



# CHONA FINANCIAL SERVICES LIMITED

Portfolio Manager, SEBI Regn. No. : INP000001199

Regd. Office : 46, Prakasam Street, T.Nagar, Chennai 600 017

## Application Form for Portfolio Management Services

### 1. General Information

Applicant Name : Mr./Ms./Mrs. \_\_\_\_\_

Name of Father / Spouse / Guardian : Mr./Ms. \_\_\_\_\_

Date of Birth : \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Citizenship : \_\_\_\_\_

Mailing Address : \_\_\_\_\_

City : \_\_\_\_\_ State : \_\_\_\_\_ Pincode: \_\_\_\_\_

Residence Tel: \_\_\_\_\_ Office Tel: \_\_\_\_\_ Mobile: \_\_\_\_\_

Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Alternate Mailing Address: \_\_\_\_\_

City : \_\_\_\_\_ State : \_\_\_\_\_ Pincode: \_\_\_\_\_

Overseas Address: (In case of NRIs) : \_\_\_\_\_

\_\_\_\_\_ City : \_\_\_\_\_

State : \_\_\_\_\_ Pincode: \_\_\_\_\_ Country : \_\_\_\_\_

Status of Applicant (Please Tick)	Occupation of the Applicant (Please tick)
<input type="checkbox"/> Individual	<input type="checkbox"/> Service
<input type="checkbox"/> Proprietorship	<input type="checkbox"/> Business
<input type="checkbox"/> Partnership Firm	<input type="checkbox"/> Professional
<input type="checkbox"/> HUF	<input type="checkbox"/> Student
<input type="checkbox"/> Corporate	<input type="checkbox"/> Housewife
<input type="checkbox"/> NRI	<input type="checkbox"/> Retired
<input type="checkbox"/> Minor through guardian	<input type="checkbox"/> Others

Proof of Identity (attach certified copy of documents) :

Type of document	ID Number	Date of issue	Place of issue
IT PAN*			
AADHAR*			
Driving License			
Passport			
Other (_____)			

\* Compulsorily required

**Proof of Address (any one of following) (copy attached, original for verification) :**

- |   |  |  |   |
|---|--|--|---|
| <input type="checkbox"/> AADHAR           | <input type="checkbox"/> Voter ID              | <input type="checkbox"/> Driving license | <input type="checkbox"/> Bank Passbook    |
| <input type="checkbox"/> Passport         | <input type="checkbox"/> Ration Card           | <input type="checkbox"/> Telephone Bill  | <input type="checkbox"/> Electricity Bill |
| <input type="checkbox"/> Insurance Policy | <input type="checkbox"/> Flat Maintenance Bill |  |   |

Annual incomes for the last 3 financial years 1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_ and the networth 1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_ as on the last date of the respective years.

**2. Investment profile of the client**

- Investment experience regarding securities \_\_\_\_\_ months / years
- Indicative % of total investment portfolio proposed to be invested with the portfolio manager \_\_\_\_\_ %

• Investment goals (please tick)

- |                          |   |
|--------------------------|---|
| <input type="checkbox"/> | Capital appreciation                    |
| <input type="checkbox"/> | Capital appreciation and regular income |
| <input type="checkbox"/> | Regular income                          |

• Risk Profile/tolerance

- |                          |        |
|--------------------------|--------|
| <input type="checkbox"/> | low    |
| <input type="checkbox"/> | medium |
| <input type="checkbox"/> | high   |

- Time period for this investment \_\_\_\_\_ months / years

• Provisions for systematic withdrawals

- |                                  |                                    |                                      |                                 |
|----------------------------------|------------------------------------|--------------------------------------|---------------------------------|
| <input type="checkbox"/> monthly | <input type="checkbox"/> quarterly | <input type="checkbox"/> half yearly | <input type="checkbox"/> yearly |
|----------------------------------|------------------------------------|--------------------------------------|---------------------------------|

• Detailed investment objective of the client (attach additional sheet if desired)

- |                          |   |
|--------------------------|---|
| <input type="checkbox"/> | equity, nature of equities in which investment is desired : _____ |
| <input type="checkbox"/> | balanced (percentage of debt : equity) : _____ : _____            |
| <input type="checkbox"/> | Debt, government bonds, corporate debt and so on _____            |
| <input type="checkbox"/> | Mutual funds etc. _____   |
| <input type="checkbox"/> | Others _____  |

• Initial contribution

- |                                      |   |
|--------------------------------------|---|
| <input type="checkbox"/> cheque/Neft | Name of bank- _____                     |
| <input type="checkbox"/> securities  | Cheque no. _____ Cheque amt. Rs.: _____ |
| <input type="checkbox"/> both        | Cheque no. _____ Cheque amt. Rs.: _____ |
|                                      | Bank A/c no. : _____                    |
|                                      | Branch address: _____                   |

Market value of securities (Rs.) \_\_\_\_\_

Attach: details of the securities like name, market value, quantity and so on.

Depository Participant Name \_\_\_\_\_

DP ID \_\_\_\_\_ Client Account No. \_\_\_\_\_

- Introduced / Referred by : \_\_\_\_\_

Address : \_\_\_\_\_

Phone Nos : Mobile : \_\_\_\_\_ Office : \_\_\_\_\_ Home : \_\_\_\_\_

I/we hereby confirm that the information provided above is true.

Date :

Place :



A-2

\_\_\_\_\_  
Client's Signature (with seal if required)

Affix photo

Sign on front  
of photo

**Chona Financial Services Limited**  
**DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES**

1. The Disclosure Document (“the Document”) has been filed with the Securities Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 2019
2. The purpose of this Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager
3. The necessary information about the Portfolio Manager is provided in this Document. Investors are advised to retain the Disclosure Document for future reference
4. Chona Financial Services Limited is registered with SEBI as a Portfolio Manager vide Registration No. INP000001199.

5. The details of the Principal Officer of the Portfolio Manager are as follows:

Name : Mrs.Parvathi Palaniappan  
Director,  
Chona Financial Services Limited  
Address : Chona Financial Services Limited  
No.46, Prakasam Street,  
T.Nagar,  
Chennai 600 017  
Phone : 044 – 4204 2222  
Email : pms@chona.com

**TABLE OF CONTENTS**

<b><u>Sl.No.</u></b>	<b><u>Particulars</u></b>	<b><u>Page Nos.</u></b>
I.	Disclaimer	B-2
II.	Definitions	B-2
III.	About the Portfolio Manager	B-2
IV.	Service offered	B-3
V.	Risk Factors	B-4
VI.	Client Representation	B-4
VII.	Financial Performance	B-4
VIII.	Fees & Expenses	B-5
IX.	Taxation Aspects	B-5
X.	Accounting Policies	B-5
XI.	Services to Investors	B-6
XII.	Penalties & Pending Litigations	B-6
XIII.	Chartered Accountants Certificate	B-7

(X)

\_\_\_\_\_  
Client’s Signature (with seal if required)

## I. Disclaimer clause

The particulars in this Disclosure Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2019 and filed with SEBI. This Document has neither been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

## II. DEFINITIONS

“**Portfolio Manager**” refers to Chona Financial Services Limited (Chona)

“**Mid-Small Cap Companies**” mean companies which have market capitalization of less than Rs.500 crores at any given time

“**Group Companies**” means and refers to companies under same management as mentioned to in Section 370(1B) of the Companies Act, 1956

“**Related parties / Associates**” shall have the same meaning as assigned in Accounting Standard 19 (AS-18), as specified by Institute of Chartered Accountants of India (ICAI)

“**Discretionary**” means the right of the Portfolio Manager to exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the client

“**Non-Discretionary**” means the Portfolio Manager has to manage the portfolio of securities or funds in accordance with the directions of the client

“**Regulations**” means Securities and Exchange Board of India (Portfolio Managers) Regulations, 2019 as amended from time to time

## III. About THE PORTFOLIO MANAGER

### A. About Chona Financial Services Limited

Chona Financial Services Limited was incorporated on 24<sup>th</sup> day of April 1995. It was converted into a Public Limited company on 16th February 2008. Chona Financial Services Ltd was promoted by Shri. E.M.C.Palaniappan and Mrs. Parvathi Palaniappan. Both the promoters are qualified and experienced in Securities Market.

### B. About Promoters of the portfolio manager, directors and their background Directors and their background

Name	Qualification	Experience
E.M.C.Palaniappan	B.Com, M.B.A, M.C.R.P, M.A	25 years in Stock Market
Parvathi Palaniappan	B.Com, M.B.A	30 years in Stock Market

### C. Group Companies of Chona Financial Services Limited are:

1. M/s. Chona Investments Private Limited .
2. M/s. Chona Commodity Trading Services Private Limited – Subsidiary company.
3. M/s. P3P Products India LLP
4. M/s. Chona Craft Shoppe LLP
5. M/s. Chona Estates and Properties LLP
6. M/s. CBM Products India LLP
7. M/s. Chona Megatainment Malls Ltd
8. M/s. Chona Property Management Ltd
9. M/s. Chona Build Mantra Services Private Ltd
10. M/s. United Commercial and Hotel Enterprises Private Ltd

(X)

**D. Details of Services being offered :**

Discretionary

**IV. SERVICES OFFERED :**

**1. GENERAL :**

The Services offered by the Portfolio Manager would be “Discretionary” in nature.

**2. ABOUT THE SERVICE:**

**I. Investment Objective :**

Portfolio Manager will construct and manage a portfolio entirely driven by the client needs and preferences. This would be achieved with equity, debt, derivatives or a combination of above depending upon the objectives of the client and generate capital appreciation on investment based on the risk profile. The Portfolio Manager will invest in Blue Chips and in ETFs, growth oriented midcaps and small caps.

