

**To be stamped as per appropriate stamp duty**

**FIRST AMENDMENT TO THE DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES  
AGREEMENT**

This Amendment Agreement (hereinafter referred to as “**Amendment**”) is entered into on this \_\_\_\_\_ day of \_\_\_\_\_ 202\_\_\_\_\_

**BETWEEN**

The person(s) specified in Application cum KYC Form of the Discretionary Portfolio Management Services Agreement (hereinafter referred to as “the Client” which expression shall unless the context otherwise requires, be deemed to include his/hers/its, successors, administrator, and executors) of the ONE PART;

**AND**

Abakkus Asset Manager LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008 and having its registered office at Abakkus Corporate Centre, 6th Floor, Param House, Near Grand Hyatt, Off Santacruz Chembur Link Road, Santacruz East, Mumbai 400055 (hereinafter referred to as “Portfolio Manager” which expression shall, unless the context otherwise requires, be deemed to include its successors and assigns) of the OTHER PART.

**WHEREAS**

- A. The Parties had entered into a Discretionary Portfolio Management Services Agreement dated \_\_\_\_\_, 20\_\_\_\_\_, (hereinafter referred to as the “**Principal Agreement**”).
- B. The Parties have mutually agreed to amend certain clauses of the Principal Agreement in light of the recent developments made by SEBI (Portfolio Manager) (Amendment) Regulations, 2022 and to reflect their understanding and intent, as set forth in this Amendment. In light of the aforesaid, the Parties have now mutually agreed to record their understanding in writing by way of this Amendment.

In this Amendment, unless the context otherwise requires, the Portfolio Manager and the Client shall hereinafter be jointly referred to as the “Parties”, and severally as a “Party”.

**NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND UNDERTAKINGS CONTAINED IN THIS ADDENDUM, THE PARTIES HEREBY AGREE AS FOLLOWS:**

1. All the capitalized terms mentioned in this Amendment and not defined herein shall have the same meaning as ascribed to them in the Principal Agreement.
2. It is hereby agreed to modify Clause 1 of the Principal Agreement and include the below mentioned definitions:

*“Associate” means: (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.”*

*“Hurdle Rate” means the rate of return or benchmark return above which the performance fee will be charged as per the terms of the Agreement.”*

**“Related Party”** means: (i) a director, partner or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, partner, manager or his relative is a partner; (iv) a private company in which a director, partner or manager or his relative is a member or director; (v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital; (vi) anybody corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager; (vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) anybody corporate which is— (A) a holding, subsidiary or an associate company of the portfolio manager; or (B) a subsidiary of a holding company to which the portfolio manager is also a subsidiary; (C) an investing company or the venturer of the portfolio manager. The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the portfolio manager would result in the portfolio manager becoming an associate of the body corporate. (ix) a related party as defined under the applicable accounting standards; (x) such other person as may be specified by the Board: Provided that, (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or (b) any person or any entity, holding equity shares: (i) of twenty per cent or more; or (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party

3. The Parties agree to modify and replace Clause 1.25 of the Principal Agreement with below clause:

**“Performance Fee”** means the performance-linked fee payable to the Portfolio Manager above the hurdle rate or benchmark return in accordance with Annexure “A” hereto.”

4. It is hereby agreed to prepend the following sub-clause to the Clause 5 of the Principal Agreement:

*“The Portfolio Manager shall invest in the securities of its related parties or its associates’ parties only after obtaining prior consent of the client in Annexure “F” in accordance with SEBI Regulations. Additionally, the Portfolio Manager undertakes to comply with the prudential limits on the investments as may be prescribed by SEBI from time to time.”*

5. It is hereby agreed to include the following sub-clause to Clause 10 of the Principal Agreement:

*“The Portfolio Manager shall invest up to a maximum of 30% of the Client’s AUM in the securities of its associates/related parties. The Portfolio Manager shall ensure compliance with the following limits:*

<b>Security</b>	<b>Limit for investment in single associate/related party (as percentage of Client’s AUM)</b>	<b>Limit for investment across multiple associates/related parties (as percentage of Client’s AUM)</b>
Equity	15%	25%
Debt and hybrid securities	15%	25%
Equity + Debt + Hybrid securities*	30%	

*\*Hybrid securities includes units of Real Estate Investment Trusts (REITs), units of Infrastructure Investment Trusts (InvITs), convertible debt securities and other securities of like nature.*

*The limits shall be applicable only to direct investments by Portfolio Manager in equity and debt/hybrid securities of its associates/related parties and not to any investments in the*

*Mutual Funds.*

*In the event of passive breach of the specified investment limits, (i.e., occurrence of instances not arising out of omission and/or commission of portfolio manager), a rebalancing of the portfolio shall be completed by Portfolio Manager within a period of 90 days from the date of such breach. The Client may give an informed, prior positive consent in Annexure "F" to the Portfolio Manager for waiver from the rebalancing of the portfolio to rectify any passive breach of the investment limits.*

*Further, the Portfolio Manager shall not make any investment in below investment grade securities."*

6. It is hereby agreed to include the following sub-clause to Clause 11 of the Principal Agreement:

*"The services rendered by the Portfolio Manager will be subject to conflict of interest relating as Portfolio Manager and various other affiliates, associates, holdings companies, subsidiaries, partners, officers and employees of the Portfolio Manager, which are engaged in a broad spectrum of activities in the financial sector."*

7. It is hereby agreed to include the following sub-clause to Clause 16 of the Principal Agreement:

*"Risks associated with investments into securities of Associates/Related Parties:*

*The associates/related parties providing services will have, responsibilities for other companies, projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources amongst the Portfolio Manager and such other projects and clients.*

*Further, the Client Portfolio may be invested in listed securities of the associates/related parties and as such may be subject to the market risk associated with the vagaries of the capital market."*

8. The Client shall give their prior consent/dissent for related party or associate party investments through Annexure F which is attached along with.

