

ALANKIT ASSIGNMENTS LIMITED



PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT



ALANKIT ASSIGNMENTS LIMITED

SEBI Registration Number (PMS): INP000001363

BSE - (Cash Segment: INB010881234/F&O Segment: INF010881234/ Currency Derivative: INE010881234)

NSE - (Cash segment: INB230881235/ F&O Segment: INF230881235/ Currency Derivative: INE230881235)

DSE - (Cash Segment SEBI: INB050881235)

MCX-SX- (Currency Derivative: INE260881235)

United Stick Exchange of India- (Currency Derivative: INE270881235)

As Alankit Assignments Limited is itself a registered share broker, all the portfolio management service transactions are routed through the same.

Registered Office: 205-208, Anarkali Complex, Jhandewalan Extn., New Delhi 110 055

PORTFOLIO MANAGEMENT SERVICES DISCLOSURE DOCUMENT

INVESTORS SHOULD NOTE THAT

This Disclosure Document has been filed with the Securities and Exchange Board of India ("SEBI") together with the certificate in the prescribed format in terms of Regulation 14 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.

This Disclosure Document sets forth concisely the essential information that a prospective investor ought to know about portfolio management services, to assist and enable the prospective investor before engaging a portfolio manager.

This Disclosure Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this Disclosure Document. Prospective investors should carefully read the Disclosure Document before making a decision of appointing a portfolio manager.

The particulars of this Disclosure Document have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended till date.

No person has been authorized to give any information or to make any representations not set out in this Disclosure Document, in connection with this Disclosure Document, and any information or representations not contained herein must not be relied upon as having been authorized by Alankit Assignments Limited.

Please retain this Disclosure Document for future reference.

Mr. M.C. Agarwal, Director (Finance & Operations), Alankit Assignments Ltd. has been designated as the principal officer, details of whom are as under:

Mr. M.C. Agarwal

Alankit Assignments Limited

205-208, Anarkali Complex, Jhandewalan Extn.,

New Delhi-110055

Email: mcag@alankit.com, Phone: 91 - 11 - 42541783

Form C

Securities and Exchange Board of India (Portfolio Managers) Regulations 1993

(Regulation 14)

Name of the Portfolio Manager: **Alankit Assignments Limited**
Alankit House
2E/21 Jhandewalan Extension
New Delhi -110 055
Tel No.-42541234
pms@alankit.com

We confirm that,

- i) the Disclosure Document forwarded to Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time.
- ii) the disclosure made in the Disclosure Document are true, fair and adequate to enable the investors to make a well informed decisions regarding entrusting the management of the portfolio to us / investment in the Portfolio Management Product/Option.
- iii) the Disclosure Document has been duly verified by an independent Chartered Accountant – Vinod Krishna & Associates,211, Anarkali Complex, Jhandewalan Extension. Link Road, Near Videocon Tower, New Delhi – 110 055, Tel: 011 – 253510033.

For Alankit Assignments Limited

Sd/-
M.C. Agarwal
Principal Officer

Date : August 10, 2011
Place : New Delhi

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PORTFOLIO MANAGEMENT SERVICES – DISCLOSURE DOCUMENT

I. DISCLAIMER

This document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations 1993 and it has been filed with the SEBI. This document has neither been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

II. DEFINITIONS AND INTERPRETATIONS

(A) DEFINITIONS

For the purpose of this Disclosure Document, except as otherwise expressly provided or as the context or meaning thereof otherwise requires the following words and expressions shall have the meanings assigned to them respectively hereinafter:

“Act” means the Securities and Exchange Board of India, Act, 1992 (15 of 1992);

“Agreement” means the agreement between the Client and the Portfolio Manager for providing Portfolio Management Services to the Client and stating the terms and conditions on which the Portfolio Manager shall provide such services to that client;

“Client” or **“Investor”** means any person who registers with the Portfolio Manager for availing the services of portfolio management;

“Depository” means a Depository as defined in section 2(1)(e) of the Depositories Act, 1966(22 of 1996)

“Depository Account” or **“DP Account”** means any account of the client or for the client with a Depository Participant as per the relevant regulations;

“Depository Participant” means a person registered as a depository participant under sub section (1A) of section 12 of the Act, and with whom a DP account will be maintained on behalf of the client;

“Disclosure Document” means this disclosure document for Portfolio Management Services;

“Discretionary Portfolio Management Services” means Portfolio Management Services where the Portfolio Manager exercises or may under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities and/or the Funds of the client, as the case may be;

“Financial Year” means the year starting from April 1st of a year and ending on 31st March of the following year;

“Funds” means the money placed by the client with the Portfolio Manager and any accretions thereto;

“Funds managed” means the market value of the portfolio of the client as on date;

