**CLIENT ENGAGEMENT AGREEMENT**

This Agreement is entered between **M/s. BM Fiscal Point Advisors Pvt Ltd,** (CIN : U65923PN2013PTC148748) a company Incorporated in Indiahaving its registered office atGulmohar, Plot No 5, S No 15 A, Someshwarwadi, Pashan, Pune 411045. India **(**“hereinafter referred to as “Investment Adviser or IA or BM Fiscal”)

**AND**

Mr\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, having PAN : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

and Mrs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_having PAN : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Both residing at :\_\_\_\_\_\_

Hereinafter called or referred to as “the Client”.

This Agreement outlines the terms and conditions under which Investment Advisory services are being offered by BM Fiscal Point Advisors Pvt Ltd to the clients.

The Client(s), *h*as/ have engaged **M/s. BM Fiscal Point Advisors Pvt Ltd** (“hereinafter referred to as “Investment Adviser or IA or BM Fiscal”) being SEBI registered Investment Adviser vide Registration No. **INA000007182**  entirely at his/her/its risk in accordance with the provisions of this document, SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “ the regulations”) and as amended from time to time and circulars issued thereunder (as applicable and in force from time to time).

1. **INTERPRETATION**

**“AMC”** means an Asset Management Company licensed by SEBI as an asset manager;

**"Applicable Laws"** means all relevant or applicable statutes, laws, rules, regulations, directives, guidelines, notices and circulars issued by statutory/government/other prescribed authorities;

**"Agreement”** means this agreement, terms and conditions, any addition, addendum made thereto and includes the set of account opening forms, annexures and such other forms/letters/documents in accordance with applicable laws and general operating procedures for the application by the Client to open and maintain his/her/their Investment Account(s);

**“Assets under Advice (AUA)”** means the total assets on which the Investment Advisor provides advise and charge a fee for doing so.

**‘’Bonds’’** shall mean convertible/non-convertible, redeemable/non-redeemable bonds in nature of debentures issued by private/public or Government companies in accordance with applicable regulations;

**“Bond Trust Deed”** shall mean Trust deed to be implemented between the Bond Trustee and the issuer Company;

**"Business Day"** shallmean a business day or working day on which the Product Provider accepts transactions and as more specifically defined in the Scheme Information Document of the respective schemes;

**“Client”** means any person who avails Investment advisory services in accordance with the terms and conditions of this Agreement and includes the successors in title, legal heirs, representatives or Person authorised by the Client, whichever is applicable, of the Client. ;

**“Client Disability”** shall mean any intellectual, physical, sensory or mental incapacitation, disablement, weakness or unsoundness, whether partial or complete, due to which Client is unable to operate, access or take decisions in respect of his/her Investment Account or holdings thereof;

**“Family of Client”** shall mean the dependent family members whose assets on which investment advisory is sought/provided, originate from income of a single entity i.e. earning individual client in the family.;

**"Electronic Services"** shall have the meaning ascribed to it in Clause 12;

**“Fees”** means and includes Advisory Fees Fee charged by the IA to the Client towards the Investment Advice rendered in accordance with the terms of this Agreement, as may be decided and / or amended from time to time;

**“Force Majeure Event”** shall mean an event arising due to any cause beyond the reasonable control of BM Fiscal including, without limitation, unavailability of any communication system (including Internet), breach or virus in the processes or payment mechanism, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, war, acts of government, and computer hacking;

 **“IA Regulations”** IA regulations shall mean the SEBI (Investment Advisers) Regulations, 2013 as amended from time to time including all amendments, circulars, notices etc issued thereunder;

**“iFAST”** shall mean iFAST Financial India Private Limited, a Sebi registered intermediary, who provide an investment platform to investors and with whom the client, in his own discretion has opened an investment account for transactions and holding investments.

**"Investment Account"** means the investment account opened with a platform provider for availing Investment Advice, pursuant to these terms and conditions;

**“Investment Advice”** means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning:

**“KYC”** means Know Your Client policies in respect of anti-money laundering and countering of financialterrorism as per Applicable Laws;

**“NAV”** shall mean the net asset value of the Units of the Mutual Funds and the plans and options therein,calculated on every Business Day, in the manner as provided in the Scheme Information Document of the respective Mutual Funds or as may be prescribed by SEBI from time to time;

**"Order"** means any authorization, request, instruction, order or transaction (in whatever form and howsoeversent) given or transmitted to BM Fiscal / iFAST or its authorized Service Provider, by the Client, which BM Fiscal /iFAST or its Officers or Service Provider reasonably believes to be the authorization, request, instruction, order or transaction of the Client;

 **“Persons Associated with Investment Advice or PAA”** means and includes any person appointed or engaged by BM Fiscal to provide Investment Advice to the Client in accordance with the terms and conditions of this Agreement;

**"Products"** means any financial product but not limited to Mutual Funds, Stocks, Bonds, ETFs, IPOsor any financial and non-financial product authorised or recognized by SEBI or any other regulatory authorities (or deemed to be authorised or recognized under law;

**“Product Provider”** means an entity offering any products and shall include an AMC; Portfolio Manager and any other issuer of securities.