9. This Amendment shall be effective from \_\_\_\_\_ **202**\_\_ and shall be co-terminus with the Principal Agreement.

10. Save to the extent modified and contained herein, all other terms and conditions of the Principal Agreement remain unchanged and continue in full force and effect.

11. This Amendment shall become an integral part of the Principal Agreement and shall be valid and binding on the Parties as if the provisions of this Amendment were incorporated therein by way of addition. To the extent of any inconsistency between the terms of this Amendment and the Principal Agreement, the provisions of this Amendment shall prevail.

12. On and from the date of execution hereof, all references in the Principal Agreement to "Principal Agreement" shall include a reference to the Principal Agreement as amended by this Amendment, wherever the context so requires. Further, any reference to the Principal Agreement including in any other documents shall include a reference to the Principal Agreement as amended by this Amendment and this Amendment together with the Principal Agreement shall be read and construed as one document.

13. This Amendment shall be interpreted in accordance with the laws of India and shall be subject to the governing law and jurisdiction as specified in the Principal Agreement.

14. This Amendment may be executed in two counterparts, each of which taken together shall constitute a single instrument.

**THE PARTIES HERETO AFFIXED THEIR SIGNATURES ON THE DATE FIRST WRITTEN ABOVE:**

Name of First/Sole Holder:	Witness Name:
<b>Signature:</b>	Address:
Name of Second Holder/Guardian:	
<b>Signature:</b>	Signature:
Name of Third Holder:	
<b>Signature:</b>	
For and on behalf of <b>Abakkus Asset Manager LLP</b>	Witness Name:
Authorised Signatory Name:	Address:
Designation:	
Signature:	Signature:

## **Annexure F**

### **Consent obtained from the client**

1. This document is for obtaining the consent/dissent for investment by Portfolio Manager in its associates/related parties.
2. As per SEBI (Portfolio Managers) Regulations, 2020, the limits applicable for investment in the securities of associates/related parties of Portfolio Manager are as under:

<b>Security</b>	<b>Limit for investment in single associate/related party (as percentage of client's AUM)</b>	<b>Limit for investment across multiple associates/related parties (as percentage of client's AUM)</b>
Equity	15%	25%
Debt and hybrid securities	15%	25%
Equity + Debt + Hybrid securities	30%	

3. The client may choose not to invest in the securities of associates/related parties of the Portfolio Manager. Further, the client may choose a limit lower than the limits prescribed at para 2 above.
4. The risks and conflict of interest associated with investment by the Portfolio Manager in the securities of its associates/related parties are as under:

**Risks:** The associates/related parties providing services will have, responsibilities for other companies, projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources amongst the Fund and such other projects and clients.

Further, the Client Portfolio may be invested in listed securities of the associates/related parties and as such may be subject to the market risk associated with the vagaries of the capital market.

**Conflict of Interest:** The services rendered by the Portfolio Manager will be subject to conflict of interest relating as Portfolio Manager and various other affiliates, associates, holdings companies, subsidiaries, partners, officers and employees of the Portfolio Manager, which are engaged in a broad spectrum of activities in the financial sector.

5. In case the client wants the Portfolio Manager to invest in the securities issued by associated/related parties of Portfolio Manager and provides the consent for the same, the investments shall be subject to the following limits:

<b>Security</b>	<b>Limit for investment in single associate/related party (as percentage of client's AUM)</b>	<b>Limit for investment across multiple associates/related parties (as percentage of client's AUM)</b>
Equity	15%	25%
Debt and hybrid securities	15%	25%
Equity + Debt + Hybrid securities	30%	

6. In case of passive breach of investment limits (i.e., occurrence of instances not arising out of omission and/or commission of Portfolio Manager) as decided at para 5 above, a rebalancing of the portfolio is required to be completed by Portfolio Managers within a period of 90 days from the date of such breach. However, the client may give an informed, prior positive consent to the Portfolio Manager for a waiver from the requirement of rebalancing of the portfolio to rectify the passive breach of investment limits. The client may choose not to provide any waiver.
7. Please indicate consent or dissent as under:

**Limits on investment**

**Consent:** Portfolio Manager **can** invest in the securities of its associates/related parties within the limits agreed upon at para 5 above.

**Dissent:** Portfolio Manager **cannot** invest in the securities of its associates/related parties.

**Waiver from rebalancing of portfolio on passive breach of investment limits**

**Consent:** Portfolio Manager **need not** rebalance the portfolio on passive breach of investment limits.

**Dissent:** Portfolio Manager **should** rebalance the portfolio on passive breach of investment limits.

**Signature of the client**