“Initial Corpus” means the value of the funds and/or the market value of readily realizable investments brought in by the client at the time of registering him as a Client with the Portfolio Manager and accepted by the Portfolio Manager;

“Portfolio” means the total holdings including accretions of all investments, securities and Funds belonging to the client with the Portfolio Manager;

“Portfolio Manager” means Alankit Assignments Limited, a company incorporated under the Companies Act, 1956 and having its Registered office at 205-208, Anarkali Complex, Jhandewalan Extn., New Delhi-110055

“Portfolio Management Services” means the Discretionary Portfolio Management Services or Investment Advisory Services or Structured Products as the context may require;

“Regulations” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 made by SEBI under the Act;

“Rules” means the Securities and Exchange Board of India (Portfolio Managers) Rules, 1993 made by the Government of India under the Act;

“Strategy” means the Current investment strategy or such other Strategy that may be introduced at any time in the future by the Portfolio Manager;

“SEBI” means the Securities and Exchange Board of India;

“Securities” Means

- (i) Shares, Scrips, Stock, Bonds, Debentures stocks or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- (ii) Derivative;
- (iii) Units of any other instrument issued by any collective investment scheme to the investors in such schemes;
- (iv) Security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
- (v) Government Securities;
- (vi) Such other instruments as may be declared by the Central Government to be securities; and
- (vii) Rights or interest in Securities provided that with respect to NRI's, “Securities” means only those securities in which NRIs are permitted to invest under FEMA and the rules and regulations made thereunder and other statutes, rules and regulations as may be applicable to NRI investments in Indian companies;

“Services” means investment in securities, consultancy/management, and may include the responsibility of managing, reviewing and reshuffling the Portfolio, Buying and selling or securities, Keeping safe custody of securities, monitoring book closures, dividends, bonus and rights and keeping track of corporate performance and other developments to ensure that all benefits accrue to the Client’s Portfolio for an agreed fee structure;

“Stock Exchange” means Bombay Stock Exchange Ltd. Or National Stock Exchange of India Ltd. in which the Portfolio Securities are traded;

“Structured Products” means the products that the Portfolio Manager may, from time to time launch that are structured towards meeting specific needs of a particular Client and that shall be managed in accordance with the specifications provided by the Portfolio Manager to the Client;

“Taxes” means all taxes, cesses, duties stamp duties, registration fees and all taxes including service tax, turnover tax, securities transaction tax, withholding tax, whether direct or indirect, including any tax to be deducted at source by the Portfolio Manager or any other tax payable on the income earned on the investments made for and on behalf of the Clients by the Portfolio Manager;

The terms that are used but not defined herein shall, unless repugnant to the context or meaning thereof, have the same meanings as are assigned to them under the Act, the Regulations or the Rules.

(B) INTERPRETATIONS

1.2 Interpretation

- (a) Reference to any gender includes any other gender;
- (b) In this Disclosure Document, the headings are for convenience only and shall not constrain or affect its construction or interpretation in any way whatsoever;
- (c) Where a word or phrase is defined, other parts of speech and grammatical of that word or phrase shall have corresponding meanings;
- (d) A word importing the singular shall include the plural and vice versa;
- (e) A reference to any statute, documents or any provision therein shall be deemed to be reference to it as amended or any replacement or substitution thereof;
- (f) If by the terms of this Disclosure Document, any act would be required to be performed on a day which is Public Holiday, that act shall be Deemed to have duly performed ,if performed on or within the period ending on the immediately Business Day after that day;
- (g) Business Day shall refer to the day on which there is no, or has not been declared, public holiday under the Negotiable Instruments Act, 1881, and shall not include Saturdays and Sundays.

III. DESCRIPTION

(A) HISTORY, PRESENT BUSINESS AND BACKGROUND OF THE PORTFOLIO MANAGER

ALANKIT ASSIGNMENTS LIMITED

Alankit Assignments Limited is a company incorporated under the Companies Act, 1956. Alankit provides Portfolio Management Service to manage money on behalf of investors who want to invest in the equity markets from a long term perspective. It aims to provide superior risk adjusted returns to our clients, while managing risk and volatility.

Its team of Fund Managers and Research Analysts has been running the PMS for over 2.5 years now. The team has developed deep knowledge across sectors and companies. The team also has the skill set and discipline to select stocks and hold them till their price converges to value. We also have all the required infrastructure, databases and software to run the PMS in an efficient and professional manner.

Since commencement of PMS in Sep 2008, Alankit have continuously added new clients. From 3 clients in Mar 2009, it has grown to 58 clients as on Mar 2011, including client accounts initiated by references from existing clients. As on 31st Mar 2011, it is managing an AUM of Rs. 6.85 crores. Many clients have invested additional capital in its funds, showing their trust and experience with its fund. Alankit aims to continue to manage its clients' wealth with low risk, long term approach.