**“Service Provider”** means and includes any person or entity engaged by BM Fiscal to act as a service provider on behalfof BM Fiscal;

**"Transaction"** means any transaction (both financial and non-financial transaction) effected under theInvestment Account in respect of any Product and includes applications for subscription, switching, transferring and redemption of Units in any Product.

1. **SCOPE AND FUNCTIONS**
2. The terms and conditions herein shall apply to the Client for all facilities in respect of all Products under Advice in the Client’s Investment Account.

The Scope of services of BM Fiscal shall include the following:

1. To comply with the provisions of SEBI (Investment Advisers) Regulations, 2013 and its amendments, rules, circulars and notifications and such other laws and regulations as applicable to Investment Advisers from time to time;
2. To undertake Risk assessment/ Risk Profiling of Clients including their risk capacity and risk aversion;
3. Providing reports to Clients on timely basis and at such intervals as required by law on investments;
4. To maintain Client-wise KYC, advice, risk assessment, analysis reports of investment advice and suitability, terms and conditions document, rationale of advice, related books of accounts and a register containing list of Clients along with dated investment advice and rationale in compliance with IA Regulations through client login on the IFAST platform;
5. Take all consents and permissions from the Client prior to undertaking any actions in relation to the securities or investment products advised by the PAA;
6. To not divulge any confidential information about the Client, which has come to its knowledge, without taking prior permission of the Client, except where such disclosures are required to be made in compliance with any law for the time being in force;
7. To not enter into transactions on its own account which are contrary to its advice given to Clients for a period of fifteen days from the day of such advice. If, during the period of such fifteen days, BM Fiscal is of the opinion that the situation has changed, then it may enter into such a transaction on its own account after giving such revised assessment to the Client at least 24 hours in advance of entering into such transaction;
8. To resolve the grievances of the Client at the earliest and latest within the timelines specified under SEBI regulations and circulars issued from time to time;
9. To act in fiduciary capacity towards the Clients and disclose all conflicts of interest as and when they arise;
10. To provide implementation of advice i.e., through direct schemes/direct codes, and other Client specifications / restrictions on investments, if any.
11. To conduct Risk Profiling and KYC of the Client at the time of on-boarding, annually or at such intervals as may be prescribed by Law;
12. To provide periodic reports, statements, etc. in connection with the investment account of the Client either directly or through the client’s investment account with iFAST through a client login provided by iFAST where the client has agreed to avail the services of iFAST platform for execution of its investments. The Client shall refer to the iFAST website for the applicable terms and conditions for the usage of the website.
13. To provide for timely resolution of queries, grievances raised by the Client;
14. To conduct yearly audit in respect of compliance with the regulations from a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India and submit a report of the same as may be specified by the Board;
15. To abide by the Code of Conduct as specified in the IA Regulations
16. IA shall add to, amend or vary any of these terms and conditions in accordance with applicable laws at any time by giving a written notice to the Client.
17. **INVESTMENT OBJECTIVE AND RISK FACTORS**
	1. Investment Advisor shall provide Investment Advice to the Client on the basis of his Risk Profile, Product Suitability and ideal asset allocation, in products including but not limited to Mutual Funds, Stocks, Bonds, ETFs, IPOs, AIFs or any financial and non-financial product authorised or recognized by SEBI or any other regulatory authorities (or deemed to be authorised or recognized under law) from time to time, either singly or in combination according to the Risk Profile, Product Suitability and ideal asset allocation of the Client. A detailed statement of taxation aspects and risks associated with each type of investment covering the standard risks associated with each type of investment has been given in Annexure 1.
18. The client shall provide correct and complete information pertaining to his financial status based on which the Investment Advisor shall base his advice and recommendations. Any change in the financial status or other important events which have a bearing on the finances of the client should be brought to the notice of the Investment Advisor by the client.

(c). The client understands and acknowledges that investment in securities is risky and there is no assurance of returns or preservation of capital. Neither the IA nor its directors, employees, agents nor representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost capital, lost revenue or lost profits that may arise from or in connection with the investment account.

(d). The Advice so provided will be captured electronically or otherwise and shall be forwarded to the Client for his approval. The final decision on whether to place and implement the order as per the advice of the PAA shall be of the Client. Once the advice is approved by the Client the Order for implementation shall be placed.

