



LETTER OF ENGAGEMENT

To

Sub: Engagement Letter for financial planning/Investment Advice.

Dear

Thank you for expressing your interest in engaging us to do your financial planning exercise, pursuant to our meeting/conversation on the As desired by you, we have set out below the activities which we shall undertake for you. This letter will be the basis of the contract for services between you as “the Client” and COFAGR INVESTMENT as the Investment Advisor or the Firm.

Cofagr Investment Adviser (the Investment Advisor/“Firm”/ “We”, which expression shall include its successors in interest and permitted assigns) shall render financial planning services to _____[**name the Client and the concerned family members who will be serviced** (“You or the Client”) upon the terms set forth in this engagement letter (“**Engagement Letter**”). The Firm and You are collectively referred to as the “**Parties**”.

In accordance with the applicable laws, you as the Client hereby appoint, entirely at your risk, the Firm to provide the required services in accordance with the terms and conditions of the agreement as mandated under Regulation 19(1)(d) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

Your Consent:

We understand that you as our Client have provided us with your consent with regard to having read and understood the terms and conditions of Investment Advisory services provided by the Firm along with the fee structure and mechanism for charging and payment of fee.

You have also provided us with your written consent that an opportunity was provided by us to ask questions and interact with ‘person(s) associated with the investment advice.

Declaration by the Firm as Investment Adviser

We as your Investment Adviser shall neither render any investment advice nor charge any fee until you as the Client have signed this agreement. We as your Investment Adviser shall not manage funds and securities on your behalf and that we shall only receive such sums of monies from you as our Client as are necessary to discharge the client’s liability towards fees owed to us as your Investment Adviser. We as your Investment Adviser shall not, in the course of performing our services as our Client, hold out 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 you as our Client that the investment advice is riskfree and/or not susceptible to market risks and or that it can generate returns with any level of assurance.

Fees chargeable to the Client

The Fees chargeable to you as the Client shall those as specified under the Investment Adviser Regulations and circulars issued by SEBI from time to time. **Our Fee Model and Fee and Model Plan is stated at Paras ___ and ___ in this Engagement Letter which will be in line with the as referred to above.**

Financial Planning Process:

It is the process of meeting an individual's life goals by effectively managing his/her finances in view of prioritised goals. In general terms, the financial planning process consists of the following six steps:

1. Defining and establishing the terms of client-planner relationship;
2. Obtaining client's financial data and financial goals;
3. Evaluation of client's financial situation;
4. Developing and presenting the financial plan to client(s);
5. Implementation support for the recommendations outlined in the plan; and
6. Financial plan reviews and course-correction if necessary.

The scope of services, process and fee model is enumerated as below:

A. Scope of Services:

After having established our relationship, the financial planning process would comprise gathering your financial data and goals, assessing your financial situation, creating the plan with key recommendations. Listed below are items that will be covered through the process.

1. Financial Goals Closure;
2. Net Worth Assessment & Asset Allocation of the household;
3. Evaluation of current Life & Health Insurance in place;
4. Evaluation of Mutual Funds, ULIPs & Investment Products;
5. Contingency Fund Planning;
6. Life & Health Insurance Planning;
7. Cash Flow Analysis (for next 12 months);
8. Financial Goals Planning;
9. Tax Deductions Planning for the current financial year;
10. Key Recommendations & Periodic reviews

When considering various financial strategies available in your particular situation, we may be required to make one or more assumptions. These assumptions may include, but are not limited to, your anticipated retirement age, life expectancy, corporate and government benefits, time horizons, special needs, rates of return, inflation and income tax rates. All assumptions made will be clearly stated in the financial plan. During the discussions you shall be familiarized with the costs, risks, time-sensitivity of recommendations, consequences of no action being taken and the impact of sudden change in the assumptions on the projected results.

The Services which shall be provided to you shall be those subject to the activities permitted under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 and any amendments thereof issued from time to time.

B. Responsibility of the Client:

The Client shall be responsible for providing the financial data/relevant information and all updates in this regard in a timely manner.