The Portfolio Manager offers a bouquet of services to its Clients and is continuously adding more and more services. It currently offers following services:

- **Fundamental Research** The fundamental research that the Portfolio Manager carries out is an extension of its operating ethos in providing a broader and clearer picture in stock specific as well as industry specific research. With over a decade of rich experience to fall back on, the Portfolio Manager generates in-depth research reports with unbiased recommendations to enable the Clients to take confident decisions.
- **Technical Research** The Portfolio Manager's technical research team is always on the pulse of the market. Through various indicators, the team gives intra-day, daily and weekly calls to the sales teams to help them advise the clients better.
- **Derivative Segment** The Portfolio Manager is a corporate member of the Derivatives Segment at both the Bombay Stock Exchange and the National Stock Exchange. A team of qualified professionals in the Portfolio Manager's derivatives team takes care of the specific needs of the Clients and helps maximize their returns by applying various strategies devised by the team.
- **Index Basket Trading** The Portfolio Manager also offers Index Basket Trading facility through which an investor can buy the entire basket of shares comprising an index at a time, in the same weights as those in the index. This provides prospective investors with a diversified investment option.
- **Primary Market** The Portfolio Manager commands a key position in the Primary Market segment. It provides advice and recommendations on forth coming Initial Public Offers issued through the normal and book building routes.
- **Mutual Fund** The Portfolio Manager also offer products like Public & Private Sector Mutual Fund schemes, Infrastructure & Tax saving bonds, Reserve Bank of India relief bonds and company fixed deposits. It adds value by providing the Client with comparative statements of

different schemes along with past dividend history, write up on select mutual fund schemes as well as its recommendations on investments in Mutual Funds.

- **Depository Participant of the Central Depository Services Limited ("CDSL")** As a Depository Participant of CDSL the Portfolio Managers services include Dematerialization, Pledge and Rematerialization of securities. It offers the Client savings on account opening, custody and transaction charges. This gives the Client an advantage of dealing with only one entity for his/its broking and Depository Participant activities.
- **Currency Derivative** The Portfolio Manager has been registered with SEBI to provide currency derivative trading at BSE on December, 2008 and NSE on August, 2008.
- **Depository Participant of the National Securities Depository Limited ("NSDL")** The Portfolio Manager has registered itself with NSDL. However, the Portfolio Manager has yet to commence its activities with NSDL for providing depository services to clients.
- **MCX Stock Exchange Limited** The Portfolio Manager has applied for Membership of MCX Stock Exchange Limited for Currency Derivatives Segment. The application is in the process.

(B) PROMOTERS AND DIRECTORS

NAME	DESIGNATION	QUALIFICATION	EXPERIENCE
Alok Kumar Agarwal (Promoter)	Chairman & Director	B.com, FCA	28 Years in Consultancy and Advisory Services related to Finance & Management. Expert in Stock/Commodity Broking & other related Services.
Ashutosh Agarwal (Promoter)	Director	B.Com, FCA	20 years in rendering Consultancy and Advisory Services related to Finance, Taxation, Issue Management & Company Law Matters.
Ankit Agarwal (Promoter)	Director	B.Com, ACA	The youngest member of the team for fronting the group with dynamism, infusing it with fresher ideology keeping in pace with today's hi-tech global world at the same time keeping his faith firm in resounding & reassuring group's fundamentals. A chartered accountant by profession with an experience of 3 years in capital market. He propagates positive approach and believes there is no substitute of

			hard work.
Harish Chandra Agrawal	Executive Director	B.Com, M.Com, LLB	33 years of experience in secretarial, legal and administrative work. Looking after all legal and regulatory matters and operations of our Company.
M. C. Agarwal	Director (Finance & Operations)	B.Com, FCA	23 years experience in brokerage business and supervision of trading on NSE, BSE, NCDEX, MCX & NMCE. Proficient in managing broking services, capital markets transactions and in technical and fundamental analysis.
Mahabir Prasad Gupta	Director	B.A. FCS	40 years of experience in the field of finance, accounts, secretarial & administration at various levels
Naresh kumar Aggarwal	Director	B.Com, M.Com, LLB, MBA	45 years which includes working as an Additional Secretary for the Institute of Company Secretaries of India till November 2000
Jagdish Capoor	Director	M.Com, Fellow member of India Institute of Banking and Finance	Overall experience of over 45 years. Formerly been a Deputy Governor of RBI and has also been a member on the boards of several banks, e.g. Bank of Baroda, State Bank of India, National Housing Bank, NABARD, Exim Bank, and HDFC Bank (as Chairman), and also on the board of BSE.
Pradip Kumar Banerji	Director	M.A. (Economics), Retired-IAS	He has served the government for 36 years in various capacities. A few of his important postings were as Chief Commissioner (Investments and NRIs) in Department of Economic Affairs, Ministry of Finance; as Additional Secretary, Ministry of Coal