(e).Risk Profiling of the Client shall be undertaken annually or at such intervals as prescribed under applicable regulations. Client will review and approve transactions with the rationale and advice provided. Particulars regarding financial plan i.e. Goal Planning as agreed with the client (based on the risk profiling conducted for the client, total AUA of the client and time period for deployment will be made available to the client;

1. **FEES and CHARGES**

**The fees and charges payable by the client to BM Fiscal are detailed in Annexure - 2**

1. **VALIDITY OF THE AGREEMENT AND TERMINATION**
2. **Validity of the Agreement:**

The Agreement shall be valid and continue to be in force until specifically terminated by either party in writing, in accordance with this Clause.

1. **Severability:** If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.
2. **Voluntary Termination by Client / IA:**

Either party may terminate this Agreement by giving the other Thirty (30) Day’s prior written notice.

It shall be the responsibility of the Client to ensure that there are no holdings in his/her/their Investment account before giving request for termination of this Agreement.

Termination of this Agreement shall in no way prejudice or affect any rights IA may have against the Client under these terms and conditions or under Applicable Laws.

1. **Mandatory Termination by Client/ IA:**

Notwithstanding the above, either party reserves the right to terminate this Agreement forthwith, upon the occurrence of any of the following events:

1. If any party (i.e., defaulting party) commits any breach of any of the terms and conditions hereunder and does not remedy such breach within thirty (30) days after written notice has been given, requiring such remedy;
2. If either party becomes insolvent or enters into liquidation or receivership or suffers an administration receiver to be appointed in relation to the whole or any part of its assets, or suffers any judgment to be implemented in relation to any of its property or assets, or if any of these would adversely affect the performance of the obligation under these terms and conditions;
3. If either party fails to comply with any of the representations, warranties or statements hereunder or in any document delivered pursuant to the Investment Account;
4. If the either party ceases, or threatens to cease, to carry on business;
5. Termination of the Client’s broking / Demat account (by iFAST) as per internal policy communicated to the Client from time to time, applicable regulations and pursuant to any regulatory order/direction.
6. **Suspension/Cancellation of IA registration of IA by SEBI**

If owing to any regulatory action, the IA registration of IA is terminated or suspended by SEBI, this agreement shall stand terminated on and with effect from the date of suspension/ cancellation of Licence.

1. **Termination of the Agreement**

The agreement shall stand terminated upon any other action taken by any other regulatory body/ Government Authority.

1. **CONSEQUENCES OF TERMINATION**
2. In the event that the Investment Account is being terminated by either Party in accordance with clause 5 (a) above, the Product Provider/iFAST may deduct from the Client’s account the sum of any outstanding Fees, charges and expenses and wherever necessary, redeem the units in the Client’s Investment Account to satisfy any monies due from the Client to Product Provider/iFAST/IA under these terms and conditions or in connection with the Investment Account or any Transaction effected there under.
3. In the event that the Investment Account is terminated by IA pursuant to Clause 5 (c) above, and without prejudice to any other right of IA hereunder or under Applicable Law, iFAST may (but is not obliged to) immediately or at any time thereafter, do any one or more of the following:
	* 1. Suspend or terminate the Investment Account, accelerate any and all liabilities of the Client to IA so that they shall become immediately due and payable;
		2. Cancel any of the Client's outstanding Order(s);
		3. Apply any amounts of whatsoever nature standing to the credit of the Client against any amounts which the Client owes to IA (of whatsoever nature and howsoever arising, including any contingent amounts), or generally to exercise IA’s right of set-off against the Client;
		4. Exercise its rights of sale in respect of any of the Client’s units or call upon any security pursuant to the Client’s instructions for recovery of the fees and charges payable under this arrangement.
		5. Demand any shortfall from the Client, hold any excess pending full settlement of any other obligations of the Client, or pay any excess to the Client by way of cheque to the last known registered address of the Client; and
		6. Any investment transaction in process shall be completed to the extent possible.
		7. Exercise such other authority and powers that may have been conferred upon IA by these terms and conditions.
4. **COVENANTS**

Investment Advisor covenants as under and agrees to maintain them throughout the validity of this agreement as under:

1. No Conflict of Interest: IA and its Group Companies do not derive any direct or indirect benefit out of the Client’s securities/investment products except as disclosed in this Agreement;
2. It maintains an arms-length relationship between its activities as an Investment Adviser and other activities. IA shall maintain this arm’s length relationship throughout the tenure of advisory service;
3. It shall not provide any distribution services, for securities and investment products they advise, either directly or through their group to an advisory Client;
4. It shall not provide investment advisory services, for securities and investment products that they distribute, either directly or through their group to the distribution Client;
5. It shall ensure that the Principal Officer and PAAs meet the qualification and certification requirements at all times;
6. It shall ensure that it shall receive and maintain all applicable approvals and consents (from regulatory/statutory bodies, third party consents, corporate approvals etc.) throughout the validity of advisory services;
7. Consideration by the way of remuneration or compensation or in any other form shall be received from the Client only and not from any person other than the Client being advised;
8. BM Fiscal shall ensure that it will take all consents and permissions from the Client prior to undertaking any actions in relation to the securities or investment product advised;
9. **DEATH OF THE CLIENT**
10. The Investment Account of the deceased Client maintained with iFAST (with the holdings) shall be transferred to the Nominee, upon the Nominee providing necessary forms, documents required in this regard. Alternatively, the Nominee may choose to close the Investment Account after all the holdings are transferred in his/her name, subject to the full payment of any Fees, charges or any other dues, if any.
11. All acts performed by IA/iFAST prior to receiving written notice of the Client’s death, incapacity of or incapability shall be valid and binding upon the Client and the Client’s successors in title.
12. In the event of the Client’s death, IA and iFAST shall be absolutely protected in acting under these terms and conditions until iFAST receives actual notice of death from the legal representatives or executors of the Client. The legal representatives or executors will be recognised by IA/iFAST as having the sole authority to act under these terms and conditions on behalf of the deceased Client only upon the legal representatives or executors producing the relevant legal documents which establish them as the legal representatives of the deceased Client and process the transmission or account closure, as the case may be, as decided by the Nominee, if any.
13. **DISABILITY OF THE CLIENT**
14. In the event that the Client suffers Disability, the immediate relatives of the Client shall inform IA/iFAST in writing of such occurrence along with supporting medical reports. Depending upon facts of the case, iFAST shall de-activate the investment Account of the Client for allowing any debit transaction to avoid any form of misuse of the Funds/ holdings in the Client’s investment account until the recovery or death of the Client. In case the Client recovers, the account shall be activated upon written confirmation from the Client and exercise of applicable due diligence. In case of death of the Client, the provision stated under Clause 8 shall apply.
15. In the event that there is no intimation to IA/iFAST regarding Disability of the Client as stated in 9 (a) above, the Investment account shall continue to remain active and IA/iFAST shall not be liable for any unauthorized access or misuse of the Client’s Investment Account.
16. **DISPUTE RESOLUTION**
17. If any dispute and/or difference has arisen between the Parties hereto during the subsistence of these terms and conditions or thereafter, in connection with the validity, interpretation, implementation or alleged material breach of any provision of these terms and conditions or regarding any question arising out of these terms and conditions or otherwise, the Parties hereto shall endeavour to settle such dispute/difference amicably by negotiation.
18. In case of failure to resolve the dispute and/or difference amicably, the dispute and/or difference shall be referred to Arbitration presided by a sole arbitrator appointed by IA.
19. The Arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996 or any amendment thereto.
20. The Arbitration proceedings shall be held in Pune, India and in the English language.
21. The Parties hereto shall submit to the Arbitrator’s award and the award shall be enforceable in any competent court of law.
22. The provisions of this clause shall survive the termination of these terms and conditions for any reason whatsoever.
23. **GENERAL EXCLUSION AND LIMITATION OF LIABILITY**
24. In addition, and without prejudice to any other right or remedy which may be available (whether under these terms and conditions or under Applicable laws), and in the absence of fraud on the part of IA/iFAST, neither IA nor iFAST nor their respective directors, officers, servants, agents or employees shall be liable to the Client in any respect for any Loss suffered by the Client, including but not limited to any Loss arising out of any of the following:
25. Any loss, which a Client may suffer by reason of any depletion in the value of the assets under advice, which may result by reason of fluctuation in asset value, or by reason of non-performance or under-performance of the securities/funds or any other market conditions;
26. any reliance by the Client on any information and/or reports which are incomplete, inaccurate, corrupted, untrue or out-of-date, notwithstanding that such information and/or reports may or may not have been customized for the use of the Client, where such information and/or reports have been prepared, compiled or produced by any Product Provider, fund manager and/or issuer of any Mutual Funds or any third party, received by IA/iFAST in good faith and forwarded to the Client by IA/iFAST/PAA or made available through the Electronic Services;
27. any loss or unauthorised use of the Electronic Services or delay in the transmission or wrongful interception of any Order or contract through any equipment or system, including any equipment or system owned and/or operated by or on behalf of IA/iFAST/PAA;
28. any delay, fault, failure or loss of access to or unavailability of the Electronic Services for whatever reason;
29. any delay, failure or omission in the execution of the Orders of the Client due to any reason beyond the control of IA/iFAST/PAA;
30. for any fraud, negligence/mistake or misconduct by Client;
31. any action taken for non-compliance with PAN/Bank guidelines issued by SEBI/other regulatory authorities or for any delay thereof, including for loss of interest and / or opportunity loss and / or any loss arising due to movement in NAV or any other losses, liabilities, damages, costs, charges, expenses which the Client(s) may sustain, incur or suffer or be put to or become liable or incur directly or indirectly by reason or as a consequence of any such action or any delay thereof.
32. IA, its PAAs, Officers, Employees and Agents, may have taken or take the same or similar positions in specific investments for their own accounts, or for the accounts of other Clients, as the IA/PAA does for the Assets of the Client. The Client expressly acknowledges and understands that IA (independently or through its PAAs) shall be free to render Investment Advice to others and that IA does not make its investment management services available exclusively to Clients. Nothing in this Agreement shall impose upon IA /PAA any obligation to purchase or sell, or to recommend for purchase or sale, on its own account, any securities, instruments, financial products which iFAST, its PAAs, officers, employees or agents may purchase or sell for their own accounts or for the account of any other Client.
33. Neither IA nor the PAA acting in good faith shall be liable for any acts and/or omissions of other professionals or third-party service providers recommended to the Client if any, including a broker-dealer and/or custodian, attorney, accountant, or any other professional.
34. For the avoidance of doubt and without prejudice to the generality of the foregoing, iFAST, IA and PAA shall not in any event be liable to the Client for any indirect or consequential loss, or for punitive damages.
35. IA and its PAA shall not be liable for any loss/damage suffered by the Client in respect of any transactions implemented outside the iFAST platform irrespective of whether or not IA’s or I Fast’s ARN or RIA Code has been used.
36. [Except with](https://www.lawinsider.com/clause/limitation-of-liability?cursor=ClsSVWoVc35sYXdpbnNpZGVyY29udHJhY3RzcjwLEhZDbGF1c2VTbmlwcGV0R3JvdXBfdjE2IiBsaW1pdGF0aW9uLW9mLWxpYWJpbGl0eSMwMDAwMDAwYQwYACAA) respect to any claim arising out of wilful default/misconduct or gross negligence, the liability of IA/PAA/iFAST in respect of any claim arising due to any loss, damage, injury, act or omission either on part of iFAST or its PAA shall be limited to the extent of Fees earned by IA in respect of such transaction from the Client.

1. **FORCE MAJEURE**

IA shall not be liable for any failure to perform any of its obligations under these terms and conditions if the performance is prevented, hindered or delayed by a Force Majeure Event (defined below) and in such case its obligations shall be suspended for so long as the Force Majeure Event continues. IA shall endeavour to inform the Client of the existence of a Force Majeure Event.

1. **MISCELLANEOUS:**
2. This agreement may be amended by mutual written consent of the parties.
3. If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

**IN WITNESS WHEREOF** the Parties hereto have caused the execution of this Agreement on the date hereinabove written

Signed on behalf of Investment Advisor

Name: **Gautam Bhalla** Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Designation: Director

**For BM Fiscal Point Advisors Pvt Ltd**

Signed on behalf of Client :

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(First Holder)

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Joint Holder)

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

Place : Pune

**ANNEXURE 1**

**RISKS AND TAXATION ASPECTS ASSOCIATED WITH EACH TYPE OF INVESTMENT COVERING THE STANDARD RISKS**

*(\*Disclaimer: The source of information shared under this Annexure has also been stated for reference. Please note that the information shared under this Annexure may not be exhaustive).*

1. **Risk Considerations:** When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be exhaustive, but should be considered carefully by the Client before engaging or retaining our services:
2. **Risk of Loss:** Investment in any financial product involves risk of loss that a Client should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in not an indication of future performance.
3. **Market Risk:** Market risk or systematic risk, is a risk which may result in losses for any investor due to the poor performance of the financial markets. It is that part of a security's risk that is common to all securities of the same general class (mutual funds, stocks and bonds) and thus cannot be eliminated by diversification.
4. **Concentration Risk:** While investment in mutual funds and ETFs generally provide diversification, concentration risk can be significantly increased if the fund invests in a particular sector of the market, or concentrates in a particular type of security (i.e equities) rather than balancing the fund with different types of securities. The best way to minimise this risk is by diversifying your portfolio.
5. **Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.
6. **Rating Risk:** Investment in stocks may be impacted due to negative or positive share price movement affected by experts providing analysis and ratings on listed stocks and their performance.
7. **Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by the Client.
8. **Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future returns to be worth less and may reduce the purchasing power of a Client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.
9. **Default Risk:** The Client may lose his invested corpus if the company in which he is invested through mutual funds or stocks, does not perform well financially with each passing year and is not able to meet liabilities and goes bankrupt.
10. **Political and Economic Risk:** National and international political and economic developments may have an impact on the financial markets and ultimately affect the performance of financial instruments and therefore the portfolio of the Client.
11. **Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.
12. **Technology Risk:** Investment through web-based systems and use of financial technology may be subject to system error and has inherent risk due to system response and access times that may be affected by various factors, including but not limited to, processing or communication errors, system failure, market conditions and system performance.
13. **Epidemic Risk:** Occurrences of epidemics, depending on their scale, may cause different degrees of damage to the national and local economies. Global economic conditions may be disrupted by widespread outbreaks of infectious or contagious diseases, and such disruption may adversely affect the returns of your portfolio.
14. **Tracking Error Risk:** The goal of an ETF/ index fund is to track a specific market index, often referred to as the fund's target index. The difference between the returns of the index fund and the target index is known as a fund's tracking error. Tracking errors can have an unexpected material effect on an investor's returns.
15. **Trade Errors:** Trade confirmations and account statements provided to you by iFAST shall be binding if you do not object, in writing, within three (3) calendar days in the case of trade confirmations, and ten (10) calendar days in the case of account statements, after transmittal to you by electronic delivery or otherwise. In the event a transaction error occurs in your account, you will need to notify iFAST to restore your account to the position it should have been in had the error not occurred.
16. **Call Risk:** In case of bonds, if interest rates drop low enough, the bond's issuer may choose to repay its callable bonds and issue new bonds at lower interest rates. If this happens, the bondholder's interest payments cease and they receive their principal early.
17. **Prepayment Risk:** Similar to call risk, in case of individual bonds, including mortgage-backed bonds, prepayment risk is the risk that the issuer of a security will repay principal prior to the bond’s maturity date, thereby changing the expected payment schedule of the bonds.
18. **Tax Considerations:** Income from investments is subject to tax as per the provisions of Income Tax Act, as amended from time to time. The following heads of income from investments are subject to tax, unless specifically exempt: dividend income, interest income and realised capital gain.