C. Responsibility of us as the Investment Adviser:

In discharging our functions as Investment Adviser to you as our Client, it is our responsibility to you as under:

- (a) to ensure terms of compliance with the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 and its amendments, rules, circulars and notifications.
- (b) to ensure compliance with the eligibility criteria as specified under the Investment Adviser Regulations at all times.
- (c) to ensure having in place risk assessment procedures considering your risk capacity and risk aversion.
- (d) to ensure providing reports to you as our Client on potential and current investments.
- (e) to keep in place maintenance of records i.e. your KYC, risk assessment, analysis reports of investment advice and suitability, terms and conditions document, related books of accounts and a

register containing list of clients along with dated investment advice and its rationale in compliance with the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

- (f) to ensure that the Advice provided to you is duly audited as per the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

(g) Deliverables:

The deliverables under this financial planning process and Financial Plan are as follows:

- (i) Financial Planning Worksheets
- (ii) Quarterly Reviews of the action items recommended in the worksheets.

Our Advice will involve recommending investment through direct schemes/direct codes relating to the types of securities in question and restrictions on investments, if any

The financial plan or model or strategy so recommended based on the risk profiling conducted for you as the client, based on your Assets under Advice and time period for deployment.

The above may also cover tax related aspects pertaining to investment advice

(h) Individual(s) covered:

The following individual(s) will be covered in the aforementioned financial planning process:

- (i) [REDACTED]
- (ii) [REDACTED]
- (iii) [REDACTED]

(i) Out of Scope:

The following activities would be out of scope of the current engagement however we shall be happy to assist you with the following at mutually agreed fees:

- (i) Facilitation of home/personal/ any other loan;
- (ii) Buying/selling/leasing of real estate;
- (iii) **Buying/selling of financial assets;**
- (iv) Operations of bank/demat accounts; and
- (v) Insurance.

(j) Engagement Period and Renewal:

The duration of the engagement is twelve (12) months ("Engagement Period") effective from the signing of this engagement letter. On completion of the initial twelve months or subsequent renewals, the engagement will be automatically renewed for a further period of twelve (12) months upon payment of the renewal fee/s on the same terms and conditions as contained in this letter of engagement unless modified mutually by the parties in writing. This engagement is automatically terminated upon non-payment of renewal fee(s).

(k) Data Integrity & confidentiality

The information provided by you shall form the basis of financial review and plan. Data is expected to be accurate and comprehensive. The information provided will be kept strictly confidential. We shall also be responsible for maintenance of your investment related accounts and data as mandated under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013. It will not be sold or shared with any third party without your written consent, unless required to do so by law.

(l) Ethics

The planning charges are based on how much time is spent on the process. The planning charges are irrespective of one's salary, net worth or the "affordability" of the client. We assure you of transparency and ethics in the process.

(m) Fee model:

We offer a fee-only model, wherein we are paid solely by the client for the financial advisory rendered by us. We are not affiliated with a brokerage firm, insurance company, or any other financial institution. There are no commissions or sales incentives to influence our recommendations. Our fees are based upon

the time required to provide the advice and the service to you, and the level of expertise and responsibilities involved but subject to SEBI Investment Advisers Guidelines for the time being in force

(n) **Fees and Payment Plan:**

The professional fees for the aforesaid scope of services shall be **Rs 60,000** for the Engagement Period (*exclusive* of GST @ 18%). Payment of professional fees shall be payable on a quarterly basis with the first two quarters payable immediately upon signing this engagement letter. In the event, you do not avail the financial services from us after paying the professional fees, the proportionate professional fees shall not be refunded.

The advisory fees in that case will be dependent on the financial assets that you would be advised upon. A detailed statement of risks associated with each type of investment covering the standard risks associated with each type of investment in securities and investment products shall be provided to you on a regular basis.

(o) **Disclaimer:**

The investment plan shall be prepared on information provided. However, no responsibility can be accepted if the information is found to be incorrect or inaccurate. All investments are subject to, if not all, market risk, liquidity risk, company risk, sector and country exposure risk, default risk, currency exchange risk, economic and political risk and the returns may fluctuate from time to time. Past performance does not guarantee future returns. The capital value of investments may fall and you may not earn any income from your investments. Interest rates and inflation are considered based on the past and present interest rate trend. You acknowledge that this may change in the future, which may result in returns being different than assumed. The investments planned for you are long term in nature and therefore volatility of short term in nature shall be ignored. You understand the limitations of this financial planning advice as it is purely goal-based planning. Please note that certain recommended funds are pure equity funds and their stellar past performance does not make them future star performers. Regular periodic reviews of your investments is recommended. We as your Investment Adviser shall not incur any liability by reason of any loss, which you as 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 underperformance of the securities/funds or any other market conditions.