			Government of India; Joint Secretary in Ministry of Civil Aviation, Government of India; as Director, Ministry of Commerce and as a Counsellor (Commercial), Embassy of India, Moscow. He has been awarded Padma Shri by the Government of India in 1972 for his exceptional and distinguished public service. He was also awarded Medal of Honor by the then Soviet Chamber of Commerce and Industry in 1984 for outstanding contribution in promoting bilateral economic cooperation.
Mr. S.K. Lal	Director	B.A (Hons) and CAIIB	He is having a 36 years of experience in management cadre in various banks of State Bank of India group. He has retired from State Bank of Hyderabad from the position of Chief General Manager in 2010. He has participated in Asia Pacific Rim Bankers programme at Seattle, USA in 2000 and also participated in an International Conference at Singapore on Risk Management in 2006.

(C) KEY MANAGERIAL PERSONNEL

NAME	DESIGNATION	QUALIFICATION	EXPERIENCE
Harish Chandra Agrawal	Executive Director	M.Com, LLB, CS (Inter), NCFM- DP, CM. Mutual Fund, Derivatives	Business Management & Administration
M.C. Agarwal	Director (Finance & Operations)	M.Com, FCA, NCFM- CM, F&O, Commodity	Stock Broking & Financial Services

Saurabh Basrar	Chief Investment Officer	CFA	Financial Service Industry
Vishal Mittal	Portfolio Manager	MBA	Financial Analysis
Sandeep Singh	Sr. Research Analyst	CFA, BBA	Financial Service Industry

HARISH CHANDRA AGRAWAL

Harish Chandra Agrawal has over 33 years of experience in the field of Business Management & Administration. He has done LLB & M.Com from recognized Universities. He is also CS Inter pass from ICSI. He has worked with various corporate(s) namely Ispat Industries Ltd., Modern Group of Industries & LML Ltd. and looked after Secretarial, Legal & Securities matters.

M.C. AGARWAL

M.C. Agarwal has over 23 years of experience in the field of Stock Broking & Financial Services. He is FCA and also done M.Com from recognized University. He has worked with DB International Stock Brokers Ltd. & Indus Portfolio (P) Ltd. and looked after trading activities and related compliances of the company.

SAURABH BASRAR

Saurabh Basrar has over 11 years of experience in the Financial Services Industry. He is a qualified CFA (CFA Institute, US) and a Chartered Accountant. Saurabh has worked across wide range of companies and industries ranging from Construction, Agro, Engineering, Financial services to IT. He has also done a lot of work in the BPO and KPO space, where he had been providing consulting to Finance and Accounts KPO on the strategy and operations space. Saurabh covered the Indian and the Asian markets while working with Fidelity Investments on the Equity research side for over two years. He also has worked with A T Kearney as an analyst in the management research and consulting space. Prior to A T Kearney, he was with Citibank's Global Security Services division.

VISHAL MITTAL

Vishal Mittal has over 11 years of experience across strategic planning and financial analysis. He is a MBA from Indian Institute of Foreign Trade (IIFT) and has also completed 6 week MDP in Management Consultancy from Indian Institute of Management, Ahmedabad (IIM-A). Vishal has worked across wide range of companies and industries ranging from Electrical Equipment, Construction and also researched many mid cap companies. He has worked with Bharti Airtel in strategic planning and financial analysis for over 4 years. He also has worked with A T Kearney as an analyst in the management research and consulting space.

SANDEEP SINGH

Sandeep Singh has over 7 years of experience strategic planning and financial analysis. He is a qualified CFA. He has worked with Altias Advisor Pvt. Ltd. for 1 year & done equity research, prepared financial models of the companies, analyze with other companies in the sector. He has also worked as Relationship Manager with Bajaj Capital for 3 years & done Client Relationship management and providing wealth management and financial planning solutions.

(D) TOP GROUP COMPANIES/FIRMS OF THE PORTFOLIO MANAGER ON TURNOVER BASIS

S.NO.	COMPANY
(1)	Alankit Life Care Limited
(2)	Alankit Health Care TPA Limited
(3)	Alankit Technologies Limited
(4)	Alankit Finsec Limited
(5)	Alankit Imaginations Limited
(6)	Alankit Insurance Brokers Limited
(7)	Alankit Global Resources DMCC
(8)	Alok & Co.
(9)	Alankit Management Consultancy

(E) SERVICES OFFERED

Discretionary Services:

Portfolio manager Provides services on discretionary basis only. Under these services, the choice as well as the timings of the investment decision rest solely with the Portfolio Manager (in consultation with the research team).