Income from investments may be in the form of interest or dividend and is taxable as income from other sources. The tax treatment for both these types of income is different. Investment in securities will classify as capital assets as per the definition of Capital Assets under Section 2(14) of the Income Tax Act and a capital gain/loss from the sale or transfer of such asset (also known as realised gains/losses) can be a short-term capital gain/loss or long-term capital gain/loss depending upon the period for which it was held by the investor (Client) and taxed accordingly.

Every purchase and sale of securities (including equity and unit of equity oriented mutual fund) listed on recognized stock exchanges in India also attract a direct tax called Securities Transaction Tax (STT). STT is computed on the amount of redemption or sales value and is reduced from the redemption or sales proceeds paid to the investor (Client).

Tax calculated on your investment products depends on factors such as what kind of instruments you have invested in, the duration of your investment, and which income tax slab you belong to. The Client should consult a tax professional or a qualified Chartered Accountant regarding the tax implications of the investing of his assets and the filing of his tax returns.

**ANNEXURE 2**

**ADVISORY FEES**

**(A) Fees prescribed under Sebi’s IA Regulations and circulars issued thereunder:**

Regulation 15 A of the IA Regulations provides that Investment Advisers shall be entitled to charge Fees from the Client in the manner as specified by SEBI, and accordingly Investment Advisers (IA) shall charge Fees from the Client in either of the two modes:

(i) Assets under Advice (AUA) mode

a. The maximum Fees that may be charged under this mode shall not exceed 2.5 percent of AUA per annum per Client across all services offered by IA.

b. IA shall be required to demonstrate AUA with supporting documents like demat statements, unit statements etc. of the Client.

c. Any portion of AUA held by the Client under any pre-existing distribution arrangement with any entity shall be deducted from AUA for the purpose of charging Fee by the IA.

(ii) Fixed Fee mode

The maximum Fees that may be charged under this mode shall not exceed INR 1,25,000 per annum per Client across all services offered by IA.

General conditions under both modes:

a. In case “family of Client” is reckoned as a single Client, the Fee as referred above shall be charged per family of Client”.

b. IA shall charge Fees from a Client under any one mode i.e. (A) or (B) on an annual basis. The change of mode shall be effected only after 12 months of the Clients on-boarding or last change of mode.

c. If agreed by the Client, IA may charge Fees in advance. However, such advance shall not exceed Fees for 2 quarters.

d. In the event of pre-mature termination of the IA services in terms of agreement, the Client shall be refunded the Fees for unexpired period. However, IA may retain a maximum breakage Fee of not greater than one quarter Fee.

**(B) Fees applicable to the Client:**

**(i) Fees:**

For Clients who have decided to obtain advisory services from the IA, IA shall provide advice only on commission-free products wherever possible and hence shall be remunerated solely through Advisory Fees (hereinafter referred to as Fee) charged to the Clients and shall not receive any commissions whatsoever.

**(ii) Fee Structure:**

**Fees payable by client to BM Fiscal**

The Client’s applicable fee structure will be made available under the Client Login on the iFAST website (www.ifastfinancial.co.in) for his review upon his first login and before any transaction for investment is placed for him and will become effective only once it has been approved by the Client. The fees approved shall be available for viewing at all times in their Client Login.

The fees chargeable to client will be \_\_\_\_\_% p.a. of the Client’s Mutual Funds Assets Under Advice (AUA) and will be charged and deducted from the investment portfolio of the client. The fees on the stock portfolio, ETFs, PMSs, structured products and other securities will be charged @ \_\_\_\_\_% p.a. In case the fees cannot be recovered from the investment portfolio of the client on the iFAST platform, the client shall promptly pay the unpaid fees separately to BM Fiscal on receipt of an intimation of the payment of such fees from BM Fiscal. The fees mentioned above are exclusive of GST and other applicable taxes.

**Fees payable by Client to iFAST**

This has been separately agreed between client and iFAST through a separate and independent mandate.

**(iii) Approval of Applicable Fee by the Client:**

The Fees applicable to the Client shall be approved upon his first login on IFAST platform before any transaction for investment is placed for him. The Fees applicable to the Client can be viewed by him in his login at all times.

Any increase in the applicable Fees shall not take effect unless the same is approved by the Client. In case of a decrease, the Client shall receive an intimation of the same but his approval in such case will not be required. The change will take effect automatically from the following quarter.

**(iv) Fee Recovery Process:**

The Fee is recovered on a quarterly basis:

a. The Fee is recovered quarterly from the Client’s cash account linked with the Client’s iFAST Wrap Account.

b. An automated email containing the path of the report and statement of Fees in the iFAST Client Login shall be sent to the Client and PAA.

c. Redemption proceeds received from Systematic Withdrawal Plan (SWP) and Inter-Switch transactions are not earmarked for Fee recovery.

d. The Client can pay the fees by depositing funds into the cash account (Client account with iFAST or the pool account or from his/her holdings on the platform. If there is insufficient balance in the cash account, the holdings will be redeemed for fee payment.

e. In the event that the Client chooses to pay by depositing funds into the Cash Account with iFAST and there is insufficient balance in the Cash Account to pay for the fees for more than two quarters, holdings will be redeemed in the following quarter to pay for all Outstanding Fee.

 **(v) Fee Recovery by Redemption of Client Holdings:**

a. The default asset class for redemption priority is in this order: Liquid-> Debt-> Hybrid-> Equity-> Global.

b. The PAA may change the redemption priority for the Client online. No approval of the client is necessary for setting or changing the redemption priority.

c. In each asset category, the First in First out (FIFO) Logic will be applied where the oldest scheme shall be redeemed first.

**(vi) Fee Modalities, Periodicity**

a. The Client shall pay Fees, through NEFT/ RTGS/ IMPS/ UPI or any other mode specified by SEBI from time to time, as mutually decided between iFAST, BM Fiscal and the Client and approved by the Client. The fees shall not be accepted in cash. The details of such Fees shall be updated and reflect in the Client login at all times.

b. IA shall issue invoices to the Client in relation to the payment of Fees by the Client and the Client shall pay such invoices promptly. The Client authorizes iFAST to collect such Fees on behalf of IA from the Client’s funds lying in the Client’s cash account linked with the Client’s iFAST Wrap Account within the prescribed due date.

c. The Client shall pay any outstanding Fee on or before the due date of the relevant Transaction as provided for under these terms and conditions.

d. All payments made by the Client to the Product Provider and/or IA shall be in free and clear funds and free of deductions or withholdings.

e. Any portion of AUA held by the client under any pre-existing distribution arrangement with the IA shall be deducted from AUA for the purpose of charging fee under this Agreement.

f. An Illustration of the determination of Fees has been provided for reference under Annexure 4.

**ANNEXURE 3**

**ASSOCIATED WITH THE INVESTMENT ADVICE**

|  |
| --- |
| **PARTICULARS OF COMPLIANCE OFFICER** |
| NAME: GAUTAM BHALLA |
| DESIGNATION: CEO/MANAGING DIRECTOR Managing Director |
| EDUCATIONAL QUALIFICATIONS: B.Com |
| Email gautam@bmfpa.com |

|  |
| --- |
| **PARTICULARS OF PERSONS ASSOCIATED WITH THE INVESTMENT ADVICE** |
| NAME : UJWAL MARATHE |
| EDUCATIONAL QUALIFICATIONS: B.A., ACA, CFPCM |
| Email ujwal@bmfpa.com |
|  |
| NAME: KARIM MEGHANI |
| EDUCATIONAL QUALIFICATIONS: B.Sc., PGDBM |
| Email karim@bmfpa.com |

**COMPANY INFORMATION**

|  |  |
| --- | --- |
| Company Name | **BM FISCAL POINT ADVISORS PVT LTD** |
| CIN | U65923PN2013PTC148748 |
| Address | Gulmohar, Plot No 5, S No 15-A, Someshwarwadi, Next to Hotel Rajwada, Pashan, Pune 411045. India |
| Names of Directors | Mr. Gautam Bhalla DIN 06652341 |
|  | Mr. Ujwal Marathe DIN 00964013 |
|  | Mr. Karim Meghani DIN 06652336 |
| Sebi RIA Registration No | INA000007182 |
| GST No | 27AAFCB6711MIZH |
| Webite | www.bmfpa.com |
| Email | advisory@bmfpa.com |
| Telephone Nos  | +91 7276007163 |