**II. Investment Pattern**

The asset allocation choice would be based on the client’s needs and preferences. Portfolio Manager would invest after understanding the risk profile of the investor. The risk-return preferences, risk aversion level and their preferences would be documented with the help of a questionnaire. The investment time horizon and the financial objective of the investor are important inputs in working out an asset allocation. Based on this, investments will be made in equity instruments of companies, debt securities of companies, derivative instruments, mutual funds and bank deposits. Asset allocation would form an integral part of the investment strategy wherein the Portfolio Manager works out an optimum mix of different asset classes best suited to the investor risk profile.

**III.** The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ guidelines.

There will be no investments made in associates/group companies of the portfolio manager from the Portfolios managed.

ⓧ

\_\_\_\_\_  
Client’s Signature (with seal if required)

### III. Investor's choice

The investor has to specify the quantum of risk that he is willing to take-high, medium or low.

#### **Minimum Portfolio Size (Portfolios accepted in funds or by way of securities)**

For Individual, Corporate Bodies, HUF's, Trusts, etc. - Rs.50 lakhs

Any additional investment shall have a minimum size of Rs.25 Thousands.

(in cash or cash equivalent by way of securities).

Any renewal of portfolio on maturity of the initial period shall be deemed as a fresh placement.

### V. **RISK FACTORS**

- i. The securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the strategy will be achieved.
- ii. The past performance of the Portfolio Manager does not indicate the performance of the same strategy in future or any other future strategy
- iii. To the extent of investment in the fixed income securities, the value of the portfolio shall be affected by changes in the general level of interest rates.
- iv. Debt securities are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk) and price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the credit worthiness of the issuer, among others (market risk)
- v. Investments in derivative instruments are subject to high levels of risk. Use of derivative investment is made to enhance the portfolio returns but there can be greater levels of loss to the portfolio as a result of investment in derivative instruments.
- vi. Pending deployment of funds in securities in terms of the investment objective, the funds of the strategy shall be invested in short term deposits of scheduled commercial banks or financial institutions, whenever practical and suitable.
- vii. Investors are not being offered a guaranteed or assured rate of return either directly or indirectly. Investment decisions made by the Portfolio Manager may not always be profitable.
- viii. Any act, omission or commission of the Portfolio Manager will be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission taken or failure to act save and except in cases of willful default and/or fraud of the Portfolio Manager.
- ix. The liability of the client shall not exceed his investment with Portfolio Manager.
- x. The portfolio manager has group companies. There is no conflict of interest related to services offered by group companies of the portfolio manager.

### VI. **CLIENT REPRESENTATION\***

<u>Category of Clients</u>	<u>No. of clients</u>	<u>Funds managed</u> (if available)	<u>Discretionary/ Non Discretionary</u>
Individuals	18	18.96 crores	Discretionary
Corporate	4	1.32 crores	Discretionary

\* As on 31 December 2020

- ii. Portfolio Manager will execute broking transactions through Kotak Securities Limited which is registered with SEBI as member of NSE and BSE with Regn. No. INZ000200137.
- iii. Related Party Disclosures : Disclosure in respect of transactions with related parties as per the standards of ICAI. Chona PMS manages three corporate accounts of its associate concerns as follows : Chona Craft Shoppe LLP (started on 18.1.2008, funds managed Rs.31.12 lakhs as on 31.12.2020), Chona Investments P Ltd (started on 9.1.2009, funds managed Rs.18.12 lakhs as on 31.12.2020) and P3P Products India LLP (started on 19.12.2007, funds managed Rs.30.91 lakhs as on 31.12.2020) under its PMS services.

### VII. **FINANCIAL PERFORMANCE(Rupees in Lacs)**

- i. Financial Performance of Chona Financial Services Limited based on audited financial statements.

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Brokerage Income	20.81	68.95	134.71
Total Income	275.52	286.18	330.80
Operating Income Before tax	40.91	-1.57	64.86
Provision for taxation	0.00	0.00	0.00
Deferred Tax	0.87	-14.27	1.09
Operating Income After Tax	40.04	12.69	63.76

(X)

Client's Signature (with seal if required)

## ii. Portfolio Management performance - Annual Weighted Average Returns of PMS

Nature of client	Mar 2017	Mar 2018	Mar 2019	Mar 2020
INDIVIDUAL - Resident	23.97%	8.06%	-13.53%	-16.93%
INDIVIDUAL - Non- Resident	20.02%	10.06%	-1.91%	-3.52%
CORPORATE - Resident	22.11%	14.56%	-0.81%	-10.7%
Returns from Benchmark Nifty	18.94%	9.48%	13.51%	-26.32%
Sensex	17.22%	10.23%	15.42%	-24.19%

(PMS performance net of fees & expenses).

### VIII. FEES & EXPENSES

#### i. Investment management and advisory fees

The management fees shall be charged as specified in the clause 11 in page No. C-6. Details and Illustration of fees and charges are given as separate Addendum in Annexure 1 in page No.X 1 & X 2.

#### ii. Custodian and Registrar & Transfer Agent and Depository related Fees & Charges :

The fees shall be billed at actuals on monthly basis.

#### iii. Brokerage and transaction cost

The Portfolio Manager shall ensure that the brokerage charges payable by the client does not exceed one percent of the transaction value with a minimum of 10 paise per share.

#### iv. GST, Securities Transaction Tax, Exchange transaction charges and other charges. The fees/charges shall be billed at actuals on daily basis or at such periods at the discretion of the portfolio manager.

### IX. TAXATION ASPECTS

Investments in securities have inherent risks- Economic risks, market risks, interest rate risks, liquidity risks etc., Income from investments can be dividend income or interest income and capital gain. Dividend income is tax free in the hands of the individual. Interest income is taxed based on the tax bracket of the investor. Capital gain is taxable if investment has been held for less than 1 year (short term capital gain) @ 15% and is if investment is held for more than 1 year (long term capital gain) and is more than 1 lakh @ 10%. If there is loss on investment it can be set off with capital gains. Long term capital losses can be set off only against long term capital gains. Short term capital losses can be set off against both short term and long term capital gain. No tax is deducted at source for equity investment income by the portfolio manager. For NRI clients TDS at 15% is deducted by the PIS bank for every selling trade of the client as per contract.

The statement of Account of transactions undertaken on behalf of the client for his portfolio, along with the documents and information relating to the Tax Deducted at Source (TDS), if applicable shall be provided by the Portfolio Manager to the clients.

It is made clear that, the Portfolio Manager is not at all obliged to undertake tax planning of the Client. In the event of any demand being made or raised on the Portfolio Manager by any taxation or revenue authorities to pay any sums of money towards purported tax liability in connection with or arising from the Portfolio, or transactions carried out in respect thereof, the Client shall authorise the Portfolio Manager to comply with and settle the demand and pay such amount and debit the Client's account accordingly and the client shall indemnify the Portfolio Manager in respect of costs charges and expenses and liabilities and other amounts for taxes discharged or to be discharged by the Portfolio Manager. The client shall be liable to pay directly or reimburse any additional tax liabilities to Portfolio Managers, which could not be set off against the credit lying in the client account.

### X. ACCOUNTING POLICIES

#### 1. The Portfolio Manager shall :

- aggregate purchase / sales of securities for economies of scale, and in such a case, it shall do inter-se allocation of securities on a prorata basis and at the weighted average price of the day's transactions.
- Not keep any open position in respect of allocation of sales or purchases effected in a day.
- Carry out purchase or sale transactions between that of its other customers and Client's accounts or between two Client's accounts, but the same shall be at the prevailing market prices
- Value the investments of each client separately on weighted average method, at the prevailing market price

#### 2. Accruals, accretion, benefit, allotment, calls, call refund, return, prevailing entitlement, substitute/ replacement any other benefits including dividend, interest, rights, bonus, accrual in respect of client account shall be received by Portfolio Manager either in his own name or in the name of the client but in either case it shall be credited in the client's account on receipt basis.

(X)

Client's Signature (with seal if required)

B-5

## XI. SERVICES TO INVESTORS

### a. Rights of the Investors :

- i. A monthly Performance Review Report shall be sent to the Investor, in order to keep them updated about the status of their portfolio. The investor is also entitled to an Annual Portfolio Performance Report.
- ii. The portfolio accounts of the Portfolio Manager on the whole shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be available.
- iii. The investor is entitled to appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such Chartered Accountant in the course of audit.
- iv. The Portfolio Manager shall furnish a detailed statement of accounts to the investor and settle the account with the investor on the termination of the agreement
- v. At the end of the stipulated tenure, the investor has the option of either renewing the portfolio management service or receiving the portfolio value in the form of a Cheque, Demand Draft or delivery of actual securities / receipt if lying unsold, depending upon the service, which he has opted for.

### b. Details of the Investor Relations Officer of the Portfolio Manager are as under:

R.Jaishankar, Compliance Officer , Chona Financial Services Limited 46, Prakasam

Street, T.Nagar, Chennai 600 017. Phone : 044 – 4204 2222

Email : invcomp@chona.in

### c. Investor Grievance Redressal Mechanism:

Where the Client has any grievances, he should promptly notify the same to the Investors Relations Officer of Portfolio Manager in writing, giving sufficient details alongwith supporting documents. The email Id of the Investor Relations Officer Mr. R.Jaishankar is **invcomp@chona.in** and his phone number is 044-42042222 Extn 354. The grievances received by the Investor relations officer will be immediately analysed and redressed. The matter will be informed to the concerned department, who will solve the matter and reply will be sent to the client within 30 days informing the resolution of the matter. Details of complaints received and replies sent are recorded and kept in our system for follow up and verification by officials. If the matter cannot be handled, the client will be informed of the same with reasons for the non resolution and giving him suggestions, if any, to approach alternative mechanism for redressal. In case not satisfied with response, investors can send in their complaints to the SEBI Regional Office at Overseas Towers, 7th floor, 756-L, Anna Salai, Chennai 600 002. Tel:+91-44-28880222/28526686 Fax:+91-044-28880333 E-mail : sebisro@sebi.gov.in.

