.1 The Portfolio shall commence from the date of execution hereof and shall have an initial term of \_\_\_\_\_ years ("Initial Term"). At the end of the Initial Term, this Agreement shall be deemed to be automatically renewed until either Party terminates in accordance with Clause 28 of this Agreement.

27.2 The Client will be entitled to withdraw/ liquidate the Portfolio at his own risks before the maturity date of the Agreement under the following circumstances:

- (a) voluntary or compulsory, termination of portfolio management services by the Portfolio Manager;
- (b) suspension or termination of registration of Portfolio Manager by the SEBI;
- (c) bankruptcy or liquidation of the Portfolio Manager; or
- (d) closure of the business of the Portfolio Manager.

#### 28. **TERMINATION**

28.1 The Portfolio Manager reserves the right to terminate this Agreement with immediate effect in case the Client does not pay any fees as required to be paid by it to the Portfolio Manager in terms of this Agreement or if the Client commits a breach of any of its obligations under this Agreement.

28.2 Each Party hereto will be entitled to terminate this Agreement with prior notice of 30 days addressed in the manner mentioned in clause 20 hereto in case of breach by either Party of any of the terms contained herein, if such breach continues un-remedied for a period of thirty (30) days after due notice for the same has been given by the non defaulting Party to the other Party,

28.3 This Agreement may also be terminated:

- (a) This Agreement may also be terminated by any of the Parties, without any cause, with prior notice of 30 days addressed in the manner mentioned in Clause 20.
- (b) In the event that the laws or regulations of India at any time be or become such that this Agreement cannot be continued, enforced or performed according to its terms subject to a reasonable notice period.
- (c) In the event of any statutory or government license or permission or registration being withdrawn, cancelled, or nullified causing the terms of the Agreement to be inoperative or unenforceable.
- (d) Upon dissolution or liquidation of the Portfolio Manager or the Client.

28.4 The termination or purported termination of this Agreement shall be without prejudice to any claim or right of action previously accrued to any Party hereto against the other Party hereto.

28.5 On termination of this Agreement, the Client may elect to receive back the Portfolio, or opt for sale of the Portfolio for cash. In either case, the Client shall pay to the Portfolio Manager its fees, costs and dues payable under this Agreement and the Portfolio Manager shall have the right of lien on any and all Securities in respect thereof.

28.6 In the event of the death, insolvency, disability, dissolution or the winding up of the Client during the currency of this Agreement and on receipt of notice in writing of such event, the Portfolio Manager shall cease operations of the Client's account and the Agreement shall stand terminated. In case the termination is due to the death of the Client then the balances in the account will be transferred as per the instructions of the nominee designated by the Client.

28.7 In the event that this Agreement is terminated for any of the reasons stated above, the Client shall take or cause to be taken all necessary steps to close and/ or transfer all accounts maintained by the Client with the Portfolio Manager and/ or any agents in relation to services provided under this Agreement within a period of 30 days from the date of termination.

28.8 Notwithstanding what is stated herein, the Portfolio Manager reserves the absolute discretion independently to terminate this Agreement at any time by giving a written notice of not less than 30 days, without assigning any reason, and cause the Client to transfer its portfolio/ account to other intermediaries.

## 29. REPRESENTATIONS

- (a) The Client makes the following representations :
  - i. Powers: The Client has the requisite power to execute this Agreement and, to deliver this Agreement and to perform its obligations under this Agreement and the Portfolio Manager has taken all necessary action to authorise such execution, delivery and performance.
  - ii. No Violation or Conflict: Such execution, delivery and performance do not violate or conflict with any law applicable to the Client including the Prevention of Money Laundering Act, 2002, any order or judgment of any court or other agency of government applicable to the Client or any of his assets or any contractual restriction binding on or affecting it or any of his assets.
  - iii. Consents All governmental and other consents that are required to have been obtained by It with respect to this Agreement and are In full force and effect and all conditions of any such consents have been complied with, and
- (b) No Agency: It is entering into this Agreement as principal and not as agent of any person or entity.