## **ANNEXURE 4**

**DETAILS AND ILLUSTRATION OF REMUNERATION EARNED BY INVESTMENT ADVISER**

1. **Advisory Fees**
2. In case of an investment advisory account, IA shall provide advice only on zero-commission products where possible and hence shall be remunerated solely through Advisory Fees. This is the ongoing fees for the advisory services provided by IA to the Client and is charged on the total AUA.
3. The Advisory Fees will be charged as a percentage of the AUA. As the iFAST Wrap Account is a multi-product account, the Advisory Fee will be charged across all the products advised.

**Advisory Fees Calculation Illustration:** For the purpose of calculations in this example, the AUA is assumed to be INR One Crore and 100% of the AUA is assumed to be Mutual Fund AUA. The Advisory Fee being charged is assumed to be 1.50 % of the AUA is as per the percentages provided in Table 1.0 below.

***Illustration 1.0***

|  |
| --- |
| **Advisory Fee Calculation** |
| **AUA** | **Advisory Fee** | **Advisory Fee Calculation** |
| 100,00,000.00 | 1.50% | (100,00,000\*1.50%/4) = 37,500.00 |
| Advisory Fee payable for the Quarter is INR 37,500 excluding GST |

As detailed in the above Illustration 1.0, the Advisory Fees payable by the Client to IA for the Quarter will be INR 37,500 excluding GST. The invoice for the Advisory Fee will reflect under the Client Login in the subsequent month of the current quarter and will become payable accordingly.

In case of migration from wrap account to non-wrap account, etc. or account closures, the Advisory Fee will be calculated on a pro rata basis until the date of the event and will become payable accordingly.

**CLIENT CONSENT AND UNDERTAKING**

BM Fiscal Point Advisors Pvt Ltd (hereinafter referred to as “BM Fiscal” or as “Investment Advisor” or “IA”) is a body corporate constituted under the laws of India and is registered with the Securities and Exchange Board of India (SEBI) as an Investment Adviser having Registration No. INA000007182.

I/ We, have read and understood the terms and conditions of the investment advisory services provided by the Investment Adviser and understood the Fee structure and mechanism for charging and payment of Fees

I / We was/were provided the opportunity to ask questions and interact with the Investment Adviser and person associated with investment advice (herein after referred as “PAA”).

I/We hereby agree to provide information and/or documentation requested by BM Fiscal in furtherance of this Agreement as it pertains to my/ our investment objectives, needs and goals. I/ We acknowledge that it is my/our responsibility to keep BM Fiscal informed of any changes regarding same. BM Fiscal and its representatives shall be fully protected in relying upon any information, direction(s), notice(s), or instruction(s) received from us until they have been duly advised in writing of any changes therein. Neither BM Fiscal, its representatives nor the person associated with the BM Fiscal shall be required to verify any information obtained from me/us and are expressly authorized to rely thereon

I/We hereby voluntarily consented to open and maintain an Investment (Transaction) Account with iFAST Financial India Private Ltd (“iFAST") an investment platform service provider through which I/ we shall only transact in financial products, get reporting services and avail advisory services only from BM Fiscal in accordance with this agreement. I understand that opening Investment account with iFAST is optional and not a prerequisite for availing advisory services from the Investment Advisor.

Signature (s):

……………………………………………………… …………………………………………..

First Holder Joint holder

Wrap Account No (s):

Date: \_\_\_\_

Place: Pune

**DECLARATION BY BM FISCAL POINT ADVISORS PVT LTD**

(Sebi RIA Registration No: INA000007182)

In accordance with the regulations and guidelines of Sebi for registered investment Advisors, we BM Fiscal Point Advisors Pvt. Ltd. hereby confirm and declare as under:

BM Fiscal shall not manage funds and securities on behalf of the Client and shall only receive such sums of monies from the Client as are necessary to discharge the Client’s liability towards fees owed to BM Fiscal Point Advisors Pvt. Ltd.

BM Fiscal Point Advisors Pvt. Ltd. hereby undertakes that it shall not, in the course of performing its services to the Client, provide any investment advice implying any assured returns or minimum returns or target return or percentage accuracy or service provision till achievement of target returns or any other nomenclature that gives the impression to the Client that the investment advice is risk-free and/or not susceptible to market risks and/or that it can generate returns with any level of assurance.

For BM Fiscal Point Advisors Pvt Ltd

Mr Gautam Bhalla Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Director

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

Place: Pune