

INVESTMENT ADVISORY LETTER OF ENGAGEMENT

Between

CLIENT_NAME

And

Krishna Rath

SEBI RIA:INA000002892

	Client Details	Registered Investment Adviser Details
Name	CLIENT_NAME	Krishna Rath
Pan	PAN	AGCPR1578A
Address		632, Tower 8, Royal Lagoon
		Raghunathpur, Bhubaneswar, 751024
Phone		+91 9922943372
Email		rath.krishna@gmail.com

Table of Contents

Terms and Conditions of the Letter of Engagement as per SEBI RIA Regulations, 2020	3
1. Appointment of the Investment Adviser:	3
2. Fee structure and Terms of Fees	3
4. Functions of the Investment Adviser	6
5. Investment objective and guidelines:	6
6. Risk Factors	7
7. Validity of advisory services	7
8. Amendments	7
9. Termination	7
10. Disclosures and Relationship with related parties	8
11. Representation to client	8
12. No right to seek Power of Attorney	8
13. No conflict of interest:	8
14. Maintenance of accounts and confidentiality:	9
15. Liability of Investment Adviser	9
16. Representations and covenants	9
17. Death or Disability of client	9
18. Death or Disability of investment adviser	9
19. Settlement of disputes and provision for arbitration	9
20. Severability	10
21. Force Majeure	10
22. Miscellaneous.	10
23. Signatures	10

This **Letter of Engagement (LOE)** is made on 19th July 2021 and entered into by and between **CLIENT_NAME**, hereafter referred to as the **Client** and **Mr. Krishna Rath**, registered with SEBI under SEBI Investment Advisor Regulations, 2013 vide Registration Number: **INA000002892**, hereafter referred to as the **Advisor** or the **Investment Adviser**.

Terms and Conditions of the Letter of Engagement as per SEBI RIA Regulations, 2020

1. Appointment of the Investment Adviser:

In accordance with the applicable laws, client, **CLIENT_NAME**, hereby appoints, entirely at his/ her/ its risk, the Investment Adviser Krishna Rath 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.

Declaration

The Client agrees and provides consent that:

- I/ We have read and understood the terms and conditions of Investment Advisory services provided by the Investment Adviser along with the fee structure and mechanism for charging and payment of fee mentioned as part of this LOE.

Krishna Rath, SEBI RIA : declares that:

- As an Investment Adviser, he shall neither render any investment advice nor charge any fee until the client has signed this agreement.
- As an Investment Adviser, he shall not manage funds and securities on behalf of the client and that he/ it shall only receive such sums of monies from the client as are necessary to discharge the client's liability towards fees owed to the Investment Adviser.
- As an Investment Adviser, he shall not, in the course of performing his/ its services to the 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 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.

2. Fee structure and Terms of Fees

A fixed amount will be charged for the creation of a Comprehensive Financial Plan (financial blueprint).

Fees charged to the client & Terms and Conditions

2.1 The quantum and manner of payment of fees for investment advice rendered.

The fees will be charged as per the following table:

Type of Advice	Fees Charged	Remarks
Creation of Comprehensive Financial Plan	₹ 12,500/-	Fixed charge for creation of Comprehensive Financial Plan

Note:

1. Fixed fee for financial blueprint creation will be charged in 2 installments
 - a. Signing of agreement - 25% of the fees to be paid in advance.
 - b. Delivery of comprehensive financial plan (financial blueprint) - 75% of the fees
2. As SEBI Registered Investment Adviser, Krishna Rath will not be receiving commissions on any product.
3. Payment receipt shall be provided to the client confirming the payment once the fee collection is completed.

Examples and details are attached in **annexure A**.

2.2 Payment of fees

The payment of fees shall be through a mode which shows traceability of funds. Such modes may include account payee crossed cheque/ Demand Drafts or by way of direct credit to the bank accounts through NEFT/ RTGS/ IMPS/ UPI or any other mode specified by SEBI from time to time. However, the fees shall not be accepted in cash.