The Portfolio Manager shall have the sole and the absolute discretion to invest in respect of the Client's account in any type of security as per the agreement and make such changes in the investments and invest some or all of the Client's account in such a manner and in such a market at it deems fit. However the final decision rests with the Portfolio Manager. The securities invested/disinvested by the Portfolio Manager for the Clients in the same Strategy may differ from Client to Client. The Portfolio Manager's decision taken in good faith in deployment of the Client's 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 at any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of Portfolio Manager shall be exercised strictly in accordance with the relevant acts, Rules, and Regulations, guidelines and notification in force from time to time.

The Portfolio Manager shall not invest the funds of the Client in the units of schemes of mutual fund, which may be sponsored by Portfolio Manager and other short-term products, if any, of other group Companies.

IV. Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority.

All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made there under.	NIL
The nature of the penalty/direction.	Not Applicable
Penalties imposed for any economic offence and/ or for violation of any securities laws.	NIL
Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.	Mentioned as Separate Annexure
Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	NIL
Any enquiry/ adjudication proceedings initiated by the Board 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 Acts or Rules or Regulations made there under.	<p>1. The adjudicating proceedings initiated by SEBI against Alankit Assignments Limited vide show cause notice dated November 17, 2006 pursuant to the inspection conducted by SEBI for the reasons</p> <ul style="list-style-type: none"> • Dealing with an unregistered sub broker, • Trading terminals are located other than registered sub broker offices, • Segregation of client's and own funds in some cases. • Change in shareholding pattern without prior permission. <p>The High Power Committee considered the issue and passed the consent order. On September 11, 2008 the matter was settled on payment of Rs. 2 Lakhs.</p> <p>We have since taken necessary steps for non recurrence of such violation in future and ensure due compliances:</p> <ul style="list-style-type: none"> • No Dealing with the unregistered sub brokers, • No Trading terminals are located other than the registered office of

	<p>the Registered Sub Broker,</p> <ul style="list-style-type: none"> • In all cases the client's and own funds are segregated, • No Change in shareholding pattern without prior permission.” <p>2. Similarly the adjudicating proceedings initiated by SEBI vide show cause notice dated September 25, 2008 pursuant to the inspection conducted by SEBI.</p> <p>The High Power Committee considered the issue and passed the consent order. On August 31, 2009 the matter was settled on payment of Rs. 3 Lakhs.</p> <p>We have since taken necessary steps for non recurrence of such violation in future and ensure due compliances:</p> <ul style="list-style-type: none"> • Timely submission of net worth certificates, • Submission of status of pending transfers and Investor Complaints to the BOD/ compliance officer of the client company, • Maintaining books of accounts for movement of securities & complaint register, • Proper care are being taken in execution of agreement, • Records are handed over against acknowledgement, • Records are being maintain for client companies & undelivered mail, • Rejected DRF Form are being send to Depository and photocopy of the same is retain by us,
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	<ul style="list-style-type: none"> • Demat requests are rejected after 30 days only, • Timely processing of dematerialization/ remat requests, • Redressal of investors grievances is being done within one month, • Obtain authorization from body corporate for transfer of certificates. <p>3. An enquiry was initiated by SEBI in November 2000 in the matter of Public Issue of Zed Investments Limited which was handled by the Company as Registrar to an issue. On the basis of finding of adjudicating enquiry officer the company has made submission before the SEBI chairman in personal hearing held on 6th August, 2001. The Chairman of SEBI did not pass any order.</p>
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V. SERVICES OFFERED

We manage PMS only on discretionary basis. Under these services, the Portfolio Manager will exercise sole and absolute discretion as to investment and/ or management of the portfolio of securities or the funds of Clients' as he deems fit and in terms of the PMS Agreement executed with each Client. The securities invested / disinvested by the Portfolio Manager for Client in the same Portfolio may differ from Client to Client. The decision of Portfolio Manager (taken in good faith) in deployment of the Clients' Portfolio 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 mala fide, fraud, conflict of interest or gross negligence.

The portfolio objective is to generate above average returns over a period of time by investing in quality companies at reasonable valuations, reasonable quality companies at cheap price and special arbitrage opportunities resulting from spins offs, M&A, buybacks etc. We invest across large, mid and small cap companies and across sectors. The portfolio is relatively concentrated in number of stocks (typically between 10 – 20 stocks), but diversified in the nature of business.

Portfolio construction is done taking into growth, safety and returns. It is also dependent on overall market valuations and availability of attractive investment opportunities. The asset allocation pattern indicated above may change from time to time, keeping in view market conditions. Part of corpus which is not invested is kept either in cash in PMS bank account or in liquid or short term debt mutual funds in respective clients' demat account.

BSE Sensex and BSE 500 are taken as benchmarks for comparison of PMS performance with overall Indian equity markets.

The investment horizon for investment should be taken as long term to take advantage of the long term growth in corporate earnings and to mitigate short to medium term market volatility.

VI. RISK FACTORS

General Risk Factors

- (a) Investments in Securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments will be achieved. The investments may not be suited to all categories of investors.
- (b) The past performance of the Portfolio Manager does not indicate its future performance.
- (c) The names of the Strategies do not in any manner indicate their prospect or returns, nor does it guarantee the performance or returns on the Strategy. The performance in the equity Strategies may be adversely affected by the performance of individual companies changes in the market place and industry specific and macro economic factors.
- (d) The investment strategy will be drawn up considering the current and expected market movement and trends. Though all endeavors shall be made by the Portfolio Manager to diversify the risk, the risk of below market performance is not ruled out.
- (e) If the Portfolio has a high/lower exposure to any particular sector or company, there is an additional risk due to over/under dependence on one sector/company.
- (f) The debt investments and other fixed income Securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlements periods and transfer procedures.
- (g) Technology stocks and some of the investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
- (h) Strategies using derivative/future and options products are affected by risks difference from those associated with stock and bonds. Such products are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small movements in the underlying security may have a large impact on the value of derivatives and future options. Some of the risk relate to mis-pricing or improper valuation of derivatives and futures and options and inability to correlate the positions with underlying assets, rates and indices. Also, the derivatives and futures and options market is nascent in India.
- (i) In the case of stock lending, risks relate to the defaults from counterparties with regard to Securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks. The Portfolio Manager is not responsible or liable for any loss resulting from the operation of the Strategies.
- (j) The Client who is an NRI or an FII, shall at all times keep the Portfolio Manager well informed about all the investments made by the Client in India, in each of the companies, and each time when he/it proposes to invest in any company it shall be the responsibility of the Client to

ensure that his/its existing investments including investment made by the Portfolio Manager on his/its behalf together with proposed investments in the Issuer/Company, in which investment is proposed, are within the permitted limits, prescribed under FEMA and rules and regulations made there under.

- (k) The Portfolio Manager may invest in the shares, units of mutual funds, debt, deposits and other financial instruments of group companies.
- (l) Each Portfolio will be exposed to various risks depending on the investment objective, investment strategy and the asset allocation. The investment objective, investment strategy and the asset allocation may differ from Client to Client.
- (m) Highly concentrated portfolios with lesser number of stocks generally will be more volatile than a Portfolio with a larger number of stocks. Portfolios with higher allocation to equities will be subject to higher volatility than Portfolios with low allocation to equities.
- (n) Risk arising out of non-diversification: Diversified portfolios (allocated across companies and broad sectors) may be less volatile than non-diversified portfolios.

RISK ARISED FROM PORTFOLIO MANAGER ACTIVITY:

- a. Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS products/clients will be achieved.
- b. Past performance of the Portfolio Manager does not indicate the future performance of the same Portfolio or performance of any other future portfolio(s) of the Portfolio Manager.
- c. Equity and Equity Related Securities by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of Equity and Equity Related Securities may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political, economic or other developments, which may have an adverse impact on individual securities, a specific sector or all sectors. Consequently, the Value of the Client Portfolio may be adversely affected.
- d. Further, the Equity and Equity Related Securities are risk capital and are subordinate in the right of payment to other securities, including debt securities.
- e. Equity and Equity Related Securities listed on the stock exchange carry lower liquidity risk; however the Portfolio Manager's ability to sell these investments is Ltd. by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of securities held in the Client's Portfolio.
- f. Markets preferences also swing between greed and fear, and portfolio manager's views in terms of investment strategy and asset allocation might or might not result in gains.
- g. Our PMS is also more concentrated than benchmark indices which might result in great divergence between the performance of the PMS and benchmark indices. A more concentrated portfolio can amplify gains or losses in the portfolio.

VII. CATEGORIES OF CLIENTS SERVICED

A) Categories of Clients:

Details of clients serviced by Portfolio Manager for portfolio management up to 31st March, 2011 are as follows:

Categories (All Discretionary)	No. of Clients	Funds Managed (Rs. in Crores)
Group/Associate Companies	Nil	Nil
OTHER		
Individual Clients	53	5.60
Corporate Clients	5	1.25
TOTAL	58	6.85

B) DISCLOSURES IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES

Details of Persons involved in “related party transaction” with the company during the year ended on 31st March, 2011:

Serial no.	Name of the Persons	Designation	Amount Invested (In Rs.)
1.	Mr. Ankit Agarwal	Director	5,00,000/-
2.	Mr. J.C. Mittal	Vice-President	5,00,000/-

VIII) THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER (based on audited financial statements)