(p) **Termination:**

This Agreement may be terminated under the following circumstances, namely-

- (a) Voluntary / mandatory termination by us as your Investment Adviser.
- (b) Voluntary / mandatory termination by you as our Client.
- (c) Suspension/Cancellation of our registration as Investment Adviser by SEBI.
- (d) Any other action taken by other regulatory body/ Government authority. In case of a voluntary termination of the agreement by either of us, we shall provide the other party a 30 days prior written notice. In case of suspension of our certificate of registration of as Investment Adviser, you as our Client will be provided the option to terminate the agreement.

In the event of termination under any of the circumstances, you shall be entitled for a refund of fees paid in advance for the remaining period of the Agreement which stands terminated on a proportionate basis. In such a case we shall also provide you full support for the period of transition to another Investment Adviser and for investments in progress based on our advice appropriately.

- (q) **Relationship with Related Parties & Conflict:** We confirm that we carry out our functions independently and shall provide you with advice on an arms' length basis and without any conflict. As and when there is any potential of conflict we shall immediately disclose all conflicts of interest as and when they arise and not derive any direct or indirect benefit out of your securities/investment products.

(r) **Other Representations by us as Investment Adviser:**

- (i) We are certified Investment Advisers with requisite qualifications as approved by SEBI
- (ii) Our inhouse investment team including our Principal Officer holds the requisite authorities and approvals required to provide the requisite investment advice and will ensure the same is in place throughout the validity of our Agreement

- (iii) In case of death or disability of you or your family members constituting the Client requisite advice will be provided to ensure steps will be taken to put in place the nomination or succession of the investments in the name of the nominee or successor as the case may be.
- (iv) In the event of death or disability of ____ being the Investment Advisor necessary steps have been taken to appoint one of my legal heirs, (the “Obligor”) as the person-in-charge in my death / disability.
- (vi) The PAN No and address of the said Obligor is provided as under:

In the event of such an eventuality, the said Obligor shall in order to ensure protection of interest of the clients and redressal of clients’ claims, will be left with instructions including but not limited to (a) giving notice to all clients of the occurrence of the eventuality and confirmation of having taken charge over by the Obligor (b) settlement of account with the client (fees payable and/or fees refundable), (c) completion of transition of any outstanding business to another duly registered investment adviser, (d) redressal of any outstanding or new disputes / claims of clients.

- (vii) In the event of any dispute between us as Investment Adviser and you as the Client necessary mechanism will be in place to address and resolve the issue to cover protection of acts done in good faith as well as for dispute resolution mechanism including arbitration that may be specified under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
- (viii) All grievances shall be resolved within timelines specified under the SEBI Circulars from time to time.

- s. **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
- t. **Force Majeure.**We as Investment Adviser shall not be liable for delays or errors occurring by reason of circumstances beyond our control, including but not limited to acts of civil or military authority, national emergencies, work stoppages, fire, flood, catastrophe, acts of God, insurrection, war, riot, or failure of communication or power supply. In the event of equipment breakdowns beyond its control, we shall take reasonable steps to minimize service interruptions but shall have no liability with respect thereto
- u. **Miscellaneous.** Each party agrees to perform such further actions and execute such further agreements as are necessary to effectuate the purposes hereof

Feel free to contact me should you have any questions.
Sincerely,

Registered Investment Adviser (SEBI, Registration Number: INA000012962.
Mobile #: +91- 7507115365

Address: Nagpur

Bank Account Details: HDFC BANK , Cofagr Investment Adviser Account No: 50200038966956, IFSC Code :HDFC0002126

I have gone through the above letter.I understand & agree with the contents. I request you to proceed with the financial planning exercise for which I will shortly send you the information.

- I shall make the advance payment (including applicable GST) within 2-3 working days.
- I have made the advance payment (including applicable GST) vide a cheque drawn on _____ bank, bearing cheque no. _____, dated _____.

(Client's Signature)

Client's name:

Place & Date: