
PORTFOLIO INVESTMENT MANAGEMENT AGREEMENT

BETWEEN

MAJORTREND CAPITAL PRIVATE LIMITED

AND

Portfolio Concept :

Date: _____

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PORTFOLIO INVESTMENT MANAGEMENT AGREEMENT

THIS PORTFOLIO INVESTMENT MANAGEMENT AGREEMENT made between _____ (hereafter referred to as the “Client”, which expression shall unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the one part; and **MAJORTREND CAPITAL PRIVATE LIMITED** (hereinafter referred to as “**Portfolio Manager**” which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the other part.

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WHEREAS

- (A) **Majortrend Capital Private Limited** is a portfolio manager registered with the Securities and Exchange Board of India (SEBI) vide Registration No. INP000002569;
- (B) The Portfolio Manager is engaged in investing funds of its Clients in securities and providing portfolio management services to its Clients on discretionary basis;
- (C) The Client is desirous of appointing **Majortrend Capital Private Limited** as the Portfolio Manager for managing the investment of his funds on a discretionary basis, and for availing such other services from the Portfolio Manager;
- (D) The Portfolio Manager and the Client hereby record their mutual understanding and their common intention in the manner as hereinafter provided.

NOW THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AS UNDER:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively.

“**Affiliate**” means any one of the following entities:

- (a) Any company or body corporate in which the Portfolio Manager either itself or through any of its other Affiliate(s) as defined holds 40% or more of the share capital entitling the holder thereof to vote on the resolutions placed before the shareholders of such company. For this purpose, any share capital which is in the nature of preference capital as defined in section 85 of the Companies Act, 1956 shall not be treated as share capital; or
- (b) Any partnership or proprietary concern in which the Portfolio Manager or any of its Directors is partner or owner;

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“Agreement” means this portfolio investment management agreement by and between the Client on the one part and the Portfolio Manager on the other part, and shall include its Schedules and ancillary documentation.

“Application” means an application containing an offer by the Client to place the funds and portfolio of securities therein mentioned for portfolio investment by the Portfolio Manager on behalf of the Client.

“Bank Account” means one or more deposit or other accounts opened, maintained and operated by the Portfolio Manager with any of the scheduled Commercial Banks in respect of the Funds placed by the Clients.

“Cash Account” means the account in which the Funds handed to the Portfolio Manager shall be held by the Portfolio Manager on behalf of the Client.

“Custodian” means a custodian of securities, duly holding a certificate of registration under the SEBI (Custodian of Securities) Regulations, 1996.

“Depository Account” means the account in respect of the securities maintained with any of the depository or the participant in terms of the Depositories and Participants Regulations 1996.

“Derivative” means a forward, future, option or any other hybrid contract of predetermined fixed duration, linked for the purpose of contract fulfillment to the value of a specified real or financial asset or to an index of securities.

Derivative includes:

- a. a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security;
- b. a contract which derives its value from the prices or index of prices, of underlying securities.

“Discretionary Portfolio Investment” means portfolio investment management service where the portfolio manager exercises discretion as to the investment or the management of the portfolio of Securities or the Funds of the Clients, as the case may be.

“Fund” means the sums of money belonging to the Client, and lying with the Portfolio Manager for purposes of this Agreement as herein provided.

“Investment” means investment of the Assets made and / or to be made by the Portfolio Manager in the Securities upon the terms and subject to the conditions set out in this Agreement.

“Issuer” means a person issuing any security.

“Party” means the Portfolio Manager or the Client, as the context may require.

“Portfolio” means the Securities (held either in dematerialised state or in the physical state or both, if applicable) by the Portfolio Manager for and on behalf of the Client,

under this Agreement and subject to the terms and conditions specified herein and subject to restrictions imposed under the Rules and Regulations and includes cash belonging to the Client and lying with the Portfolio Manager, from time to time, for purposes of this Agreement.

“Regulations” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.

“Rules” means Securities and Exchange Board of India (Portfolio Managers) Rules, 1993.

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

“Securities” means shares, scrips, stocks, bonds, warrants, convertible debentures, derivatives, non-convertible debentures, fixed return investments, equity linked instruments or other marketable securities of a like nature in or of any incorporated Company or other body corporate, negotiable instruments, including usance bills of exchange, deposits or other money market instruments, commercial paper, certificates of deposits, units issued by Unit Trust of India and units issued by mutual funds, mortgage backed or other asset backed securities issued by any institution or corporate, cumulative convertible preference shares issued by any incorporated Company and securities issued by the Central Government or a State Government for the purpose of raising a public loan and having one of the forms specified in Clause(2) of Section 2 of the Public Debt Act, 1944, or any other instrument allowed under the Rules or Regulations from time to time.

“Services” mean investment consultancy/management relating to one or more Products selected by the Client, and may include the responsibility of managing, reviewing and reshuffling the portfolio, buying and selling the Securities, keeping safe custody of the Securities and monitoring book closures, dividend, bonus, rights and other similar rights in respect of such Securities forming part of a Product/s selected by the Client so as to ensure that all benefits accrue to the Client in respect of such Structured Product/s for an agreed fee structure.