Summarized Financial statement- Balance Sheet			
	As on 31st March, 2011 (Rs. In Lakhs)	As on 31st March, 2010 (Rs. In Lakhs)	As on 31st March, 2009(Rs. In Lakhs)
<u>SOURCES OF FUNDS</u>			
Shareholders' Fund			
Share Capital	3180.00	1590.00	1590.00
Reserve & Surplus	4794.20	4971.16	4073.92

Loan Funds			
Secured Loans	1750.26	4.12	32.62
Unsecured Loans	1072.18	0.00	0.00
Deferred Tax Liability	501.57	176.85	150.21
TOTAL	11298.21	6742.13	5846.75
APPLICATION OF FUNDS			
Net Fixed Assets	5740.57	1555.05	1572.76
Investments	1032.86	1615.43	1606.79
Current Assets	12825.84	10423.13	8125.80
Less: Current Liabilities & Provisions	8301.06	6851.611	5459.74
Net Current Assets	4524.78	3571.52	2666.06
Miscellaneous Expenses	0.00	0.14	1.13
TOTAL	11298.21	6742.14	5846.74

Summarized Financial Statement- Profit & Loss Account			
Particulars	Year ended 31st March, 2011 (Rs. In Lakhs)	Year ended 31st March, 2010 (Rs. In Lakhs)	Year ended 31st March, 2009 (Rs. In Lakhs)
Profit/(Loss) Before Depreciation & Tax	3070.36	1864.75	788.02
Less: Depreciation	421.22	208.26	196.66
Provision for Taxation & Fringe Benefit Tax	865.12	601.14	248.19
Add/(Less): Deferred Tax Assets	0.00	0.00	0.00
Profit/(Loss) for the year after tax	1784.02	1055.35	343.17

IX) PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER (using weighted average method in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993)

	Current Year (April 01- as on date)	Year1 (Financial year)	Year2 (Financial year)
	1 April 2010 - 31 Mar 2011	1 April 2009 - 31 Mar 2010	25 Sep 2008 - 31 Mar 2009
Portfolio performance (%), Net of all fees and charges levied by the portfolio manager	3.3%	40.5%	-16.0%
Benchmark Performance % (BSE Sensex)	-4.0%	48.0%	-26.0%
Benchmark Performance % (BSE 500)	-8.0%	57.0%	-29.3%

X. NATURE OF COSTS AND EXPENSES FOR CLIENTS

The costs and expenses for clients availing the Portfolio Management Services are indicative.

(a) Management Fees

Management Fees relate to the Portfolio Management Services offered to Clients. The fee may be a percentage of the quantum of funds managed or linked to portfolio returns achieved or a combination of any of these. In the event, it being a percentage of the quantum of funds managed, it shall not exceed [2.5] % p.a. of the Client's portfolio corpus and in the event of it being profit sharing, profit will be shared by the client and the Portfolio Manager in the ratio of 80:20 or other profit sharing ratio as may be mutually agreed between the client and Portfolio Manager from time to time. Under no circumstances, the Portfolio Manager will share any loss. Total loss, if any, will have to be borne by the client only. The fee is payable on quarterly basis or as decided by the Portfolio Manager and the client.

(b) Charges and Fees

- The client agrees to pay the Portfolio Management Fees to the Portfolio Manager at the rates and in the manner provided by the Portfolio Manager which Portfolio Management Fee shall be independent of the Returns accrued to the client on the performance of the discretionary Portfolio Management Services by the Portfolio Manager.
- In the event the Portfolio Manager is permitted to charge Portfolio Management fees on the basis of the return or share of the return on the Portfolio /Assets generated by the Portfolio Manager.
- Other Charges including custodian, RTA, Brokerage and transactions cost will be paid by the client as per actual expenses incurred.

XI. SIZE OF THE PORTFOLIO

(a) The Portfolio Manager shall not provide Portfolio Management Services for Portfolio value of less than Rs. 5, 00,000/- (Rupees Five Lakhs) as prescribed by SEBI. However, different Strategies may have different Portfolio value under management.

(b) Subject to the minimum Portfolio value, mentioned in the clause hereinabove, the Portfolio Manager shall be entitled to revise the minimum Portfolio value in respect of which it shall provide Portfolio Management Services to the Clients, and in such a case, the Client shall be required to suitably enhance the portfolio value within such days, as may be mutually agreed between the parties hereto.

XII. INDEMNITY AND LIEN

- a) An Investor maybe required to indemnify and keep indemnified the Portfolio Manager and its officials from and against any charges arising out of payment of stamp duties, registration fees or any taxes, including income tax and other direct taxes and from and against all cost, charges, expenses, damages, losses etc incurred / suffered / sustained by and/or levied on the Portfolio Manager as a result of the Portfolio Manager acting as an agent of the Investor.
- (b) The Portfolio Manager shall have a first and paramount lien on the Portfolio and the exclusive right there on for the purpose of indemnifying as aforesaid and reimbursing all unpaid dues (including, but without limitation, professional fees, transaction charges, taxes,

duties, costs and expenses) in connection with the management, operation and administration of Portfolio.