## XII.PENALTIES & PENDING LITIGATIONS

- |      |   |     |
|------|---|-----|
| i.   | Cases of penalties imposed by SEBI under the SEBI Act or any of its regulations against the Portfolio Manager   | NIL |
| ii.  | The nature of the penalty / direction   | N.A |
| iii. | Penalties imposed for any economic offence and/or for violation of any securities laws  | NIL |
| iv.  | Pending material litigation / legal proceedings against the Portfolio Manager / key personnel with separate disclosure regarding pending criminal cases, if any   | NIL |
| v.   | Any deficiency in the systems and operations of the Portfolio Manager observed by the SEBI or any Regulatory agency   | NIL |
| vi.  | Any enquiry / adjudication proceedings initiated by the SEBI against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or Employee, under the act or Rules or Regulations Made thereunder | NIL |

The above information is to the best of the Company's knowledge and information.

For Chona Financial Services Limited

Date : \_\_\_\_\_  
Place : Chennai

Director  
(Signature)

Director  
(Signature)

**Accepted and confirmed by me/us.**

Date : \_\_\_\_\_

Place : \_\_\_\_\_

(X)

Client's Signature (with seal if required)



**FORM C**

Chona Financial Services Limited  
46 Prakasam Street,  
T.Nagar, Chennai 600 017.  
Phone : 044-42042222  
Email: pms@chona.com

We confirm that:

- i) The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2019 and the guidelines and directives issued by the Board from time to time;
- ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management;
- iii) The Disclosure Document has been duly certified by an independent chartered accountant M/s. Ravikanth & Associates, New No.23/3, Old No. 108, Second Street, AJ Block, 10th Main Road, Anna Nagar, Chennai 600040, Ph 9382110854, 044-26284334, 044-47234338, Registration Number 219032 on 25.11.2019. Please find enclosed a copy of the chartered accountants certificate.

Date :10.2.2021

Signature of the Principal Officer

Place: Chennai

(Sd)Parvathi Palaniappan

Name and address of the Principal Officer

(Parvathi Palaniappan, 46, Prakasam St, T.Nagar, Chennai 600 017)

**As per Regln 14, SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS,2019.**

---

**Chartered Accountants Certificate**

M/s. Ravikanth & Associates  
Chartered Accountants

Date: 10.2.2021

**To whomsoever it may concern**

Ref: PMS Disclosure Document

Sub: Certificate

We hereby certify that the disclosures made in the Portfolio Management Services Disclosure document of Chona Financial Services Limited are true, fair and adequate to enable the investors to make a well informed decision.

Sincerely  
For Ravikanth & Associates,  
Chartered Accountants

(Sd) Medikonda Ravikanth  
Proprietor  
Name : Medikonda Ravikanth  
Membership No: 219032

(X)

---

Client's Signature (with seal if required)

B-7

Special  
Adhesive  
Stamp of  
Rs.100

## PORTFOLIO MANAGEMENT SERVICES AGREEMENT

This Agreement made at Chennai on \_\_\_\_\_ (Effective Date) between **Chona Financial Services Limited**, a company incorporated under the provisions of Companies Act. 1956 and having its registered office at No.46 Prakasam Street, T.Nagar, Chennai-600 017; hereinafter referred to as "**Portfolio Manager**" (which expression shall unless the same be repugnant to or contrary to the meaning or context thereof mean and include its successors and assigns) of the **ONE PART**  
**and**

\_\_\_\_\_ an individual/s/ a proprietorship concern/ partnership firm/company incorporated under the Companies Act 1956 having its residence/office at

\_\_\_\_\_ hereinafter referred to as "Client" (which expression shall unless the same be repugnant to or contrary to the meaning or context thereof mean and include legal heirs, successors, liquidators nominees and assigns) of the **OTHER PART**;

### WHEREAS :

- (a) The Portfolio Manager is licensed to carry on business and offer the services of Portfolio Manager under the license obtained from Securities and Exchange Board of India (SEBI) under the SEBI (Portfolio Managers) Rules and Regulations, 2019 bearing Regn. No.INP000001199.
- (b) At the request of the Client the Portfolio Manager has agreed to provide Discretionary Portfolio Management Services to the Client.
- (c) The parties hereto are entering into this agreement to set out the terms and conditions on which the Portfolio Manager has agreed to render, and the Client has agreed to avail of, the aforesaid services

### NOW THIS AGREEMENT WITNESSTH AND IT IS AGREED AS FOLLOWS :

#### 1. DEFINITIONS:

Unless the context or meaning otherwise requires, in this agreement (including in the recitals hereinabove and the annexures and schedules, if any, hereto) the following expressions shall have the meanings assigned to them respectively hereafter, viz:-

- 1.1 "**Agreement**" means this Portfolio Management agreement and includes any recitals, schedules, annexure or exhibits to this Agreement and any amendments made to this Agreement by the Parties in writing.
- 1.2 "**Bank Account**" shall have the meaning ascribed to it in Clause 4.1(a).
- 1.3 "**Cash**" includes cheques, demand drafts, pay-slips, etc.
- 1.4 "**Client Securities**" mean the Securities, which form part of the Portfolio.
- 1.5 "**Disclosure Document**" means the list of disclosures made to the Client by the Portfolio Manager and as specified in **Schedule V of the PM Regulations**.
- 1.6 "**DP Account**" shall have the meaning ascribed to it in Clause 4.1(b)
- 1.7 "**Effective Date**" means the date of execution of this Agreement.
- 1.8 "**Intermediaries**" means custodians, banker to an issue, trustee, registrar to an issue, merchant banker, depositories, depository participants, transfer and pricing agents, accountants, investment advisors, consultants, attorneys, printers, underwriters, brokers and dealers, insurers and any other persons in any capacity who may be associated with the securities market.

For M/s. Chona Financial Services Limited

(X)

Director

\_\_\_\_\_  
Client's Signature (with seal if required)

C-1

1.9 **“NAV” or “Net Asset Value” or “Net Asset Value of the Portfolio”** means the market value of the assets in a portfolio consisting of (a) the amount of Cash in the Bank Account; and (b) the market value of Client Securities computed in accordance with the methodology as set out in Clause 11.6 less (c) amounts payable by the Client to the Portfolio Manager and all such fees, costs, charges payable by the Client which include but are not restricted to Custodian Fees, Bank Charges, Stamp Charges, Legal Fees, Taxes and out of pocket expenses incurred in respect of Client’s Portfolio.

1.11 **“Parties”** means the Portfolio Manager and the Client; and **“Party”** shall be construed accordingly.

1.12 **“PM Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2019 and any amendments thereto.

1.13 **“PM Rules”** means the Securities and Exchange Board of India (Portfolio Managers) Rules, 2019 and any amendments thereto

1.14 **“Portfolio”** means the Client Securities currently lying with the Portfolio Manager in physical form, the Client Securities forming part of the DP Account and the Client’s Cash Balance (from time to time) in the Bank Account.

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

1.16 **“Securities”** include shares, scrips, stocks, derivatives, futures, options, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate, derivatives, units or any other instrument issued by any collective investment strategy to the investors in such strategies, government securities, and such other instruments as may be declared by the Central Government to be ‘Securities’ provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in under the PM Rules, PM Regulations or any other law for the time being in force.

1.17 **“Services”** means the services to be provided by Portfolio Manager as set out in Clause 6.

1.18 **“Term”** shall have the meaning ascribed to it in Clause 15.1 of this Agreement.

1.19 Such of those expressions as are used and not defined in the Agreement, but defined in the SEBI Act, 1992 or PM regulations and PM Rules shall carry the same meaning herein as are assigned to them therein respectively.

## 2 INTERPRETATION

Unless otherwise provided or unless the subject or context otherwise requires, in this Agreement.

(a) Any reference to the provision of any statute shall be deemed to include reference to the same as in force (including any amendments or re-enactment) at the time the matter relating thereto occurs.

(b) Clause and paragraph headings are inserted for ease of reference only and shall not affect the interpretations of this Agreement. References to Clauses and Recitals shall be construed as references to Clauses or Recitals of this Agreement, unless specified otherwise.

(c) Words denoting one gender include all genders; word denoting company include body corporate, corporations and trusts and vice-versa; words denoting the singular include the plural; and words denoting the whole include a reference to any part thereof.

(d) Reference in this Agreement to any document, security or agreement includes reference to such documents, security or agreement as amended, novated, supplemented, varied or replaced from time to time.

(e) Reference to “this Agreement” means this Agreement together with its recitals and the forms annexed hereto along with any, schedules executed by the parties which would form part of the Agreement and any / or alteration made by executing an addendum.

(f) The words “including”, “include” and “in particular” shall be construed as being by way of illustration only and shall not be construed as limiting the generality of the preceding words.

(g) Heading, sub-heading and bold type faced are only for convenience and shall be ignored for the purpose of interpretation.

(h) Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or reenacted, and any reference to a statutory provision shall include any sub-ordinate legislation made from time to time under that provision.

(i) Any term or expression used but not defined herein shall have the same meaning attributable to it under applicable law.

For M/s. Chona Financial Services Limited

(X)

Director

Client’s Signature (with seal if required)

### 3 APPOINTMENT OF PORTFOLIO MANAGER

(i) The Client does hereby entrust the Portfolio Manager and the Portfolio Manager both hereby accept the assignment to act as Client's "Portfolio Manager" on Discretionary basis on the terms and conditions as stated in the agreement.

(ii) The Client hereby appoints "Portfolio Manager" as its attorney for the term of this agreement and for the purpose of carrying out in the name and on behalf of the Client the functions as contemplated by this agreement & undertakes to ratify & confirm all that "Portfolio Manager" shall lawfully and beneficially do pursuant to this agreement. The Client agrees to execute from time to time one or more power of attorneys in such form and content as required by the Portfolio Manager and / or to do such other acts or things as are necessary for the purpose of this agreement.

(iii) In the case of the discretionary portfolio, the Portfolio Manager has the full authority for the selection, acquisition, & disposal of the investments.

(iv) The Portfolio Manager shall act in a fiduciary capacity and as a trustee and as an agent of the Client's account.

### 4 INVESTMENT

4.1 The agreed amount of investment is

Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_)  
comprising of :

Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) in cash/funds  
and  
Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) being NAV  
as on Effective Date of the Client Securities listed in Annexure 'A' on the Effective Date:

(a) The Client shall place the aforesaid sum of Rs. \_\_\_\_\_ in a separate Bank Account in the clients name maintained by Portfolio Manager in a Scheduled Commercial Bank ("**Bank Account**"). The Portfolio Manager will maintain the Client's Cash segregated from the Portfolio Manager's own account, if any.

(b) The Client shall transfer such Client Securities as are listed in Annexure A (which are in dematerialized form) in a depository account maintained by the Portfolio Manager with a depository participant of the Portfolio Manager's choice ("**DP Account**"). The Portfolio Manager will maintain the Client's Securities segregated from the Portfolio Manager's own account, if any.

4.2 When placing orders for buying or selling Securities the Portfolio Manager shall at his discretion either aggregate the orders of all Clients/group of Clients or place the orders individually for the Client. Where the Portfolio Manager has aggregated the orders of all the Clients and placed it together, subsequently, the Portfolio Manager shall use his discretion in allocating the trades to the respective Clients' account and shall take care to ensure that the allocation is done properly and in a fair manner.

4.3 The Portfolio shall be kept in the Depository Account ("**DP Account**") either in the name of the Client or in the name of the Portfolio Manager or as the Portfolio Manager may determine (on behalf of the Client). Provided that any Securities which are not so dematerialized as to be capable of being held in a depository account may be held (either in the name of the Client / the Portfolio Manager / any other person as the Portfolio Manager may determine) by the Portfolio Manager or any custodian appointed by the Portfolio Manager in such manner as the Portfolio Manager may consider appropriate.

4.4 In addition to the amount mentioned in Clause 4.1 (a) above or in the event of additions to Client Securities by the Client the Client may from time to time at its sole discretion place through the Portfolio Manager, such further Cash and / or Securities, as it so desires in the Bank Account and / or DP Account in **minimum lot size of Rs.25 Thousands** by way of funds or NAV of securities or combination thereof **every time such addition is made.**

For M/s. Chona Financial Services Limited

(X)

Director

\_\_\_\_\_  
Client's Signature (with seal if required)

4.5 In the event additional deposits of Cash / or Securities, the NAV of the Portfolio shall be duly adjusted accordingly. The addition or withdrawal shall be made by the Client subject to approval by the Portfolio Manager obtained in writing by exchange of letters. It is clarified however, that any renewal of Bank Account, DP Account or any addition made after the term shall be deemed as fresh placement and the provisions of this Clause and Clause 4.4 and 4.6 shall apply to such fresh placement, *mutatis mutandis*.

4.6 The Client hereby undertakes that the Client's right of withdrawal pursuant to Clause 4.5 above is conditional upon the Portfolio having a **minimum NAV of Rs.50,00,000 (Rupees Fifty Lakhs only)** immediately after such withdrawal.

## 5. INVESTMENT OBJECTIVES

5.1 Pursuant to the objective of the Agreement to provide the Client with a structure that can achieve capital growth and/ or income generation, the Portfolio Manager shall endeavor to apply its professional expertise in order to assist the Client to achieve his goals by investing in Equity and Equity related instruments. Portfolio Manager may also take exposure in Derivatives and may keep idle cash in Money Market instruments.

5.2 It is clarified that in respect of investments in derivatives, the Portfolio Manager shall not leverage the Portfolio and the total exposure of the Client in derivatives shall not exceed the funds placed with the Portfolio Manager by the Client.

5.3 The Portfolio Manager shall provide investment management services without guaranteeing or assuring directly or indirectly any return to the Client.

## 6. SCOPE OF SERVICE

With respect to discretionary Portfolio Management, the Portfolio Manager shall deal with, manage and administer the portfolio, in such manner, as the Portfolio Manager may consider appropriate in his absolute discretion to achieve the investment objectives as set out in Clause 5. Without prejudice to generality of the foregoing, the Portfolio Manager shall inter-alia provide the following services.

(a) Determine the securities to be purchased or sold or investments to be made and contracts or arrangements to be entered into that behalf.

(b) Determine in his sole discretion as to what portion of the Portfolio shall be invested in Securities from time to time and what portion shall remain uninvested.

(c) In case of discretionary Portfolio, the Portfolio Manager shall have complete authority with respect to selection, acquisition, and disposal of investments.

(d) The Portfolio Manager, subject to authorization by the Client in writing, may participate in Securities Lending.

(e) Furnish periodic reports on the performance of the Portfolio to the Client in the manner more particularly set out in Clause 8(c);

(f) Supervise and negotiate contractual arrangements with Intermediaries who in the sole judgment of the Portfolio Manager are required by the Portfolio Manager to administer and manage the Portfolio;

(g) Monitor the valuation of the Portfolio and calculate the NAV thereof;

(h) Do all other such acts, which the Portfolio Manager in its sole discretion deems necessary to achieve the investment objectives as set out in Clause 5.

## 7. AREAS OF INVESTMENT/ RESTRICTIONS

7.1 The Client expressly acknowledges and agrees that it has not placed any restrictions or instructions on the manner of investments of the Portfolio and the Portfolio Manager may exercise any degree of discretion while dealing with, administering and managing the Portfolio.

7.2 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.

## 8. RESPONSIBILITIES OF THE PORTFOLIO MANAGER

The Portfolio Manager hereby undertakes as follows:

(a) The "Bank Account" and the "DP Account" shall be operated by the Portfolio Manager solely for the purpose of rendering the services. Proceeds from the sale of the Client Securities and / or income (e.g. dividend, interest etc.) received in connection with the Client Securities shall be credited to the Bank Account.

(b) The Portfolio Manager shall hold the Client Securities in its own name on behalf of the Client. The records of the Portfolio Manager and reports submitted to the Client shall indicate that the Client Securities are held on behalf of the Client's Portfolio.

For M/s. Chona Financial Services Limited



Director

Client's Signature (with seal if required)

(c) The Portfolio Manager shall, on a quarterly basis and as and when reasonably requested by the Client, furnish to the Client a report, inter alia containing the following details:

(i) the composition and the value of the Portfolio, description of the Client Securities,

number of Client Securities, value of each Client Security which forms part of the Portfolio, Cash balance and aggregate value of the Portfolio as on the date of the report;

(ii) transactions undertaken during the period of the report including the date of transaction and details of purchase and sales;

(iii) beneficial interest received during that period in respect of interest, dividend, bonus shares, rights shares and debentures;

(iv) details of risks foreseen by the Portfolio Manager and the risk relating to the Securities recommended by the Portfolio Manager for investment or disinvestments; and

(v) expenses incurred in managing the Portfolio of the Client.

(d) The Portfolio Manager shall not borrow funds or Securities on behalf of the Client (except as provided under the PM Regulation) or lend or pledge, hypothecate, or create any similar encumbrance on the Client Securities without the prior written approval of the Client.

(e) The Portfolio Manager shall keep confidential all proprietary information exchanged between the Client and the Portfolio Manager in the course of the Portfolio Manager's engagement hereunder.

(f) The Portfolio Manager shall not while dealing with the Client's funds enter into any transaction for the purchase or sale of any Security which is periodically or ultimately settled otherwise than by actual delivery or transfer of Securities except the transactions in derivatives.

(g) The Portfolio Manager shall ensure that the funds received from the Client, investments or disinvestments and all the credits to the Bank Account of the Client like interest, dividend, bonus or any other beneficial interest received on the investments and debits for expenses, if any, shall be properly accounted for and details thereof shall be properly reflected in the Client's account, and shall be in compliance with the PM Regulations. The Portfolio Manager shall have its books of accounts audited annually at the end of the Accounting Year by an independent chartered accountant and shall provide the Client a copy of the certificate issued by such chartered accountant.

(h) The Portfolio Manager shall subject to the provisions of the PM Regulations, permit the Client to have the Portfolio Manager's books of accounts relating to his/her/its transactions audited by a chartered account appointed by him/her. In view of the forgoing the Clients shall be entitled to inspect all the relevant and material documents relating his/her transactions by giving a notice of one week in writing to the Portfolio Manager. The books of accounts will be available for inspection during 2 pm to 5pm on any working day chosen in the notice. The accounting policy of the Portfolio Manager is mentioned in the disclosure document. The Portfolio Manager undertakes that all statements/document/ reports furnished by it to the Client shall present a true and fair view of the actual transactions.

(i) The Portfolio Manager shall act in fiduciary capacity with regard to the Client's funds

(j) The Portfolio Manager shall ensure that it has provided the Client the Disclosure Document along with a certificate in form C at least two days prior to the execution of this Agreement.

(k) The Portfolio Manager shall not derive direct or indirect benefit out of the Client's funds or securities.

(l) The Portfolio Manager shall ensure proper and timely handling of complaints from the Client and take appropriate action immediately.

## **9. Rights of the Portfolio Manager**

9.1 Nothing in this Agreement shall prohibit the Portfolio Manager from:

(a) Purchasing, selling or otherwise dealing in any securities of an entity (the securities of which entity are part of the Portfolio) either on its own behalf and /or for its other Clients;

(b) Having a commercial relationship with the Intermediaries other than for the purpose of providing the Services;

(c) Purchasing or selling Client Securities from/to any one with whom the Portfolio Manager has a commercial / other relationship or arrangement; and

(d) Employing, retaining or appointing any affiliates or any of the partners/directors of the Portfolio Manager or its affiliates as an Intermediary for rendering any services in connection with the administration/management of the Portfolio.

9.2 The Stock Exchange or any other regulatory body may cancel a trade *suo-moto* without giving any reason thereof. In the event of such cancellation, Portfolio Manager shall be entitled to cancel relative contract(s) entered into by the broker for the Client.

**10. OBLIGATIONS OF THE CLIENT**

**10.1 Taxes**

The Client hereby unconditionally and irrevocably undertakes to promptly and regularly pay as per the relevant laws all taxes payable in connection with the Portfolio including income tax, service tax, securities transaction tax, etc., if any, on the transactions or on the income arising from the portfolio whether by way of interest, dividend, short term and long term capital gain or otherwise howsoever and file, within the prescribed time frames all tax returns, statements, applications and other documents in that behalf. The tax may be deducted at source under applicable provisions of the income tax act, 1961. The Client may obtain advise from tax consultants of the Portfolio Manager, entirely at Client’s risk as to cost and consequences.

**10.2 Disclosure of Interest**

The Client declares and confirms that he has no interest in the body corporate(s), which will enable him to obtain unpublished price-sensitive information of the body corporate. The Client undertakes to inform the Portfolio Manager, in writing, immediately of his acquisition of interest in any other body corporate(s) that will enable him to obtain unpublished price sensitive information of such body corporate.

**10.3 Disclosure by Client to Portfolio Manager [Ticked as applicable]**

[ ] The Client has declared that the client has interest in the following corporate bodies which enable the client to obtain unpublished price-sensitive information of the said body corporates. (Separate sheet for additional companies if any) :

- a)
- b)
- c)

[ ] The Client has declared that the client has no interest in any corporate body enabling the client to obtain unpublished price-sensitive information of the said body corporate.

**11. FEES AND BILLING**

As consideration for availing the services, the Client shall pay a fixed management fee and Variable fee as incentive to the Portfolio Manager in the manner as given below and agreed to by both parties hereto:

A. Management Fee: 0.50% per quarter on the average of daily Net Asset Value (NAV) of the portfolio.

B. Variable Fee: In addition to the Management fee the PM will charge annually a Variable Fee of 20% of the profit made over and above an initial 12% profit on investment. For the purpose of calculation of variable fee, high water mark basis shall be used.

For M/s. Chona Financial Services Limited

Director



\_\_\_\_\_  
Client’s Signature (with seal if required)

The quarterly fixed fee will be charged at the end of each calendar quarter (March 31, June 30, Sept. 30 and Dec.31) based upon average of daily NAV of the portfolio.

Variable fee will be charged at the end of 12 months from the date of initial investment. Incremental investments will be adjusted proportionately to the same date of initial investment. Same date of initial investment shall be taken for subsequent years for the whole portfolio.

**11.3 Exit Load:** In the event the Agreement is terminated prior to the expiry of the Term, then the Fixed Fee mentioned in Clause 11.1 shall be payable for the period of the full Term which would have remained effective if not for early termination. Additionally, the Variable Fee (incentive) mentioned in Clause 11.2 shall be payable by calculating the profit as on the day of termination (annualized). The amount so determined shall be charged to and recovered from the Client's Bank Account.

**11.4** The Portfolio Manager shall have the right to appropriate the amounts payable to it under Clause 11.1, 11.2 and 11.3 or any other provisions of this agreement from the Assets and the Portfolio Manager may for this purpose sell or otherwise liquidate the Portfolio or any part thereof. The Portfolio Manager shall have a right of lien and set-off on the assets for such amount and any right of the Client to withdraw the Assets or any part thereof shall be subject to the Portfolio Manager having first received all such amounts.

**11.5** In addition to the fees payable under the Clause 11.1, 11.2 and 11.3, the Client shall pay to the Portfolio Manager, all costs and expenses of whatsoever nature incurred by the Portfolio Manager in connection with the services, including but not limited to the expenses and cost of custody and safe keeping of all Client Securities, registration and transfer charges in respect of the Client Securities, transaction charges, Depository Participant/Bank account opening and closing charges, legal charges for recovery/ transfer of securities, broker and other intermediary expenses, taxes, fees, etc.

#### **11.6 Computation of NAV of Client Securities**

(a) **Traded Securities:** shall be valued on the basis of closing market rates on the National Stock Exchange ("NSE") as on the relevant valuation date. If the Client Security is not listed on the NSE, latest available quote within a period of thirty days prior to the valuation date on any other major stock exchange where the Client Security may be listed would be considered. In the event of this date being a holiday at the exchange, the rate as on the immediately preceding trading day shall be adopted.

(b) **Mutual fund units** shall be valued at the latest available net asset value closest to the valuation date.

(c) **Government Securities** shall be valued at the price released by an agency suggested by Association of Mutual Fund in India. Government securities, where prices are not available, shall be valued at yield to maturity based on the prevailing interest rates as per the yield curve.

(d) **Rights entitlements** for shares shall be valued at the market price of the share reduced by the exercise price payable, and further discounted for dividend element, wherever applicable.

(e) **Index Futures** shall be valued at settlement price declared by NSE on the valuation date.

(f) **Profit/loss on index futures** shall be recognized on expiration or squaring up of the contract based on first-in- first out (FIFO) method.

(g) On the valuation date, the 'marked to market' ("MTM") margin received on outstanding contracts shall be considered as current liability. MTM margin paid shall be considered as current assets and provision shall be created for the same.

(h) Depreciation in the value of investments shall be on aggregate basis.





## 12. LIABILITY OF THE PORTFOLIO MANAGER

12.1 The Portfolio Manager does not assure any minimum returns. The Portfolio Manager shall not be liable in case of depreciation in the value of Securities in which the Portfolio Manager invests funds. Without prejudice to the provisions of Clause 17 hereunder, the Client acknowledges and agrees that the Portfolio Manager (or its directors, officers, employees, agents, consultants or other representatives) shall not be responsible or liable for any direct, indirect, incidental, consequential, special, exemplary, punitive or any other damages (including loss of profits, loss of goodwill, business interruption etc.) for any error of judgment, mistake, delay or for any loss suffered by the Client in connection with the Services or in respect of any matter to which the Agreement relates unless such damage or loss is finally judicially determined to have resulted primarily from the willful misfeasance and bad faith of the Portfolio Manager. The Portfolio Manager shall not be liable for any loss, which may arise if it is prevented from discharging its obligations due to the occurrence of an event of Force Majeure (as defined in Clause 19.4.1).

12.2 The Portfolio Manager shall exercise due care and diligence in appointment of intermediaries but shall not be responsible or liable in any manner whatsoever, for any negligence, lapse or any act of commission or omission on the part of the Intermediaries in carrying out their duties or any instructions issued by the Portfolio Manager and any loss due to above shall be borne by the Client.

## 13. RISKS INVOLVED

It is expressly stated and understood by and between the Parties that the nature of the Services provided herein carry certain risks and the Client has entered into this Agreement with full knowledge of such associated risks. The Client clearly understands that investments in securities as defined in Section 2(h) of the Securities Contracts Regulation Act, 1956, entails a high degree of risk and there can be no assurance by the Regulation Act 1956, entails a high degree of risk and there can be no assurance by the Portfolio Manager about minimum returns thereon or even as regards preservation of capital. Risk may arise from the investment objective and the investment policy. These risks are inherent in this business. A list illustrating some of the associated risks is attached hereto and marked as Annexure B. The Client acknowledges that the list is merely an illustrative list indicative of some of the risks associated with the Services and does not purport to be exhaustive.

## 14. REPRESENTATIONS AND WARRANTIES

14.1 The Parties hereto represent and warrant that:

- (a) Each of them has full power and authority to carry on its/his/her business;
- (b) The execution and delivery of this Agreement and all other agreements contemplated hereby will not result in the breach of any terms and conditions of any agreement or deed, or constitute default under applicable laws or other obligations to which it/he/she is bound or violate any rule, regulation or law of any Government or any order, judgment or decree of any court or government body; and
- (c) The execution and delivery of this Agreement and the other acts/covenants/contemplated hereby have been duly authorized by all necessary approvals / sanctions / resolutions such as those of Board of Directors and shareholders actions.

14.2 The Client represents and warrants that he / she has received and understood the contents of the Disclosure Document prior to execution of this Agreement.

## 15. TERMS AND TERMINATION

15.1 The term of this Agreement shall be for a period of 5 years from the Effective Date (“**Term**”). Upon the expiry of the said period of 5 years, unless either party intimates the other party at least 30 (thirty) days prior to the said expiry, the Agreement shall automatically be deemed to be renewed/extended for a further period of 5 years on the same terms and conditions. The notice period of 30 (thirty) days would apply for every subsequent renewal after the first renewal. The investment amount on the date of renewal shall be the Net Asset Value of the Portfolio prevailing as on the date of renewal.

15.2 The Portfolio Manager may terminate this Agreement at any time before the expiry of the Term upon providing a minimum notice of 15 (fifteen) days to the Client.

15.3 The Client may terminate this Agreement at any time before the expiry of the Term by giving 30 days notice of termination to the Portfolio Manager.

15.4 Notwithstanding anything contained in this Agreement the Client shall also be entitled to terminate this Agreement forthwith in the following circumstances:

- (a) Suspension or cancellation of the certificate of registration of the Portfolio Manager by SEBI;
- (b) Bankruptcy or liquidation of the Portfolio Manager.