“Product” means any one or more of the products or Services set out in Schedule III, selected by the Client for the portfolio management under this Agreement.

1.2 Interpretation

Unless the context or meaning thereof otherwise requires,

- (a) Any reference in this Agreement to any enactment, rule, regulation, guideline, directive or document shall be construed as including a reference to that enactment, rule, regulation, guideline, directive or document as from time to time amended, modified, extended or re-enacted whether before or after the date of this Agreement.
- (b) Any reference to an article, clause, sub-clause, paragraph or sub-paragraph is to such article, clause, sub-clause, paragraph or sub-paragraph in this Agreement
- (c) Any reference to a person shall include bodies corporate, unincorporated associations and partnerships.

- (d) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.
- (e) The words “include”, “including” and “among other things” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases or words of like import.
- (f) The words denoting the singular shall include the plural and vice versa, the words denoting any gender shall include any other gender, as the context may require.

2. APPOINTMENT OF PORTFOLIO MANAGER, TERM AND REPRESENTATIONS

- 2.1 The Client hereby appoints the Portfolio Manager for the purposes of managing Client’s Assets and investments as hereinafter provided, and for such other scope of services as provided in this Agreement.
- 2.2 This Agreement is deemed to have commenced from the date hereof and shall be in force till terminated.
- 2.3 The Portfolio Manager represents to the Client that the Portfolio Manager is duly registered with SEBI as a Portfolio Manager and continues to hold such registration as on the date of this Agreement.
- 2.4 The Portfolio Manager further represents to the Client that the Portfolio Manager shall act in accordance with the specific restrictions / requests of the Client, as enumerated in *Schedule III* to this / Agreement.
- 2.5 The Portfolio Manager further represents that the Portfolio Manager shall act in a fiduciary capacity and as a trustee and agent of the Clients for the purpose of managing Client’s Assets and investments as hereinafter provided in this Agreement.

3. PLACEMENT OF ASSETS FOR PORTFOLIO MANAGEMENT AND DISCLOSURE OF INTEREST

- 3.1 For the purpose of managing investments or management of the Client’s Assets in accordance with the needs of the Client, the Client hereby entrusts to the Portfolio Manager discretionary investment management of its Assets as hereafter provided. For the purpose of investment management of the Funds of the Client, the Client places with the Portfolio Manager in the account (“the Cash Account”) of the Client with the Portfolio Manager to which shall be credited Funds handed over by the Client as mentioned in the Application to the Portfolio Manager for investment including the proceeds of sale of any of the Investments and any other sum due to the Client in respect of the Investments together with all interest, dividends or other income arising from the Investments and to which will be debited all monies required for the acquisition of Investments hereunder, investment management fees, cess and taxes applicable and all other expenses incurred by the Portfolio Manager.

- 3.2 The Client undertakes to provide to the Portfolio Manager, from time to time, details about his interest in various bodies corporate which enables him to obtain unpublished price sensitive information about such bodies corporate, as specified in **Schedule IV**.
- 3.3 Portfolio Manager agrees to invest the Assets as the Portfolio Manager may consider appropriate in its absolute discretion. The Securities acquired out of the Fund shall be held either in a dematerialised state in the depository account or in a physical state or both wherever required and whenever required, may be registered in the name of the Client in the records of the issuers thereof or the Depository or the Participant. The Portfolio Manager will be free to substitute or change, at any time, during the term of this Agreement all or any of the Securities at its sole discretion.
- 3.4 The portfolio managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence.
- 3.5 The Client may specify, in **Schedule III** to this Agreement or from time to time, his needs in order to prohibit the Portfolio Manager from investing the Assets in certain companies, sectors, or industries specified by the Client in this behalf. Such instructions of the Client would be binding on the Portfolio Manager for investment decisions taken after such communication.
- 3.6 The Client may change the quantum of funds to be managed, including withdrawing cash or securities from the portfolio account or bring in additional cash, as may be mutually agreed to by the parties. The Portfolio Manager shall not change any terms of the agreement without prior consent of the Client, unless such change is necessitated by any Regulatory changes or requirements, in which case consent of the Client shall not be necessary.
- 3.7 The Portfolio Manager shall invest the Client's funds in accordance with SEBI (Portfolio Managers) Regulations, 1993 as amended from time to time and any other relevant regulation applicable to the Client.
- 3.8 The Portfolio Manager shall not indulge in leveraging of portfolio in respect of Investment in Derivatives. The total exposure of the Client shall not exceed the Portfolio funds placed with the Portfolio Manager and the Portfolio Manager shall invest and not borrow on behalf of the Client.
- 3.9 The use of Derivatives, types of Derivatives positions and valuation of Derivative positions in the Portfolio shall be done as allowed by SEBI Rules & Regulations as applicable from time to time.
- 3.10 The Client declares that he has read and understood the contents of the Disclosure Document provided by the Portfolio Manager to the Client before signing of this Agreement and which has been furnished to SEBI by the Portfolio Manager in accordance with the SEBI (Portfolio Managers) Regulations.

- 3.11 The Portfolio Manager shall appoint and shall keep appointed at all times, a Compliance Officer in accordance with Regulation 23A of the regulations. The Compliance Officer shall at all times take adequate steps for redressal of grievances within one month from the date of receipt of a written complaint from the Client.
- 3.12 The Portfolio Manager shall not lend the Client's Securities to any person unless authorized by the Client.
- 3.13 The client shall maintain the Minimum Participation Amount under each concept as stated in the application form / Disclosure Document. Notwithstanding the same, in special and exceptional cases, the Manager may accept Minimum Participation Amount lesser than the amount mentioned in the application form / disclosure document to begin with the Client, in such cases, shall be required to contribute additional amount within such period as may be mutually agreed, so that the total assets in the Client's account are equal to or more than the Minimum Participation Amount prescribed for the respective product as mentioned in the Disclosure Document. The Manager shall have sole and entire discretion to terminate the account if the Client has failed to achieve the Minimum Participation Amount level within the agreed period of time.
- 3.14 If the Client is more than one person the Client's obligations under this Agreement shall be joint and several. On the death of any of the persons constituting the Client (being survived by any other such person), the Agreement shall not terminate and, except in the case of trustees, the interest in the Portfolio of the deceased will automatically ensue to the benefit of the survivor(s) unless otherwise specified.

4. INVESTMENT OBJECTIVE AND GUIDELINES

In pursuance of the objective of the Agreement to provide the Client with a structure that can achieve preservation and growth of its capital, the Portfolio Manager shall endeavor to apply its professional expertise in order to help the Client achieve its goals and provide Services as stated herein.

5. INVESTMENT IN PRODUCTS

Products are Investment Portfolios specifically designed to meet the needs of the Client.

The Portfolio Manager Offers customized variants based on the time-horizon of investments which are selected by the Client as more particularly described in *Schedule II*.

6. CHARGES AND FEES

- 6.1 The Client agrees to pay to the Portfolio Manager, the Portfolio Management Fee, calculated in the manner and at the rates as provided in the *Schedule I* hereto.

- 6.2 The Client may shift to another fee structure only at the end of one year by requesting so in writing.
- 6.3 Over and above the fees as per the schedule, all the statutory costs (including audit), fees, charges and expenses of whatsoever nature incurred by the Portfolio Manager in connection with the acquisition, holding, sale and transfer, both in respect of the dematerialised state or in the physical state, if applicable, including the expenses and cost of safe keeping of all Securities, Depository charges for keeping and releasing the pledge, charges of the Depository and/or the Participant, registration and transfer charges in respect of Securities shall be paid by the Client.
- 6.4 The Client authorises the Portfolio Manager to debit his Portfolio account with the fees as well as expenses, alongwith applicable taxes and cess, payable by the Client in terms of Clause 6.1 & 6.3 above, on a quarterly basis.

7. TERMINATION

- 7.1 This Agreement may be terminated by either of the Parties by serving an advance notice in writing to the other Party, of not less than one month. Further, both the Parties can also terminate this Agreement by mutual consent at any time and no notice, as aforesaid, shall be necessary in that case.
- 7.2 This Agreement shall stand terminated as between the Parties hereto without any notice in the event of a Party committing an act of insolvency or bankruptcy or a Party, if it is a company, is unable to pay its debt within the meaning of section 434 of the Companies Act, 1956.
- 7.3 In that event, the Portfolio Manager may liquidate the Assets by selling or otherwise disposing of the Assets at such price and upon such terms and conditions as the Portfolio Manager may consider appropriate in its absolute discretion. However, on a specific request from the Client, the Portfolio Manager shall transfer the Securities held on behalf of the Client to the Client and thereupon this Agreement shall be deemed to have been revoked and canceled in respect of those Assets.
- 7.4 Notwithstanding anything contained in this agreement, any Asset may be withdrawn by the Client as per Regulation 16 of the Regulations, at his risk, in any of the following circumstances, namely -
- (a) voluntary or compulsory termination of portfolio management services by the Portfolio Manager ;
 - (b) voluntary or compulsory termination by the Client;
 - (c) suspension or cancellation of registration of the Portfolio Manager by the SEBI;
 - (d) bankruptcy or liquidation of the Portfolio Manager.
- 7.5 The Client may withdraw any part of the Assets by giving to the Portfolio Manager a notice in writing, of not less than 30 days.

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- 7.6 In case the authority provided by the Client, under this Agreement, is revoked, this Agreement shall stand terminated immediately on receipt of such written communication from the Client and the Assets shall be handed over to the Client.
- 7.7 Upon termination of this Agreement the Portfolio Manager shall settle accounts with the Client, and return to the Client, the remainder of the Funds handed over by the Client to the Portfolio Manager for investment, including the proceeds of sale of any of the Investments and any other sum due to the Client, in respect of the Investments together with all interest, dividends or other income arising from the Investments after deducting all monies required for the acquisition of Investments hereunder, investment management fees, taxes, cess and all other expenses incurred by the Portfolio Manager. The Portfolio Manager shall make the final settlement of accounts of the Client within a reasonable period from the date of receipt of the written termination notice from the Client.
- 7.8 In the event of death/disability, insolvency, 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 with effect from the date of such an event.
- 7.9 Notwithstanding the notice period mentioned above, the Manager shall have absolute discretion to close any portfolio account forthwith, without any notice or assigning any reason whatsoever, if in the opinion of the Manager the account is not being operated by the Client in a satisfactory manner. Notwithstanding the notice period mentioned above, the Manager shall have absolute discretion to close any portfolio account forthwith if the Client has failed to pay any fees/remuneration or expenses due to the Manager. Notwithstanding any of the above provisions, Partial Redemption shall be allowed and the Manager shall have the right to terminate the agreement with immediate effect without assigning any reason whatsoever, where on account of partial redemption, the portfolio value of the Client has fallen below the minimum prescribed amount.

8. CUSTODY AND SAFE KEEPING

The Portfolio Manager shall arrange for the custody of the Investments either by keeping them in its actual custody or by using an agent for this purpose at its discretion or by holding the same in dematerialised state in the Depository Account. The Portfolio Manager shall use all reasonable care and due diligence for the safe custody of the Investments and extend the same degree of care and due diligence as a Portfolio Manager would extend to his own investments. Provided also that the Portfolio Manager shall not be liable to the Client for any reason whatsoever if the Securities forming part of the Client's assets are in the custody of a Custodian.

9. AUTHORITY

- 9.1 The Client hereby appoints the Portfolio Manager as the Attorney of the Client during the subsistence of this Agreement and authorises the Portfolio Manager to act as the Attorney for and on behalf of the Client in respect of all the matters pertaining to the portfolio investment generally, and without prejudice to the generality thereof, to execute and deliver any documents which may be deemed

by the Portfolio Manager as necessary to acquire, hold, sell and transfer any of the Assets or to invest any cash or to transfer any of the Assets in the name of the Client, the Portfolio Manager, custodian, nominee or its agent and to exercise any of the powers or discretions given to the Portfolio Manager hereunder or to perform all or any obligations hereunder, to do and perform all acts, deeds and things to effectually perform its functions herein. It is hereby agreed that such functions shall be performed by the Portfolio Manager for and on behalf of and at the risk of the Client, provided the Portfolio Manager exercises due care and diligence.

- 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.
- 9.3 For the purpose of discharging any of its duties and obligations and functions the Portfolio Manager may act through any of its officers, employees or representatives or through any of its Affiliates or any employee of such Affiliate (all of whom are hereinafter referred to as the “sub-delegates”) and may delegate the performance of its duties, discretions, obligations, any of powers and authorities hereunder to such sub-delegates.
- 9.4 Keeping in view the Stock Exchange Regulations for the trading members on collection of upfront margin on trades; the Client hereby authorizes the Portfolio Manager to keep in pledge the securities, up to 10% of the portfolio value, held in Client’s securities account, with the trading member through which the transactions in the Client’s portfolio are carried on.
- 9.5 Keeping in view regulations prescribed by the Stock Exchanges in India for the trading members on issuance of E-contracts as a valid tool of issuing contracts, the Client hereby authorizes the Portfolio Manager to sign all the required documents /agreements with the brokers and accept E-contracts from brokers on the Client’s behalf.
- 9.6 The client hereby authorizes the Portfolio Manager to provide access of portfolio statements & other related reports, to _____ and / i
- 9.7 The Portfolio Manager shall not exercise any voting rights in respect of securities held on behalf of the Client, unless the Client directs him in writing to do so; in which case the Portfolio Manager shall exercise the rights as directed by the Client only with respect to the number of securities held for the beneficial interest of that particular Client.
- 9.8 To the extent permissible by law, the Manager may delegate any of its functions under this Agreement to an agent and may provide information about the Client and the Account to any such agent. The Manager will act in good faith and with due diligence in its choice and use of such agents. The Manager shall however not be liable to the Client for any acts of such agent.
- 9.9 The Manager shall not be liable for any default of any counterparty, bank, custodian, sub-custodian or other person or entity that holds money, investments or other documents of title on behalf of the Client.
- 9.10 The Manager may act upon any advice of or information obtained from any bankers, accountants, brokers, professionals, agents or other persons acting as agents or advisers of the Manager and the Manager shall not be bound to supervise the acting of any such persons nor to verify the advice or information obtain there from and the Manager shall not be liable for anything bonafide done or omitted or suffered in reliance upon such advice or information nor be

responsible for the consequence of any mistake or oversight or error of judgement on the part of the Manager or any attorney or agent of other person appointed by it hereunder.

- 9.11 The Client undertakes all responsibilities and agrees to bear all risks arising out of refusal by a Company or Corporation for whatever reasons, to register the transfer of any of the Securities in respect of the Client's account. The Securities which are so purchased and refused to be transferred in the name of the Client or the Portfolio Manager, by the Company or Corporation concerned, will be sold by the Portfolio Manager, at the best available market rate, at the risk and responsibility of the Client concerned.
- 9.12 The Portfolio Manager shall not undertake tax planning of the Client under this agreement. In the event of any demand being made on the Portfolio Manager by the appropriate revenue/taxation authorities to pay certain amounts towards purported tax liability in connection with or arising from the transactions carried out by the Portfolio Manager, the Client hereby expressly authorises the Portfolio Manager to comply with the demand and pay such amount to the revenue/taxation authorities and debit the Client's account accordingly. 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 so 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. Despite the fact that the Portfolio Manager does not undertake tax planning of the Client, if in pursuance of directions issued by the appropriate revenue/taxation authorities, the Portfolio Manager is obliged to represent any 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. If required, the Client shall have executed a valid, irrevocable 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 revenue/taxation authorities and comply with other requirements as envisaged in this agreement. 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.
- 9.13 The Client is aware that the Portfolio Manager has a system of tape-recording the conversations between the Client's representative and the Portfolio Manager, either personally or over the telephone, and hereby permits the Portfolio Manager to do so. Such recordings may be relied upon by the Portfolio Manager as and when required to resolve disputes in connection with the trading transactions.

10. REGISTRATION OF SECURITIES

The Securities if so required by the Client shall be registered in the name of the Client or held in the dematerialised state in the Depository Account for the benefit of the Client. Unless otherwise specified the Securities shall be registered in the name of the Portfolio Manager or the Depository or the Participant or any other

person nominated by the Portfolio Manager and the Client hereby gives the necessary authority to the Portfolio Manager to file all the required documents with the appropriate authorities as may be required under the provisions of Companies Act, 1956. The Client also hereby undertakes to sign all the necessary documents and writings as may be required for this purpose.

11. CONFLICT OF INTEREST

The Portfolio Manager may, from time to time

- (a) have a position in any security similar to the Securities, forming part of the Investments held, purchased or sold for the Client's account;
- (b) purchase or sell any such Security or forming part of the investments for itself or for its other Client;
- (c) have relationship with the share and stock-brokers, banks and companies with whom or through whom transactions are carried out for purchase and sale of any of the Securities or with Issuer whose securities are purchased and / or are sold for the Client;
- (d) deal on the Client's behalf with any Affiliate as long as the terms for such dealings are at par with the terms as would ordinarily be available from a concern which is not an Affiliate;
- (e) purchase or sell the investments to any one with whom the Portfolio Manager has relationship;
- (f) act as principal, agent or broker in any transaction and may be separately compensated in that capacity;
- (g) employ, retain or appoint any Affiliate company or any of the Directors of the Portfolio Manager or such Affiliate as broker, custodian, investment adviser, consultant or in any other capacity for carrying out any of the functions or work relating to the portfolio management of the Client;
- (h) deal with any Affiliate or any of the Directors of the Portfolio Manager or of such Affiliate on a principal to principal basis for any buying, selling or otherwise in any act relating to the Portfolio Investment Management of the Client.

12. INDEMNITY

The Client shall indemnify and keep indemnified the Portfolio Manager and each of the sub-delegates working for the Portfolio Manager, from and against all and any costs, charges, expenses and liabilities incurred or to be incurred by the Portfolio Manager or its sub-delegates including any stamp duty, rates, taxes, and cess;

- (a) properly incurred or levied on the Portfolio Manager or its sub-delegates in the execution and performance of its rights, duties, obligations and function under this Agreement;
- (b) incurred and / or levied on it as a result of the Portfolio Manager or its sub-delegates acting or not acting on the basis of any information given by the Client or any agent of the Client, where the Portfolio Manager has acted in good faith, unless the Client has given a specific duly acknowledged written instruction stating otherwise.

13. STATEMENT, INFORMATION, ACCOUNTS AND AUDIT

- 13.1 The Portfolio Manager shall furnish to the Client, in writing, all information regarding the Assets and all purchases and sales made on behalf of the Client, as provided in Regulation 21 of the Regulations.

Upon termination of this Agreement, the Portfolio Manager shall provide a detailed statement of accounts to the Client in respect of the Client's transactions.

- 13.2 The Portfolio Manager shall maintain separate accounts in the name of the Client as may be necessary to account for the Funds received from the Clients, investments or disinvestments, and all credits to the Clients account such as interest, dividend, bonus, or any other beneficial interest received on the investment and shall properly account for all debits.
- 13.3 The Portfolio Manager shall ensure that the books of account relating to the Client are audited yearly by an independent Chartered Accountant, and give a copy of the certificate issued by the Chartered Accountant to the Client. The Client may also appoint an independent Chartered Accountant in this respect for auditing the books of accounts of the Portfolio Manager in respect of the Client's transactions and the Portfolio Manager agrees to co-operate with the Client in this regard.
- 13.4 The Client shall have access to relevant and material documentation relating to his transactions as managed by the Portfolio Manager. The Portfolio Manager represents that the statements/documents/reports furnished by the Portfolio Manager present a true and fair picture of the actual transactions.

14. RISKS

The Client agrees and understands that the services being provided by the Manager under this Agreement involves certain risks and considerations generally associated with making investments in securities and that there can be no assurance, and though the investment / disinvestment will be in accordance with the Investment Guidelines / Client profile, the Manager is not giving any kind of assurance of whatsoever nature, as regards the returns on the Account or that the Manager can achieve the investment objectives stated herein. The Client further agrees and understands that the value of his/its portfolio may be affected generally by factors affecting the capital markets in India, such as, price and volume volatility in the stock markets, interest rates, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic or other developments and closure of the stock exchanges and that there is also risk of loss due to lack of adequate external systems for transferring, pricing, accounting and safekeeping or record of securities. Further, the Client also agrees and understands that consequently, the Net Asset Value of the Account may fluctuate and the value of the Account may increase or decrease. After independently considering all the aforesaid aspects of investments and disinvestments to be made in pursuance hereof and without relying on (i) any statements, representations, whether oral or written by the Manager, its employees, agents or representatives and (ii) in general the factors affecting the

returns on the investments/disinvestments, the Client has agreed to authorise the Manager in that regard. The Client is aware that the investments/disinvestments of the funds shall be at his entire risk and at any time the Manager will not be responsible for loss, damage or diminishing value of the Account and the securities held therein save and except where such loss/damage is occasioned due to any willful default, gross negligence or fraud on the part of the Manager. It is however agreed that the liability of the Client is limited to the extent of investment with the Manager. The detailed statement of risks associated with each type of investment and risk factors specific to certain kinds of schemes and that attendant to specific investments policies and objectives of such schemes are enumerated in *Schedule V* hereto.

15. LIABILITY OF THE PORTFOLIO MANAGER & CLIENT

- 15.1 It is expressly understood that nothing contained herein amounts to a warranty or guarantee of the Portfolio Manager to pay any assured returns to the Client on the Client's Assets. The Client expressly accepts that securities placed with the Portfolio Manager and the sale and purchase of securities by the Portfolio Manager are and shall be for and on the behalf of the Client. It is further expressly understood by the Client that no representation or warranties are held out by the Portfolio Manager about the soundness of an investment made on behalf of the Client and all actions taken and acts done by the Portfolio Manager are done solely on behalf of the Client and in the Client's account and; any actions which the Portfolio Manager takes or does not take as to the investments will be solely on the Client's account and risk and the Portfolio Manager shall not carry liability for any action taken or failure to act if the Portfolio Manager exercises due care and diligence in this regard. It is further expressly understood by the Client that the Portfolio Manager shall not carry any liability for any errors in judgment or acts of other intermediaries, brokers and custodians, except for negligence or willful misfeasance in connection with discharge of duties.
- 15.2 It is expressly understood that the liability of the Client shall be restricted to the extent of his investment with the Portfolio Manager.

16. NOTICES

All notices to the Client shall be sent to the following address:

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All notices to the Portfolio Manager shall be sent to the following address: -

Majortrend Capital Private Limited.
210 Stock Exchange Towers,, 1st Floor,
Dalal Street, Fort, Mumbai – 400 001

- (a) Any Legal notice shall be sent by certified or registered mail or by hand delivery.
(b) All notices referred in this Agreement or other communications shall be deemed to have been duly given or made:

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- (i) in the mail with postage pre-paid; on receipt of acknowledgement
- (ii) if delivered by email or facsimile, when receipt is acknowledged

17. PROXIES

All proxies and related material received may be destroyed or disposed of in any manner at the sole option/discretion of the Portfolio Manager.

18. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes prior negotiations, representations, or agreements, either written or oral.

19. SEVERANCE OF TERMS

If any provision in this Agreement becomes invalid or illegal or adjudged unenforceable, the provision shall be deemed to have been severed from this Agreement and the remaining provisions of this Agreement shall not, so far as possible, be affected by the severance.

20. WAIVER

No failure or delay on the part of any of the Parties to this Agreement relating to the exercise of any right, power, privilege, or remedy provided under this Agreement shall operate as a waiver of such right, power, privilege, or remedy or as a waiver of any preceding or succeeding breach by the other party to this Agreement nor shall any single or partial exercise of any right, power, privilege, or remedy preclude any other or further exercise of such or any other right, power, privilege, or remedy provided in this Agreement all of which are several and cumulative and are not exclusive of each other or of any other rights or remedies otherwise available to a party at law or in equity.

21. NO PARTNERSHIP

This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between the Parties. Neither Party shall have any right to obligate or bind the other Party or Parties other than stipulated in this Agreement in any manner whatsoever, and nothing contained in this Agreement shall give any rights of any kind to any third parties.

22. ASSIGNMENT

This Agreement and the rights and liabilities hereunder shall bind and inure to the benefit of the respective successors of the Parties hereto. The Parties shall be entitled to assign all or any of their rights under this Agreement, provided however, that the Portfolio Manager shall be allowed to assign the management of the Assets along with his rights and liabilities hereunder to any other party provided such party is registered with the SEBI as portfolio manager and the Portfolio Manager obtains the prior written permission of the Client in this regard.

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23. AMENDMENTS

No change or modification of this Agreement shall be valid unless the same shall be in writing and signed by both Parties.

24. COUNTERPARTS

This Agreement may be signed in any number of counterparts, each of which is an original and all of which, taken together, constitute one and the same instrument.

25. DECLARATION

The Client hereby declares that he has the necessary authority under the: -

- (1) Memorandum and the Articles of Association to, make the necessary investments and that the appropriate resolutions under the Companies Act 1956 and all the provisions of Section 292 or other provisions of the Companies Act, 1956, if any, are complied with.
- (2) Trust Deed to make the necessary investment and appropriate resolutions as may be necessary have been passed.
- (3) Partnership Deed to make the necessary investments.
- (4) All applicable laws to make the necessary investments.

The Clients further undertakes to furnish certified true copies of the above said resolution or authority to the Portfolio Manager within 14 days of the execution of this Agreement.

26. ARBITRATION

All disputes, differences, claims and questions whatsoever which shall arise either during the subsistence of this Agreement or afterwards between the parties hereto and/or their respective representatives touching these presents or any clause or thing herein contained or otherwise in any way relating to or arising from these presents or the interpretation of any provision herein contained shall be in the first place settled by mutual discussions between the parties, failing which the same shall be referred to and settled by arbitration in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be held in Mumbai and be conducted in English language.

27. GOVERNING LAW

This Agreement shall be subject to the guidelines regarding portfolio management viz. the Securities and Exchange Board of India (Portfolio Manager) Rules and Regulations, 1993 made by SEBI, the SEBI (Portfolio Manager) Amendment Regulations, 2002, any changes made thereto from time to time, as well as any other rules, regulations, guidelines that may be applicable. This Agreement shall be governed by the laws of India. All legal actions and proceedings, if any, relating hereto shall be subject to the jurisdiction of the Courts in Mumbai only.

IN WITNESS WHEREOF the Parties have caused this Agreement including the schedule of fees and the Application forming part thereof to be signed on the day and year and manner hereinafter mentioned.

For Client:

Signed by

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(Client/ Authorised Signatory)

Witnessed by: _____
(Witness)

Date:

Joint Applicant (if applicable)

Signed by _____
(Client/ Authorised Signatory)

Witnessed by: _____
(Witness)

Place: Mumbai

**For Portfolio Manager:
Majortrend Capital Private Limited**

Signed by _____
Authorised Signatory

Witnessed by: _____

(Witness)

Date:

Place: Mumbai

SCHEDULE I - PORTFOLIO MANAGEMENT FEES

The fee structures have been offered to the Client

Advisory Fee

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The Client shall pay base fee at the rate of 2.00 per cent per annum on a pro rata basis of the NAV (Net Asset Value), on the date of fund infusion and subsequently on the prevalent NAV at the beginning of each Financial year, with an additional 20% positive performance fee above a 10% annualized hurdle rate (with higher watermark each year).

The client would be allowed to shift from one fee structure to another only after completion of one year from the date of joining by requesting so in writing. The change in fee structure would be effective from the first day of the subsequent quarter in which the change in fee structure is requested.

If the client terminates the agreement within one year from the date of joining, fixed fee for full year will be applicable at the rate as specified by client on weekly average Net Asset Value of the Portfolio in addition to Performance linked fee. In case the client withdraws partially any amount within one year from the date of joining, the fixed fee for full year will be applicable at the rate as specified by client for full year on the amounts withdrawn

The Net Asset Value will be calculated by aggregating the following:

- (I) The total market value of all investments at the end of each week,
 - (ii) All income (dividend, interest, etc.) accrued on the investments,
 - (iii) Cash/Bank balance as at the end of the day; and reducing from such aggregate the charges, fees, expenses and other costs
- The Positive Portfolio Performance for the first year shall be the difference between the amount contributed and Net Asset Value as on 31st March of that fiscal year from the date of joining is completed. The Net Asset Value shall include the Realised as well as Unrealised Gains and Accrued Dividends prior to Tax for that period. For instance if the date of joining is 5th January 2005 the 1st performance fee will accrue on 31st March 2005 at a pro-rata rate.
 - The Positive Portfolio Performance for all subsequent years shall be the difference between the watermarked NAV and Net Asset Value as at the end of completion of one year thereon and shall include the Realised as well as Unrealised Gains and Accrued Dividends prior to Tax for that period. To continue with earlier instance, the 2nd performance fee will accrue on 31st March 2006.

I/We agree to pay to the Portfolio Manager, the Portfolio Management fee, calculated in the manner and on the rates as provided in the Schedule I here above as per type

(Indicate type with nature of fee)

For Client:

Joint Applicant (if applicable)

Signed by **S** _____
(Client / Authorised Signatory)

Signed by _____
(Client / Authorised Signatory)

Majortrend Capital Private Limited

Signed by _____
Authorised Signatory

Signed by _____
Relationship Manager

SCHEDULE II – SELECTION OF CONCEPT

OTHER DETAILS

Overall Investment Goal	Capital Appreciation	<input type="checkbox"/>	Regular income	<input type="checkbox"/>	Both	<input type="checkbox"/>
Risk Profile	Conservative	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	Aggressive	<input type="checkbox"/>
Profile of Investments (in %)	1) Debt/ Fixed Deposits	<input type="checkbox"/>	2) Balance Mutual Fund Schemes	<input type="checkbox"/>	3) Liquid Mutual Fund Schemes	<input type="checkbox"/>
	4) Direct Equity	<input type="checkbox"/>	5) Equity Mutual Funds	<input type="checkbox"/>	6) Portfolio Management	<input type="checkbox"/>
Tenor Of Account	1- 2 years	<input type="checkbox"/>	> 2 years	<input type="checkbox"/>	> 5 years	<input type="checkbox"/>
Systematic Withdrawal (if any)	<input type="text"/>					
Product	<input type="text"/>					

UNDERSTANDING OF CONCEPT

Growth Portfolio

Portfolio objective:

To provide medium to long-term, absolute returns, by seeking to buy growth at value prices from a diversified portfolio of Indian equities with favorable long-term prospects.

Ideal for

Investors who would like to participate in India's growth opportunity

Risk Factors: Equities as an asset class carry a higher risk in comparison to debt. While risk cannot be totally eliminated, it can be mitigated through a well-designed investment strategy. The Majortrend Capital Brokers Growth Portfolios seek to mitigate risk and deliver superior returns through research-based investing. However, this objective may not be fully achieved due to various reasons such as unfavorable market movements, misjudgment by the portfolio manager, adverse political or economic development etc.

Signature of Client: _____

SCHEDULE III - SPECIAL REQUESTS/ RESTRICTIONS

Sr. No.	Request/ Restrictions
1	
2	
3	
4	
5	

Signature of Client

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Signature of Relationship Manager: _____

Signature of Portfolio Manager: _____

Please Note: In case, there are no such restrictions or requests, please strike off the respective column and sign.

SCHEDULE IV – DECLARATION OF MY INTEREST IN VARIOUS BODY CORPORATES

I/We, _____ having entered into Discretionary Portfolio Management Services with **Majortrend Capital Private Limited** (Portfolio Manager), hereby declare that I/we may be considered as holding interest in various entities listed below which enables me/us to obtain unpublished price-sensitive information of the following body corporate/s:

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Sr. No.	Name of the body corporate	Nature of interest

I/We undertake to intimate Portfolio Manager in case of any modification to the above including change in name, if any, of the body corporate.

In case any of the above mentioned Body Corporate/s are not listed on the National Stock Exchange / Bombay Stock Exchange, I / we undertake to intimate the Portfolio Manager at least 15 days prior to its being listed.

I/We understand that the Portfolio Manager may not invest in the equity shares of the above-mentioned companies on my/our behalf unless specified otherwise in writing by me/us.

I/We confirm and declare that the above declarations constitute compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations 1992 and SEBI (Substantial Acquisition of Share and Takeovers) Regulations, 1997.

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SCHEDULE V – RISK FACTORS

- (a) Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the portfolios will be achieved.
- (b) As with any securities investment, the value of the portfolio can go up or down depending on the factors and forces affecting the capital markets.
- (c) **Majortrend Capital Private Limited** is not responsible or liable for losses resulting from the operations of the portfolios.
- (d) The values of the portfolios offered may be affected by changes in the general market conditions, factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors and trading volumes, settlement periods and transfer procedures.
- (e) The liquidity of the portfolio investments are inherently restricted by trading volumes in the securities in which it invests.
- (f) Investors in Privileged Account are not offered any guaranteed returns.

Trading in Derivatives

The Manager may use various derivative and hedging products from time to time, as would be available and permitted under the Guidelines, in an attempt to protect the value of the portfolio and enhance Client's interest.

Accordingly, the Manager may use derivative instruments like stock index futures, options on stocks and stock indices, interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging, portfolio balancing or any other purpose, as permitted under the Regulations and guidelines.

Risks attached with the use of derivatives:

As and when the Manager trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying interest but also of the derivative instrument itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India.