Payment details are

Account#: BHIM/UPI – 9922943372@UPI	 krishna.rath@okicici
Bank Details: ICICI Bank Name: Krishna Rath Account: 626201515855 IFSC code: ICIC0006262	

3. Scope of Services

In accordance with the permitted activities under the IA Regulations, I Krishna Rath, shall provide the client, the services as mentioned below:

3.1 The scope of the engagement under this contract are:

1. **Comprehensive Financial Plan** - Preparation of a Comprehensive Financial Plan (also called financial blueprint) that will consist of
 - a. Detailed risk profiling that will evaluate the financial risk the client can take and appropriately determine financial instruments for the client.
 - b. The specific objectives of the investment and financial planning needs of the Client.
 - c. Based on the financial needs and the risk profile, the plan shall detail the financial instruments and the amount and period of investment(s).
 - d. The plan shall include a financial management strategy, including financial projections and analysis.
 - e. The plan shall identify tax strategies that will optimize financial position.
 - f. Based on specific goals and objectives, goal based financial plans shall be determined.
 - g. The products and services that are in scope

- i. Suggestions on structuring of equity, debt and new age mutual fund portfolio.
- ii. Advice on assets such as
 - Equity Mutual Funds
 - Equities stocks for research and analysis.
 - Fixed Deposits and other debt instruments such as Public Provident Fund, Sukanya Samriddhi Scheme, National Pension Scheme, Postal Schemes.
 - Debt Mutual Funds
 - Gold ETF /bonds
 - Real Estate Investment Trusts
- h. Life Insurance & Health Insurance Discussion - including determination of Life insurance needed as per expense approach method or income replacement method.
- i. General Insurance - Advice on specific general insurance catering to Client's profession and needs.
- j. Determination of Real Estate investments if any.
- k. Determination of Retirement solutions.

2. Recurring Consultation on Investment Strategies & Management (for one year)

- a. Ongoing review of the investment portfolio and making recommendations if need be.
- b. Provide any support or advisory on other financial products such as insurance, bonds, ReITs, debt schemes, annuities.
- c. The Investment Adviser can refuse to advise on an investment due to lack of knowledge about the investment product or due to incompatibility of the investment with the Client's risk profile or for any other reason.

3.2 Out of Scope

The following products and services will not be part of the advice:

- a. Future and Options
- b. Forex trading
- c. Commodity trading
- d. Day Trading / speculative trading

4. Functions of the Investment Adviser

Functions, obligations, duties and responsibilities of the Investment Adviser with specific provisions covering, inter alia.

1. Terms of compliance with the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 and its amendments, rules, circulars and notifications.
2. Compliance with the eligibility criteria as specified under the Investment Adviser Regulations at all times.
3. Risk assessment procedure of the client including their risk capacity and risk aversion.
4. Providing reports to clients on potential and current investments.
5. Maintenance of records i.e. client-wise 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.

6. Provisions regarding audit as per the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
7. Undertaking to abide by the Code of Conduct as specified in the Third Schedule of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

For client's reference, the link for SEBI RIA Regulations is at:

<https://www.sebi.gov.in/legal/regulations/jan-2013/securities-and-exchange-board-of-india-investment-advisers-regulations-2013-last-amended-on-july-03-2020-34619.html>

5. Investment objective and guidelines:

1. The Investment Adviser shall consider the risk profile of the Client, cashflows, existing assets and liabilities and financial goals before providing any investment advice. Asset allocation, investment strategy and the time period for deployment shall also depend on such factors.
2. The Client understands that implementation of investment advice offered by the Investment Adviser shall result in income or capital gains that will be taxed as per extant tax laws.
3. The Investment Adviser shall recommend investments in direct plans of mutual fund schemes. The Client agrees to use MFU as an investment platform as it eases the investment monitoring part.
4. The Investment Adviser provides support for the implementation of the financial plan, but such support is limited to direct plans of mutual fund schemes. The Client is not under any obligation to avail such support and is free to implement the plan as he/she wishes.

6. Risk Factors

1. Capital markets, including but not limited to real estate, equities, debt, derivatives, gold and other commodities, and mutual funds are inherently volatile, and their performance cannot be guaranteed. There is no assurance or guarantee that the objective of the investments will be achieved. There is no guarantee about the returns of the investment product.
2. There is a possibility of severe capital loss.
3. By investing in capital markets, based on the Investment Adviser's product recommendations or otherwise, the Client agrees that he/she understands the risks involved in investing in capital markets.
4. Investments in mutual funds, securities and investment products are subject to market risk, credit risk and liquidity risks.
5. All calculations are based on certain assumptions and are subject to error. That can result in underfunding of any investment goal or objective.
6. The Investment Adviser is not liable for non-achievement of financial goals and performance of an investment.

7. Validity of advisory services

1. The agreement is valid for a period of one year from the date of signing the agreement.
2. The Agreement can be voluntarily/ mandatorily terminated or terminated due to non-payment of fees or for any other reason.

8. Amendments

The agreement may be amended by mutual and written consent of the parties. Either of the parties shall provide with thirty days written notice to the other, proposing the changes to this agreement or with the proposed revised agreement, which may or may not be accepted by such other party.

In case of mutual acceptance of the proposed amendments, the same shall be effective, generally from the date of such mutual acceptance. However, on mutual agreement, such amendments may be held effective from the date of issue of this LOE or renewed date of the agreement, whichever is later.

In case of any party, not accepting the proposed amendments, the same shall not be effective and the agreement shall continue to be valid, subject to the agreement herein. However, either of the parties, not agreeing to such proposed amendments, may proceed for termination, subject to the terms of termination, agreed herein.

9. Termination

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

1. Voluntary / mandatory termination by the client.
2. Voluntary / mandatory termination by the Investment Adviser.
3. Suspension/Cancellation of registration of Investment Adviser by SEBI.
4. Any other action taken by another regulatory body/ Government authority.

In case of a voluntary termination of the agreement, the client would be required to give a 30 days prior written notice while the Investment Adviser would also be required to give a 30 days prior written notice. In case of suspension of the certificate of registration of the IA, the client may be provided with the option to terminate the agreement.

In the event of termination of this Agreement, the fiduciary duties of the Investment Adviser will cease immediately for all the past advice and the past and future transactions done based on the past advice.

The Client understands that the Investment Adviser does not control any assets of the Client. In the event of termination of Agreement for any reason, the Client will not require support of the Investment Adviser to access any investments.

In the event of termination of this Agreement, no refund of any fees shall be made.

10. Disclosures and Relationship with related parties

1. The Investment Adviser declares that it is carrying on its activities independently, at an arm's-length basis with its related parties.
2. The Investment Adviser declares that he shall disclose any conflicts that may arise in the future.
3. The Investment Adviser declares that it maintains an arms-length relationship between its activities as an investment adviser and other activities. Such arm's length relationship shall be maintained throughout the tenure of advisory service.
4. The Investment Adviser shall not provide any distribution services.
5. The family of the Investment Adviser shall not provide distribution services to the Client advised by the Investment Adviser, for securities and investment products.
6. The Investment Adviser declares that he shall not provide investment advisory services for

securities and investment products to the Client, for which he/ she is receiving distribution services from other family members of the Investment Adviser.

7. The Client understands that the Investment Adviser provides support for the implementation of the financial plan, but such support is limited to direct mutual funds. The Client is not under any obligation to avail such support and is free to implement the plan as he/ she wishes.
8. The Client understands that the Investment Adviser or his relatives shall be holding the financial products or securities which are the subject matter of advice.
9. All assets will be held by the Client directly. The Adviser will not receive nor retain nor control any of the Client's assets. The Investment Adviser shall only act as an adviser to the Client..

11. Representation to client

The Investment Adviser declares that he will take all consents and permissions from the Client prior to undertaking any actions for Client's portfolio in relation to the securities or investment products advised by the Investment Adviser.

12. No right to seek Power of Attorney

The Investment Adviser shall not seek any power of attorney or authorizations from the Clients for implementation of investment advice.

13. No conflict of interest:

The Investment Adviser declares that he will disclose all conflicts of interest as and when they arise and not derive any direct or indirect benefit out of the Client's securities/ investment products.

14. Maintenance of accounts and confidentiality:

1. Investment Adviser shall be responsible for maintenance of client accounts and data as mandated under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
2. No information about the Client will be disclosed by the Investment Advisor (RIA) to external parties except as required or allowed for by the extant laws or to meet regulatory compliance or with client's express consent.
3. As part of mandatory KYC check, PAN number will be queried against KRA sites such NDML to determine the KYC status. Link of NDML site is https://kra.ndml.in/kra-web/jsps/pos/KYCClientInquiry_NEW.jsp. The screen shot of such a KYC check will be placed in the report.
4. If the Client takes support from the Investment Adviser for investment in direct plans of mutual fund schemes or copies Investment Adviser's registration code in mutual fund transactions, the data feeds for such services received by the Investment Adviser from Registrar and Transfer Agencies (RTAs) shall be uploaded in third party cloud based servers for analysis and portfolio tracking.