XIII. TAX IMPLICATION ON CLIENTS

GENERAL

The information given hereinafter is only for general information purposes and is based on the law and practice currently in force in India the law and practice should be aware that the relevant fiscal rules or their interpretation may change from time to time. The portfolio gains in an account could be in the nature of capital gains (either short term or long term depending upon the holding period) or business income depending on the status and intent of the client at the time of entering into agreement for portfolio management. In view of the above and since the individual nature of tax consequences may differ in each case on its merits and facts, each investor is advised to consult his/her or its professional tax advisor with respect to the specific tax implications arising out of its participation in the PMS, as an investor.

TAX DEDUCTION AT SOURCE

If any tax is required to be withholding on account of any future legislation, the portfolio manager shall be obliged to act in accordance with the regulatory requirements in this regard. Interest and dividend would be subject to tax as per the provisions of the Income Tax Act, 1961.

ADVANCE TAX INSTALLMENT OBLIGATIONS

It shall be the client's responsibility to meet the advance tax obligation installments payable on the due dates under the Income Tax Act, 1961.

CAPITAL GAINS

Long term capital gains and short term capital gains would be taxed as per applicable provisions of the Income Tax Act, 1961, from time to time.

INCOME FROM BUSINESS & PROFESSION

In case gains are treated as "Income "from Business & Profession, the same is taxable at normal rates prevailing from time to time.

The information set out below outlines the tax implications based on relevant provisions of the Indian Income-tax Act, 1961 ("the Act").

XIV. ACCOUNTINGPOLICY/ VALUATIONS

The following Accounting policy will be applied for the portfolio investments of clients:

- (a) Investments in Equities, Mutual Funds and Debt instruments will be valued at the closing market prices of Bombay Stock Exchange or National stock Exchange as the case may be, or the Repurchase Net Asset Value declared for the relevant Strategy on the date of the report or any cutoff date or the market value of the debt instrument at the cutoff date.

Alternatively, the last available prices on the exchange or the most recent Net Asset Value will be reckoned.

- (b) Purchase/Sale consideration will be calculated by applying the "weighted average cost" method.
- (c) Realized gains/loss will be reckoned for the current/most recent sale on FIFO basis.
- (d) For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.
- (e) Unrealized gains/losses are the differences, between the current market value/Net Asset Value and the historical cost of the Securities.
- (f) Dividends on shares and units in mutual funds shall be accounted on ex-dividend date, interest, stock lending fees earned etc., shall be Accounted on receipt basis .The interest on debt instruments shall be accounted on receipt basis.
- (g) The Portfolio Manager can adopt any specific norms or methodology for valuation of investments or accounting the same at its discretion.

XV. SECRECY

The Client shall not disclose to any person, firm, company or institution whomsoever (except with the authority of the Portfolio Manger or except as required by the law; or unless ordered to do so by a court of competent jurisdiction on any relevant regulatory authority) any information relating to the business, investments, finances or other matters of a confidential nature of the Portfolio Manager of which it may in the course of its duties hereunder or otherwise become possessed and each party shall use all reasonable endeavors to prevent any such disclosure as aforesaid.

XVI. INVESTOR SERVICES

a) Contact Information

Name, address and telephone number of the investor relations officer who shall attend to the investor queries and complaints.

Name : **Mr. Sandeep Singh**
Address : **2E/8, Jhandewalan Extension, New Delhi-110 055**
Telephone : **011-42541719**
Email id : **sandeeps@alankit.com**

The official mentioned above will ensure prompt investor services. The Portfolio Manager will ensure that this official is invested with the necessary authority, independence and the wherewithal to handle investor complaints.

b) Grievance Redressal and dispute settlement mechanism

The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms.

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with and

subject to the provisions of the Arbitration and Conciliation Act, 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai only.

XVII. GENERAL

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement for Portfolio Management Services.

For and on behalf of the Board of Directors of
Alankit Assignments Limited

Mr. Alok Kumar Agarwal	Sd/-
Mr. Ashutosh Agarwal	Sd/-
Mr. Ankit Agarwal	Sd/-
Mr. Harish Chandra Agrawal	Sd/-
Mr. M. C. Agarwal	Sd/-
Mr. Mahabir Prasad Gupta	Sd/-
Mr. Naresh Kumar Aggarwal	Sd/-
Mr. Jagdish Capoor	Sd/-
Mr. Pradip Kumar Banerji	Sd/-
Mr. S.K. Lal	Sd/-

Place: New Delhi
Date : August 10, 2011