## 30. AGREEMENTS:

The Client agrees that during the term of this Agreement, the Client shall comply with all applicable laws and orders to which he may be subject if failure so to comply would materially impair his ability to perform his obligations under this Agreement.

## 31. EVENTS OF DEFAULT AND TERMINATION EVENTS:

Events of Default: The occurrence at any time with respect to a Client of any of the following events:-

- i. **Failure to Pay or Deliver:** Failure by the Client to make, when due, any payment under this Agreement or delivery required to be made by it if such failure is not remedied on or before the one business day of delivery of notice of such failure is given to the Party.
- ii. **Breach of Agreement:** Repudiation of Agreement: Failure by the Client to comply with or perform any part of this Agreement or obligation (other than an obligation to make any payment under this Agreement or delivery) to be complied with or performed by the Client in accordance with this Agreement and if such failure is not remedied within 30 days after notice of such failure is given to the Client, or
- iii. **Misrepresentation:** A representation made or repeated or deemed to have been made or repeated by the Client in this Agreement proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated.

## 32. TRANSFER

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either Party without the prior written consent of the other Party, except that,

- (a) a Party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with or merger with or into or transfer of all or substantially all its of assets to another entity (but without prejudice to any other right or remedy under this Agreement), and
- (b) any purported transfer that is not in compliance with this section will be void.

## 33. GRIEVANCES REDRESSAL/ ARBITRATION

In case of any grievance, the Client can contact the client servicing team of the Portfolio Manager at 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai 400013.

Any dispute or difference of whatsoever nature, including but not limiting to disputes regarding fees and charges arising between Parties out of or relating to the construction, meaning or operation, effect in connection with this Agreement shall, to the extent possible be resolved amicably by the Parties. However in the event of failure to settle the same amicably, the disputes or differences, including but not limiting to disputes regarding fees and charges, shall be settled by arbitration in accordance with the Arbitration and Conciliation Act, 1996. Each Party to the dispute shall appoint an arbitrator and notify the other Party within 15 days of the appointment of such arbitrator. The two arbitrators so appointed shall then appoint an arbitrator to form a panel of three arbitrators and the decision of the majority of the arbitrators shall be final and binding upon the Parties. All proceedings under such arbitration shall be held in Mumbai and would be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactments thereof. It is agreed and understood that the High Court



of Mumbai shall have exclusive jurisdiction to entertain any applications or petition pertaining to the arbitration arising hereunder and/or any other proceedings arising pursuant to this clause.

34. **GOVERNING LAWS**

This Agreement shall be governed by the laws of India.

35. **SEVERABILITY**

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, neither the legality, validity nor enforceability of the remaining provisions of this Agreement shall in any way be affected or impaired thereby.

36. **ELECTRONIC PERFORMANCE**

The Parties agree and acknowledge that any duties, obligations or acts required to be done or performed by either Party pursuant to this Agreement, may be done or performed through electronic means and/or audio/video medium and/or restricted website/portal access, as permissible under applicable law.

SIGNED AND DELIVERED by  
**Nippon Life India Asset Management Ltd**  
(formerly known as Reliance Nippon Life Asset Management Ltd)  
through its Authorised Signatory.

In the presence of:  
Witness

- 1.
- 2.

SIGNED AND DELIVERED by  
The within named Client

in the presence of  
Witness

- 1.
- 2.



## POWER OF ATTORNEY

### KNOW ALL MEN BY THESE PRESENTS THAT

I, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_  
\_\_\_\_\_ residing  
at \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ and I, \_\_\_\_\_  
\_\_\_\_\_ S/o,  
D/o, W/o \_\_\_\_\_  
\_\_\_\_\_ residing at \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(hereinafter collectively referred to as "Client")

WHEREAS, the Client has agreed to avail portfolio management services being rendered by Nippon Life India Asset Management Ltd (formerly known as Reliance Nippon Life Asset Management Ltd) a company incorporated under the Companies Act, 1956 and having its registered and corporate office at 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai 400013. (hereinafter referred to as "the Attorney / NAM India") and has consequently entered into a discretionary portfolio management agreement ("PMS Agreement") with NAM India.

WHEREAS, in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended, the Client is required to open and maintain, in its own name, independent and separate demat and independent & separate or pooled bank account for availing the portfolio management services ("PMS Services");

WHEREAS to avail the PMS services, I / we have opened and maintain separate & independent demat account(s) in my name and separate and independent bank account(s), if any in my name;

AND WHEREAS it is most expedient that a power of attorney be executed in favour of the Attorney enabling the Attorney to deal with the demat account(s) and bank account(s), if any, in consonance with the PMS Agreement. and for exercising all the rights in respect thereof, which I/ we hereby do in the manner hereinafter appearing.

NOW KNOW ALL MEN AND THESE PRESENTS WITNESS THAT I / we for myself / ourselves and my / our successors, heirs, executors, administrators, legal representatives and permitted assigns do hereby nominate, constitute and appoint the Attorney acting through any of its directors / officers / employees and / or directors / officers / employees of its associates / affiliates, as my / our true and lawful attorney for me / us in my / our name(s) and on behalf of and at my / our costs and risks to do, execute and perform all or any of the following acts, deeds, matters and things that is to say.

1. To make / file forms / applications to various authority(ies) in India, including but not limited to, the Central Government, the Reserve Bank of India, the Income Tax Authorities and the Securities and Exchange Board of India, and to fulfill other obligations, to secure approval/ consent / permission or for that purpose to enter into any deed / document on my behalf with any such authority(ies) in India in connection with securing the permission / consent of the concerned authority(ies) with respect to purchase, sale, transfer, investment, holding and continuing to hold Securities in accordance with the applicable laws and regulations and to represent me/us

in all respects before such authority(ies) and establish the ownership of the Securities in my/our name.

2. At its own sole discretion or pursuant to our instructions acquire by subscription or purchase various Securities and to sell, transfer and endorse the Securities or redeem the same and/or to sign and to execute all transfer deeds whether as transferor or transferee and such other instruments, application and papers as may be necessary for the purpose of acquiring or transferring/ redeeming the Securities, creating pledge/lien on such Securities and/or for transferring the investments in the units of Mutual Fund from one scheme to another or between Mutual Funds.
3. At its own sole discretion or pursuant to our instructions, to make applications for, or to renounce and sign renunciation forms in respect of Securities, rights to additional Securities and to receive and hold such rights or additional Securities.
4. At its own sole discretion or pursuant to our instructions to issue orders and instructions for acquisitions and disposal of investments in Securities and to purchase or otherwise acquire, sell or otherwise dispose of and invest in Securities including enter into foreign transactions required for this purpose.
5. To open, operate and / or close new or existing safe custody or to keep in safe custody the Securities acquired pursuant to the authority contained herein.
6. To appoint, nominate or engage any broker and/or legal agent for effecting purchase and sale of the Securities and to sign and submit such documents as may be required for admission as a client of such broker.
7. In all matters relating to the Securities to commence or defend, carry on, prosecute or compromise any action, suit, petition, arbitration or other legal proceeding for recovering payment, transfer or delivery thereof, and for that purpose to sign, verify, declare or affirm all plaints, petitions, written statements, affidavits and applications and to engage solicitors and advocates and to settle and pay their fees.
8. At its own sole discretion or pursuant to our instructions, to open in my name, execute such documents as may be required, and operate depository account(s) with depository participant(s) and to issue instructions relating to dematerialization or rematerialisation of Securities, freezing of accounts, to block and/or debit the account, to give delivery/receipt instructions, pledge instructions, pledge closure instruction, lending and borrowing instruction, and to do all such other things as may be deemed necessary, relating to such depository account including closure of the account if deemed necessary or expedient.
9. To demand, receive and give on my behalf good and effectual receipt(s) and discharge(s) for all or any dividends, interest, bonuses or any other sum(s) and/or income arising from the investment in Securities and to sign and endorse pay order, dividend/interest warrants or certificates, receive all debts, sums of money, principal, interest, dividend or other dues of whatsoever nature or account which are now or which may at any time be due and payable and belong to me on any account(s).
10. For the purpose of the aforesaid to sign contracts, agreements, transfers, acceptances, receipts, acquaintances or other instruments, documents and forms to accept and carry out correspondence with such person(s) or authority/authorities or departments and to do all lawful acts that may be necessary for effecting the same.

11. At its own sole discretion or pursuant to our instructions, to open, operate one or more bank account(s) in my name with any bank for the purpose of managing my investments and to do all or any of the following acts in respect thereof:
  - (a) to make applications, if required, to the Reserve Bank of India and/or any other authority for repatriation of funds;
  - (b) hold receipts, dividends etc. in respect of my investments in Securities;
  - (c) to withdraw or transfer any sums and to close any or such accounts;
  - (d) To avail the facility of electronic banking and such other services offered through electronic media by the bank;
  - (e) To prepare, sign and submit all forms, statements and declarations as may be required;
  - (f) To collect cheque book(s) from the respective bank(s);
  - (g) To make, draw, sign, endorse, negotiate, accept and release as the case may be cheques, drafts, pay orders, telegraphic transfers/direct transfers on the internet or other securities for payment of money whether debit or credit in my account(s); and
  - (h) To collect and deposit the monies realised from sale of the Securities and all interest / dividends received in respect thereof and/or to invest the same in any other Securities or in any other instrument which the Attorney may consider appropriate.
12. To negotiate with any person whether body corporate or otherwise and affect the purchase / sale of Securities on such terms and at such price, as may be deemed appropriate.
13. To attend, vote and otherwise act as attorney or proxy at meetings of the members, creditors, debentures holders of the company of which I hold the Securities.
14. To lend Securities on behalf of the Client in accordance with Securities Lending and Borrowing mechanism prescribed by SEBI and rules of stock exchanges.
15. To comply and/or cause to be complied with all statutory and other requirements attached to or arising out of these premises and for these purposes to take such steps and actions necessary or proper including signing of affidavits, indemnity, declarations, legal documents, deeds and writings required.
16. And for all or any of the purposes aforesaid to delegate all or any of the powers herein conferred upon the Attorney to such person(s) as it may deem appropriate and further appoint from time to time substitute(s) and/or revoke such substitution but so that the appointment of any such substitute(s) shall not affect or prejudice the rights or powers of the Attorney to act hereunder and the Attorney may continue to do so notwithstanding such appointments.

17. And generally to do, execute and perform such acts, deeds, matters or things, whatsoever, which in the opinion of the Attorney ought to be done and executed.

I/We declare that upon the execution of this Power of attorney, all the powers and authorities conferred hereinabove shall be exercisable solely by the Attorney and that I/We shall not, until this Power of Attorney stands revoked subject to the satisfaction of dues under the PMS Agreement, have the right to perform any act(s) as mentioned in the this Power of Attorney, except with the prior approval of the Attorney, given in writing, the authority for the performance of which has been duly conferred on the Attorney hereinabove. I/We further declare that I/We shall not at any time act in a manner, which has the effect of diluting, nullifying or vitiating the powers given to the Attorney under these presents, whilst this power of attorney is subsisting.

And I/We do hereby for myself, my heirs, executors, administrators, successors and legal representatives declare, ratify and confirm and agree to declare, ratify and confirm all and whatsoever acts, deeds, matters and things done or cause to be done by the Attorney or its delegatee(s) or substitute(s) for the purpose of exercise of the powers conferred herein.

This Power of Attorney will be in full force and effect till the PMS Agreement is terminated in accordance with its terms. This document shall be subject to the jurisdiction of the Court at Mumbai. In witness hereof, I/We hereby set my hands at

Signed and delivered by

\_\_\_\_\_  
Signature of the Client

Name: \_\_\_\_\_

In the presence of:

Witness

1. \_\_\_\_\_
2. \_\_\_\_\_

ACCEPTED:

For and behalf of Nippon Life India Asset Management Ltd  
(formerly known as Reliance Nippon Life Asset Management Ltd)

\_\_\_\_\_  
(Authorised Signatory)

Mumbai on this \_\_\_\_\_ day of \_\_\_\_\_ 201 \_\_\_\_\_

Witness

1. \_\_\_\_\_
2. \_\_\_\_\_

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