For M/s. Chona Financial Services Limited

Director

(X)

15.5 In the event of death of the Client or the Client becoming insolvent or of unsound mind, the successor / nominee of the Client should indicate his/her/their decision to terminate this Agreement within 30 days of the occurrence of the event, failing which the Portfolio Manager shall continue to operate the account and act in accordance with the Power of Attorney granted by the Client under Clause 3(ii) for the successor / nominee and charge all fees, expenses etc. which shall be debited / charged from the Bank Account. The successor / nominee shall be liable for all the duties and obligations in the same manner and to the same extent as the Client would have been pursuant to this Agreement, if not for the occurrence of the aforementioned event(s).

15.6 This Agreement shall automatically stand terminated if an Event of Force Majeure (as defined in Clause 19.4.1) continues for a period of 30 (thirty) days from the date of notification of the Event of Force Majeure by one Party to the other in accordance with Clause 19.4.3.

## **16. CONSEQUENCES OF TERMINATION**

16.1 The provisions of this Agreement relating to payment of Portfolio Management Fees and cost, charges, expenses and other amounts to the Portfolio Manager, choice of law, jurisdiction and notice and all rights and obligations which have accrued or arisen prior to the termination of this Agreement shall survive the termination of this Agreement.

16.2 Upon the termination of this Agreement in accordance with Clause 15.3, 15.4 or 15.5 above, the Portfolio Manager shall hand over the funds and/or the Securities forming part of the Portfolio to the Client in the following manner.

(a) Hand over the balance from the Bank Account (after deducting any amount due to the Portfolio Manager under this Agreement), liquidate the Client Securities at such price and upon such terms and conditions as it may consider appropriate in its absolute discretion and hand over the proceeds arising there from to the Client (after deducting any amounts due to the Portfolio Manager under this Agreement); or

(b) Hand over the balance in the Bank Account (after deducting any amounts due to the Portfolio Manager under this Agreement) and transfer the Client Securities that are in the possession of the Portfolio Manager to the Client.

## **17. INDEMNITY**

17.1 The Client agrees to indemnify and to keep the Portfolio Manager indemnified against all losses, damages, payments, cost, charges, expenses, stamp duties or any taxes etc. that may be or required to be suffered, incurred, levied, made, paid by the Portfolio Manager as a result of any sale of Securities transferable by executing an instrument or if the transfer is held to be invalid on account of bad delivery, by an appropriate authority or company or any other act of the relevant Stock Exchange or any other regulatory body or any Court or Tribunal or otherwise.

17.2 On the determination of this Agreement the Client authorizes the Portfolio Manager to deduct from the Client's Bank Account (a) fees payable under the Agreement; (b) brokerage charges payable by the Client to the Portfolio Manager either in respect of transaction relating to the Agreement or otherwise; (c) all amounts and dues payable by the Client to the Portfolio Manager or any of its agents, custodian under or in respect of all transactions undertaken by the Portfolio Manager on behalf of the Client and (d) any further corporate benefit claims arising out of transactions done pursuant to this Agreement. The Client will be liable for payment of shortfall if any.

17.3 The provisions of this Clause shall survive termination or expiry of this Agreement.

## **18. EXTENT OF LIABILITY OF THE CLIENT**

The Portfolio Manager acknowledges and agrees that the Client's liability under this Agreement shall not exceed his/her investments with the Portfolio Manager.

## **19. MISCELLANEOUS**

### **19.1 Dispute Resolution and Arbitration**

19.1.1 If any dispute arises amongst the Parties hereto during the subsistence of this Agreement or thereafter, in connection with the validity, interpretation, implementation or alleged material breach of any provision of this Agreement or regarding a question, including the question as to whether the termination of this Agreement by one Party hereto has been legitimate, the Parties hereto shall endeavor to settle such dispute amicably within 15 (fifteen) working days.

19.1.2 In the event of failure by the Parties to resolve the dispute in the manner set out above within 15 (fifteen) working days from the date of commencement of negotiations, the dispute shall be referred to arbitration of a sole arbitrator to be appointed by the parties or in case of disagreement as to the appointment of the sole arbitrator to a panel of arbitrators with each Party nominating one arbitrator (and notifying the other party within 15 days of such appointment) and the arbitrators so appointed appointing one arbitrator. The place of Arbitration shall be Mumbai. The arbitration proceeding shall be governed by the Arbitration and Conciliation Act, 1996 and shall be in English language. The arbitrator/arbitral panel shall also decide on the costs of the arbitration proceedings.

For M/s. Chona Financial Services Limited



Director

Client's Signature (with seal if required)

C-9

19.1.3 The arbitrator's/arbitral panel's award shall be substantiated in writing and the Parties hereto shall submit to the arbitrator's/arbitral panel's award which shall be enforceable in any competent court of law.

19.1.4 The provisions of this Clause shall survive termination of this Agreement.

### **19.2 Governing Law, Jurisdiction and Government Regulations**

(a) This Agreement shall be governed and construed in accordance with the laws of India and subject to the provisions of clause 19.1, shall be subject to the exclusive jurisdiction of the courts at Mumbai.

(b) The Portfolio Manager has formulated this strategy as per rules/ regulations/guidelines of SEBI, and other concerned authorities. However, if such authorities change or modify the guidelines then in such event, the Portfolio Manager shall modify the provisions of this Agreement and continue to manage in such a way that it conforms to such rules/ regulations / guidelines as modified from time to time. This Agreement shall always be subject to the rules/ obligations/ guidelines of SEBI and other concerned authorities.

### **19.3 Partial Invalidity**

If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision.

### **19.4 Force Majeure**

#### **19.4.1 Events of Force Majeure**

An "Event of Force Majeure" means any circumstances not within the reasonable control of the party affected (e.g. acts of God, public enemies, withdrawal of any license/certification required by Portfolio Manager to fulfill its obligations hereunder, embargo, boycott, sanctions, quarantine, riots, insurrection, civil disturbance, war etc.) but only if and to the extent that (a) such circumstance, despite the exercise of reasonable diligence, cannot be, or be caused to be prevented, avoided or removed by such Party; and (b) such events materially and adversely affects (in cost or time) the ability of the Party to perform its obligations under this Agreement, and such Party has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such event on the Party's ability to perform its obligations under this Agreement and to mitigate the consequences thereof.

#### **19.4.2 Effects of Force Majeure**

Either Party shall be excused from performance and shall not be construed to be in default in respect of any obligations hereunder for so long as the failure to perform such obligation shall be due to an Event of Force Majeure.

#### **19.4.3 Notice of Force Majeure**

As soon as possible following the date of commencement of any Event of Force Majeure, if either Party is desirous to invoke such Event of Force Majeure as a cause of delay in the performance of any obligation hereunder, it shall advise the other Party in writing of such date and the nature and the expected duration of such Event of Force Majeure and upon receipt of such advice and Parties shall use their best efforts to mitigate the effect of the Event of Force Majeure and ensure resumption of normal performance of this Agreement after the cessation of any event of Force Majeure.

### **19.5 Notices**

19.5.1 Any notice and other communications provided for in this Agreement shall be in writing and shall be first transmitted by facsimile/ electronic transmission, and then confirmed by postage, prepaid registered, speed post, airmail, or by recognized courier service, in the manner as elected by the Party giving such notice to the following addresses;

(a) In the case of notices to the Portfolio Manager :

CHONA FINANCIAL SERVICES LIMITED, No. 46 Prakasam Street, T.Nagar, Chennai-600017.

(b) In case of notices to the Client : to the mailing address mentioned in Page A-1 (General Information)

19.5.2 All notices shall be deemed to have been validly given on (i) the business date of transmission (with confirmed answer back, if transmitted by facsimile/ electronic transmission), or (ii) the business date of transmission, if transmitted by courier or registered mail, speed post, or air mail.

19.5.3 Either Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to the other not less than 10 days prior written notice. The Client undertakes to intimate the Portfolio Manager of change in address if any. Until then, correspondence sent under certificate of posting/ by fax/hand delivered at the last known address of the Client shall be deemed to be sufficient service on the Client.

**19.6 Reservation of Rights**

No forbearance, indulgence or relaxation or inaction by either Party at any time to require performance of any of the provision of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision at a later point of time. Any waiver or acquiescence by either Party of any breach of any of the provisions of this Agreement shall not be construed as waiver or acquiescence of any right under or arising out of this Agreement, or acquiescence to or recognition of rights and /or position other then as expressly stipulated in this Agreement.

**19.7 Amendments**

No modification or amendment to this Agreement and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing by both Parties through execution of an addendum.

**19.8 Entirety**

This Agreement is the entire Agreement recording the broad understanding reached between the parties in respect to matters concerning this Agreement.

**19.9 Relationship**

Nothing contained in this Agreement shall constitute a partnership between the Parties or authorize any Party to act as an agent of the other except to the extent specifically agreed in writing.

**19.10 Assignment**

The Client shall not assign, transfer, and sell its right and obligations under this Agreement without the written consent of Portfolio Manager. However, any change in the constitution of the Client or on account of merger or acquisition or pursuant to corporate restructuring, same shall not constitute assignment.

Portfolio Manager may assign this Agreement or the obligations to any third party, provided that such Party assumes the obligation of portfolio under this Agreement.

**19.11 Cumulative Rights**

All remedies of the Parties under this Agreement, whether provided herein or conferred by statute, contract, civil law, common law, custom, trade, or usage, are cumulative and not alternative and may be enforced successively or concurrently.

**19.12 General Compliance and further acts**

The Parties agree that they shall, in the performance of this Agreement, comply with all legal and regulatory requirements as may be applicable from time to time. Each of the Parties hereto undertakes to execute, do and take all such steps as may be in their respective powers to execute, do and take or procure to be executed, taken or done and to execute all such further documents, agreements and deeds and do all further acts, deeds, matters and things as may be required to give effect to the provisions of this Agreement.