15. Liability of Investment Adviser

The Investment Adviser shall not incur any liability by reason of any loss, which the 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.

16. Representations and covenants

The Investment Adviser shall ensure compliance with the eligibility criteria for the Investment

Adviser, the principal officer and the persons associated with investment advice as specified under the Investment Adviser Regulations at all times throughout the validity of the advisory service.

17. Death or Disability of client

1. The Client understands that services provided to the Client are personal to him/ her and that the Client cannot assign the right to receive services or the benefits or burdens thereof to any other person.
2. In the event of Death of the Client or any disability to the Client that renders him unable to receive services under this Agreement, the Agreement will stand terminated from the date the Investment Adviser is intimated about the event. The Investment Adviser shall be responsible for the refund of fees, if any, to the Client's family. The person legally succeeding the Client (limited only to spouse & children for the scope of this Agreement) shall reach out to the Investment Advisor (RIA) to inform him about the event and enter into a fresh agreement which is in line with their possibly different risk profile and distinct financial goals.
3. The Client understands it is his/ her responsibility to keep the family members informed about his/ her investments and the relationship with the Investment Adviser.

18. Death or Disability of investment adviser

1. The Client understands that the Investment Advisor (RIA) currently operates in individual capacity. In the event of the death of the Investment Advisor or any disability that renders the Investment Advisor (RIA) unable to discharge services under this Agreement, the advisor's spouse or relatives shall inform the Client about the event.
2. The event shall be considered Termination of Agreement by the Investment Adviser. The aforementioned person shall be responsible for refund of fees, if any, to the Client.

19. Settlement of disputes and provision for arbitration

1. The Investment Adviser does not guarantee performance of any of the products recommended. All the recommendations are based on past data, the Investment Adviser's interpretation of the product features and are given in good faith. The Investment Adviser shall not be responsible for any damage, financial or otherwise, caused due to any of the Client's actions based on his recommendations.
2. The Investment Adviser offers investment advice to the Client after accounting for Client's risk profile, financial goals, and suitability of financial products. The Client is free to follow or to disregard, in whole or in part, any recommendations that Investment Advisor (RIA) makes.
3. If the Client has any grievance, he/ she can write to rath.krishna@gmail.com. The Investment Adviser shall resolve the grievance within 2-4 weeks or within timelines specified by SEBI, whichever is earlier. If not satisfied, the Client can lodge a complaint with SEBI at <http://scores.gov.in/>.
4. The grievances of the Client pertaining to financial products in which investments have been made based on investment advice by the Investment Adviser shall fall within the purview of the regulator of such financial products.
5. You may note the regional address of SEBI office of Bhubaneswar at <https://www.sebi.gov.in/>
6. Any dispute between the Client and the Investment Adviser may be resolved through arbitration or through an Ombudsman authorized or appointed for the purpose by any regulatory authority, as applicable.
7. The Client and the Investment Advisor (RIA) agree that if any controversy arises in connection with any Services provided under this Agreement, such controversy shall be under the jurisdiction of Bhubaneswar.

20. 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

21. Force Majeure

The Investment Adviser shall not be liable for delays or errors occurring by reason of circumstances beyond its 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, the Advisor shall take reasonable steps to minimize service interruptions but shall have no liability with respect thereto.

22. Miscellaneous.

Each party agrees to perform such further actions and execute such further agreements as are necessary to effectuate the purposes hereof.

23. Signatures

CLIENT_NAME

[Client]

Krishna Rath

SEBI RIA: INA000002892

[Investment Adviser]

Annexure A

Fees example - Illustration(s) on how the fee will be determined

Date	Event	Advice Rendered	Fees Charged
Comprehensive Financial Planning			
01-Mar-2021	Agreement Sign off	Understanding of the problem statement and client's financial needs & goals at a high level	25% Advance on fixed charge of ₹ 12,500 ie ₹ 2,135/-
03-Mar-2021	Discussion on Risk Profiling, Income/ Income Sources, Expense and Insurance	Insurance, Income Expense Plans	No Charges
14-Mar-2021	Discussion on Retirement and financial goals	All financial Goals, Retirement, future funds etc	No Charges
28-Mar-2021	Finalisation of report based on feedback and discussion	Financial BluePrint	75% of the pending fees i.e. ₹ 9,375/-.
31-Mar-2021	End of Consulting - Financial Blueprint delivered		