**IN WITNESS WHEREOF** the Parties hereto have set and subscribed their respective hands to this presents on the day, month and year first hereinabove return;

**SIGNED AND DELIVERED**

By the within named **“Portfolio Manager”** : **For M/s. Chona Financial Services Limited**

By the hand of :The Authorized Signatory

Director

**SIGNED AND DELIVERED**

By the within named **“Client”** \_\_\_\_\_

By the hand of Mr. \_\_\_\_\_

**WITNESSED BY**

Signature : \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

Residing at : \_\_\_\_\_



\_\_\_\_\_  
Client’s Signature (with seal if required)

**Annexure A**

**LIST OF SECURITIES [Pursuant to Clause 4.1, 4.1(b)]**

**In dematerialized form;**

No. Type of Securities	Numbers Held	Issuing Entity	NAV on EffectiveDate (Rs.)	Aggregate NAV (Rs.)
------------------------	--------------	----------------	----------------------------	---------------------

**In Physical form;**

No. Type of Securities	Numbers Held	Issuing Entity	NAV on Effective Date. (Rs.)	Aggregate NAV (Rs.)
------------------------	--------------	----------------	------------------------------	---------------------

The Client shall transfer the aforesaid Client Securities to the **Securities Account** as on Effective Date (See Clause 4.1)

For M/s. Chona Financial Services Limited

(X)

C-12 Director

\_\_\_\_\_  
Client's Signature (with seal if required)

**Annexure B**  
**RISKS [Pursuant to Clause 14]**

The following is an indicative list of some of the risks associated with the Services;

- (a) Securities investments are subject to **market** and other risks and consequently, the Portfolio Manager makes no guarantee or assurance that the objectives set out in the Agreement shall be accomplished.
- (b) The value of the Portfolio may increase or decrease depending upon various **market forces and factors affecting the Capital Markets** such as de-listing of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume, etc. Consequently, the Portfolio Manager makes no assurance of any guaranteed returns on the Portfolio.
- (c) **Past performance** of the Portfolio Manager does not guarantee the future performance of the same.
- (d) The Client stands a risk of loss due to **lack of adequate external systems** for transferring, pricing, accounting and safekeeping or record keeping of Securities. **Transfer risk** may arise due to the process involved in registering the shares, physical and demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from Stock Exchanges during the day and at the close of the day.
- (e) **Equity and Equity Related Risks:** Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the funds in a prudent manner in such instruments, such decisions shall not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions.
- (f) **Macro-Economic risks:** Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports, etc., may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.
- (g) **Liquidity Risk:** Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sell, then the strategy may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a Stock Exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the Stock Exchange. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold.
- (h) **Credit Risk:** Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.
- (i) **Interest Rate Risk:** is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon.
- (j) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance.
- (k) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to factors which by way of illustration include default or non performance of a third party, company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.
- (l) **Derivative Risks:** The derivatives will entail a counter party risk to the extent of amount that can become due from the party. The cost of hedge can be higher than adverse impact of market movements. An exposure to derivatives in excess of hedging requirements can lead to losses. An exposure to derivatives can also limit the profits from a genuine investment transaction. Efficiency of a derivatives market depends on the development of a liquid and efficient market for underlying securities and also on the suitable and acceptable benchmarks.
- (m) **Reinvestment Risk:** This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
- (n) **Non-Diversification Risk:** The risk arises when the portfolio is not sufficiently diversified by investing in a wide variety of instruments.
- (o) **Mutual Fund Risk:** This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. In addition, events like change in fund manager of the strategy, take over and mergers of mutual funds, foreclosure of strategy or plans, change in government policies could affect performance of the investment in mutual fund units.

For M/s. Chona Financial Services Limited

Director

(X)

\_\_\_\_\_  
Client's Signature (with seal if required)

Special  
Adhesive  
Stamp  
of Rs.100

## POWER OF ATTORNEY

TO ALL TO WHOM THESE PRESENTS SHALL COME, I/We, \_\_\_\_\_  
\_\_\_\_\_ an individual / concern / firm / company incorporated  
under the Companies Act, 1956, having his / their residence / registered office at \_\_\_\_\_,  
(hereinafter referred to as "**Client**") which expression shall, unless it be repugnant to the subject or context thereof, include my/our  
heirs, executors, administrators, successors, legal representatives and assigns) **SEND GREETINGS.**

### WHEREAS:

1. By a Portfolio Management Services Agreement dated \_\_\_\_\_ (hereinafter referred to as "the Agreement") executed between M/s. Chona Financial Services Limited, a company incorporated under the Companies Act, 1956, and having its Registered Office at No.46 Prakasam Street, T.Nagar, Chennai-600017; (hereinafter for the sake of brevity referred to as "**CHONA**") and the Client, the contents of which Agreement the Client hereby confirms and testifies, the Client has thus appointed CHONA to render Portfolio Management Services in accordance with the terms and conditions mentioned therein.
2. Under the Agreement, CHONA has agreed to provide discretionary portfolio management services in respect of money and securities of the Client (hereinafter collectively referred to as "Assets") on the terms and conditions and for the consideration set out therein.
3. Pursuant to the terms of the Agreement, the Client desires to execute and deliver to CHONA a power of attorney authorizing CHONA or any person appointed by CHONA in this behalf to do various acts on behalf of the Client;

**NOW KNOW YE ALL MEN THAT I/We**, do hereby nominate, constitute and appoint CHONA and such other person or persons as may be appointed in this behalf by CHONA from time to time to be my/ our true and lawful attorney(s) in the name of and on my/our behalf either as an executor, administrator or trustee to do all or any of the following acts, deeds, matters and things.

- (1) To do all such acts and execute all such writings as CHONA may in its absolute discretion consider necessary or advisable for the purpose of rendering discretionary portfolio management services including, without limitation,
  - (i) opening, operating and freezing of accounts and issue such other instructions relating to the account including closure of the account if deemed necessary or expedient for one or more bank accounts and / one or more depository accounts
  - (ii) purchasing, subscribing to or otherwise acquiring or investing in or otherwise dealing with securities including equity shares, derivatives, preference shares, debentures, bonds issued by any corporates, government, municipal bodies and units of mutual funds and paying the consideration for the same,
  - (iii) selling, redeeming, transferring or otherwise dealing with or disposing of securities and receiving the consideration for the same,
  - (iv) holding money and/or securities in the name of the Client or CHONA or any custodian, nominee or agent of the Client or of CHONA as CHONA consider appropriate,
  - (v) appointing brokers, sub-brokers, custodians and other intermediaries in relation to the discretionary portfolio management services and entering into Agreements with them executing such account opening forms, applications, other forms, declarations, Agreements, indemnities, documents and other writings as may be necessary,
  - (vi) receiving dividend, interest and other accretions and amounts in respect of the Assets and giving effective receipts and discharges therefor
  - (vii) paying all amounts (including any calls) required to be paid in connection with the discretionary portfolio management services and/or the Agreement including CHONA's fees for the portfolio management services and expenses incurred for or in connection with rendering discretionary portfolio management services,
  - (viii) dematerializing physical securities and rematerializing securities,
  - (ix) filling and executing such forms, applications and other writings as CHONA may, in its sole discretion, deem fit;

(X)

\_\_\_\_\_  
Client's Signature

- (2) Generally to attend to and act in all discretionary action or deeds in connection with the sale / purchase instructions, transfer, delivery and other dealings in connection with the securities, monies and other Assets held in my name including to demand and receive all debts, sums of money, interest, dividend and dues of whatsoever nature or kind relating to the above securities.
- (3) To make necessary application(s) on behalf of the Client to any Government, Quasi-government or local authorities in India including Securities and Exchange Board of India and Reserve bank of India for or incidental to purchase, sales, transfer of, or holding and / or continuing to hold shares, debentures, derivatives, government and other securities, units, deposits, bonds, certificate of deposit, commercial paper, participation certificates, bills, options, notes, warrants and other securities, instruments and investment whatsoever(hereinafter collectively called "**the Securities**") and to represent the Client in all respects before such authority or authorities and establish the ownership of the said securities in the name of the Client,
- (4) To hold, or appoint any custodian or other person to hold, any securities in such manner as CHONA may consider appropriate;
- (5) To deal with Assets, invest money in securities, sell, redeem or liquidate securities or otherwise disinvest or change securities or exercise any rights in respect of any securities or renounce any entitlements (including, without limitation, rights entitlements) in such manner as CHONA may in its absolute and unrestricted discretion consider appropriate without being required to give any notice to, or take any approval of, the Client;
- (6) To take any and all decisions concerning the discretionary portfolio management of the Assets in the absolute and unfettered discretion of CHONA;
- (7) To enter into transactions on behalf of the Client for the specific purpose of meeting margin requirements;
- (8) To correspond with and enter into such Agreements on behalf of the Clients with such persons (including, without limitation, stock-brokers, custodians of securities, banks, depositories, depository participants, mutual funds and asset management companies) as CHONA considers appropriate;
- (9) To appropriate the amounts payable to the Client or to any person appointed by CHONA from the Assets and for this purpose sell or otherwise liquidate securities or any part thereof;
- (10) To execute all papers, deeds, writings, matters and things, to enter into and execute contracts of sales / purchase of securities, to transfer, accept, collect, preserve, store, assign, endorse or otherwise deliver and acknowledge, whether absolutely or partly, any money or securities (including the full or any part of the beneficial or legal or other interest held by the Client in any securities) whatsoever;
- (11) To open and operate accounts of the Client with stockbrokers, banks and depository participants designated by CHONA from time to time;
- (12) To disclose the identity of the Client to the issuer of securities or to the agents of such issuer or to any government body upon the request of such issuer without further consent from the Client;
- (13) To receive and hold for the Clients account any capital arising out of or in connection with the Assets whether as a result of its being reduced or redeemed or capitalization of reserves or otherwise becoming payable (other than at the option of the holder thereof) and credit the same to the concerned account;
- (14) To deliver securities and receive payment of sale proceeds for sale transactions and make payment for purchase transactions as per the rules, regulations, bye-laws, customs, usage and procedures of the stock exchange where the trade has been executed;
- (15) To apply for primary market issues;
- (16) Apply for investments in and redemptions from mutual fund;
- (17) For the purpose of discharging any of its duties, obligations and functions under this power of attorney, CHONA may act through any of its officers, employees or representatives or any custodian or other persons specifically authorized by CHONA and may from time to time delegate the performance of all or any of its duties, discretions, obligations, power and authorities hereunder to any of its officers, employees or representatives or any custodian or other persons specifically authorized by CHONA and revoke such delegation as CHONA in its discretion thinks fit;
- (18) To sign and execute application forms and such other documents as may be necessary for and accept allotment of any of the shares and or securities above referred in any such company or corporation upon receipt of proper instructions.
- (19) To demand and receive on behalf of the Client all interest and dividend due or to accrue on all or any debt or securities above referred in any such company or corporation upon receipt of proper instructions.

ⓧ

---

Client's Signature



(20) To collect, receive, hold all the cash, asset securities of all kinds as aforesaid for the purposes of safe - keeping and credit the same to a separate account in a bank or otherwise and to deposit the bearer securities for the purpose of providing the safe keeping thereof.

(21) To open, operate and to sign and give delivery instruction slip (DIS) pertaining to market/off market/Inter Depository transactions and also instructions relating to pledge creation and closure and to do all such other things that may be required in the course of business relating to opening and operation of demat account.

(22) In accordance with instructions received from me to make, declare, swear, affirm, sign, seal, deliver, verify all applications, representations, request, submissions, forms, complaints and written statements, pleadings, affidavits, caveats, declarations, petitions, counterclaims, papers, deeds, assurances, instruments, Agreements, documents and writings usual, necessary or expedient for or in relation to the exercise of any of the aforesaid authorities including and in furtherance of a suit or other legal proceeding proposed to be filed in our name or on our behalf jointly or severally with one or more other co-defendants in an appropriate Court in India .

(23) To do and perform and execute all such other acts, deeds, instruments, matters and things for and on behalf of the Clients as may be necessary, proper, convenient or expedient;

This Power of Attorney will be in full force and effect till (i) revoked by the Client with the consent of CHONA, or (ii) the Agreement terminates, whichever is earlier. The Client hereby ratifies and confirms and covenants for itself and its heirs / its successors and assigns to ratify and confirm and covenant all and whatsoever has been or shall be lawfully done in the premises by virtue of these presents, including in such ratification and confirmation whatever shall be done between the time of the revocation by any other means of these presents and the time of such revocation becoming known to the portfolio manager.

Any person not being aware of the revocation of this power of attorney, shall be entitled to rely upon this power of attorney as being valid and subsisting; and any person shall be entitled to rely upon a certificate from CHONA (or any person nominated in this behalf by CHONA) as to the validity and subsistence of this power of attorney and such certificate shall be binding upon and shall not be challenged by the Client.

And I/We do hereby confirm that all the powers hereby conferred may be exercised by any senior officer/s or managers/s of the said attorney who is/are duly authorised by the Board of Directors of the said attorney by name and/or by designation from time to time and acting for and in the name of the CHONA.

And I/We further agree to indemnify and keep indemnified and hold harmless CHONA and its, officers, directors and employees as authorised by the Board as above from any and all reasonable costs, liabilities and expenses resulting or indirectly from all lawful actions and in accordance with proper instructions where required.

**IN WITNESS WHERE OF** I/we have caused this document to be executed on \_\_\_\_\_.

**SIGNED AND DELIVERED** by the within named Client

Mr./Mrs./M/s. \_\_\_\_\_

In the presence of: -

1)



\_\_\_\_\_  
Client's Signature

2)

Date: \_\_\_\_\_

Place: \_\_\_\_\_

BEFORE ME

NOTARY PUBLIC

## NOMINATION FORM

Client's Name : \_\_\_\_\_  
Correspondence Address : \_\_\_\_\_ Permanent Address : \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Ref. : PMS Account No \_\_\_\_\_  
**Nomination or Change in Nomination**

I/we, \_\_\_\_\_ wish to make nomination/ change the existing nomination in respect of above PMS account as under.

**Name of the Nominee** \_\_\_\_\_

**Relation with the nominee** \_\_\_\_\_

**Date of birth, if nominee is a minor** \_\_\_\_\_

**Name of guardian of the minor nominee** \_\_\_\_\_

**Correspondence address of the nominee :** \_\_\_\_\_ **Permanent address of the nominee :** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Date :**

**Place :**



\_\_\_\_\_  
Client's Signature (with seal if required)

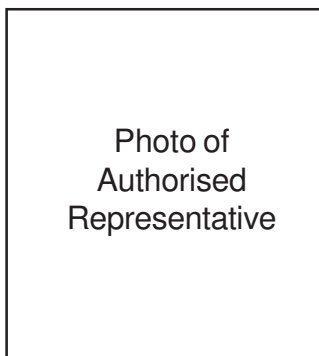
---

### AUTHORISATION

I/we hereby authorise Mr./Ms. \_\_\_\_\_ whose signature is attested below to receive from you (M/s. Chona Financial Services Limited - Portfolio Manager) and acknowledge and provide receipt for all papers, documents, funds, payments, etc. in connection with portfolio management services provided to me/us as per the terms of the agreement entered into with them.

Date :

Place :



\_\_\_\_\_  
Signature of Authorised Representative  
(attested by me/us)



\_\_\_\_\_  
Client's Signature (with seal if required)

**Annexure to Client Agreement**

**Disclosure of fees & charges payable to the Portfolio Manager**

Addendum to the agreement about the applicability of the new high water mark principle and the resultant new fees/charge structure. The annexure has to be signed by the client and sent back to the portfolio manager.

**FEES AND BILLING**

As consideration for availing the services, the Client shall pay a fixed management fee and Variable fee as incentive to the Portfolio Manager in the manner as given below and agreed to by both parties hereto:

A. Fixed Fee: A fixed fee of 0.5% per quarter on the average of daily Net Asset Value (NAV) of the portfolio.

B. Variable Fee: In addition to the Fixed fee the PM will charge annually a Variable Fee of 20% of the profit made over and above an initial 12% profit of investment. For the purpose of calculation of variable fee, high water mark basis shall be used.

The quarterly fixed fee will be charged at the end of each calendar quarter (March 31, June 30, Sept. 30 and Dec.31) based upon average of daily NAV of the portfolio.

Variable fee will be charged at the end of 12 months from the date of initial investment. Incremental investments will be adjusted proportionately to the same date of initial investment. Same date of initial investment shall be taken for subsequent years for the whole portfolio.

(If you have understood the fees/charge structure mentioned herein, please add in your own handwriting :  
“I/we have understood the fees/ charge structure” in the space provided below :

---

Place :  
Date :

ⓧ

---

Client's Signature (with seal if required)

## Annexure -1

### Illustration for Annexure on Fees and Charges

The assumptions for the illustration are as follows:

a. Size of sample portfolio:	Rs.50 lacs
b. Period:	1 year
c. Hurdle Rate:	12%
d. Brokerage/ DP charges/ transaction charges: Weighted Avg (% of AUM levied in the past year/	0.60%
e. Management fee for every quarter (applied on Gross value assuming the gain or loss  is uniform for every quarter of the year)	0.50%
g. Performance fee applied every year	20%
h. Service tax and Ecess on charges & fees will be applicable.	

#### **Portfolio performance : Gain of 20%**

Nature of Fees	Amount in Rs.
Capital Contribution	5000000
Assets under management	5000000
Add: Profits on investment during the year @ 20% on AUM	1000000
Gross Value of the portfolio at the end of the year	6000000
Less: Brokerage/DP /any other charges approx .6% of AUM	36000
Less: Management Fees (.50% every quarter)	120000
Less: Performance fees - working given below	80000
Total charges during the year	236000
Net value of the portfolio at the end of the year	<b>5764000</b>
% change over capital contributed	<b>15.28</b>

#### **Calculation of Performance Fees for above**

Serial	Nature of Fees	Amount in Rs.
A	Profit for the year	1000000
B	Less: Minimum profit level (Hurdle Rate)	600000
C	Amount on which Profit Sharing Fees to be calculated (A-B)	400000
D	Performance Fees (@20% of C)	80000

**Portfolio performance : Loss of 20%**

Nature of Fees	Amount in Rs.
Capital Contribution	5000000
Assets Under management	5000000
Less: Loss on investment during the year @ 20% on AUM	1000000
Gross Value of the portfolio at the end of the year	4000000
Less: Brokerage/DP /any other charges approx .6% of AUM	24000
Less: Management Fees (0.50% every quarter)	80000
Less: Performance fees -	0
Total charges during the year	104000
Net value of the portfolio at the end of the year	<b>3896000</b>
% change over capital contributed	<b>-22.08</b>

**Portfolio performance : No Change**

Nature of Fees	Amount in Rs.
Capital Contribution	5000000
Assets under management	5000000
Add : Profit/Loss on investment during the year @ 0% on AUM	0
Gross Value of the portfolio at the end of the year	5000000
Less: Brokerage/DP /any other charges approx .6% of AUM	30000
Less: Management Fees (0.50%every quarter)	100000
Less: Performance fees -	0
Total charges during the year	130000
Net value of the portfolio at the end of the year	<b>4870000</b>
% change over capital contributed	<b>-2.6</b>

VIER FEB 2020

---

Client Signature ( with seal if required)

Place :

Date :