



## Letter of Engagement for Comprehensive Financial Planning Wealth Gold Offering

This engagement letter is being established on 03-Mar-2016 to outline the specific terms and scope of the financial planning engagement between *Rohit Shah, Mumbai, India (Hereinafter referred as 'Planner')* and *Ravi & Shruti Sinha (Hereinafter referred as 'Client')*

### 1. Services Offered

- a) **Comprehensive Financial Planning.** The financial plan will cover client's Personal Budgeting, Investment Planning, Insurance Planning, Personal Taxation, Retirement and Goal Planning. The financial plan will be made keeping in mind the India scenario and in line with our Sample Financial Plan. A copy of the same is available at <http://bit.ly/gvrsp>
- b) **Implementation Guidance.** Standard implementation guidance is included in this engagement as a complimentary service. This includes giving product recommendations and supporting client with the comparative product analysis available on planner's personal finance blog. The customized implementation needs are chargeable and will be agreed in advance by both the parties.
- c) **Financial Plan review.** To check the status of client's plan, three reviews are included.

2. **Fee** for the 1<sup>st</sup> year package is Rs. 27,500 (Rupees Twenty Seven Thousand Five Hundred Only) payable in advance. Fees for subsequent years will be agreed mutually. Applicable taxes are to be paid additionally.

### 3. Confidentiality

- a) Planner is bound by professional secrecy and will not disclose any of client's confidentiality information to anyone outside planner's organization, unless required to do so by the law. Planner will not use any of client's information for personal benefit. During the financial planning engagement it may, on occasion, be required to consult with other third-party professionals to support client's plan or resolve any of client's queries.

4. **Period of Engagement:** This engagement starts on 03 Mar 2016 and will continue unless terminated. The first period for which planner will be responsible is from 03 Mar 2016 to 02 Mar 2017. Planner will not deal with earlier periods unless the client requests and the planner agree.

### 5. Scope

- a) The initial phase involves accumulating and organizing facts about client's current financial status, identifying specific goals and objectives, and agreeing upon planning assumptions. This information will be obtained during a preliminary meeting or conversation with client, and/or from the use of a data-gathering questionnaire. Planner will also review pertinent documents, such as wills, tax returns and insurance documents.
- b) After the information has been received, the data will be analysed utilizing appropriate method, with "base-line" projections compared with desired results. A meeting will then be held to verify the accuracy of the data and for client to validate the planning assumptions. Planner will also explain possible alternative strategies or courses of action to meet client's immediate and long-term goals and to mitigate problems uncovered.
- c) Following the analysis & discussion with client, the projections will be updated & the effect of the alternative recommendations will be reviewed. Planner will prepare & discuss with client a report that includes the recommendations to address client's financial goals. Where appropriate, Planner will include financial illustrations & projections for greater understanding of the potential outcomes of the alternatives. Planner will work with client to finalize strategies, set time goals, and establish responsibilities for the implementation of the plan.
- d) Though it is the client's responsibility to choose a specific strategy, planner will aid in the decision-making process, and assist client to understand how well each alternative meets client's financial planning objectives. Client is free to follow or to disregard, in whole or in part, any recommendations that planner makes.

### 6. Decision making process

- a) If any planning or execution work is being requested & delivered for the family members of the client (i.e. Spouse and Children) then it is assumed that the client will take care of necessary communication, approvals and or consent from the said member(s).
- b) Approval for investment related decisions can also be provided via Email or written communication.

c) Chats & discussions (Verbal, Messaging, Social Media etc.) are not treated as an advice.

**7. Plan Execution and Implementation Activities**

- a) There is no compulsion on the client to implement the plan through channel(s) recommended by the planner.
- b) Planner does not support execution of the plan. Client may reach out to Mrs. Kunjal Shah, who is spouse of planner (Rohit Shah), who can suitably help the client to execute the plan.
- c) As a separate engagement, Kunjal Shah can directly assist client in full or in part, with implementing the strategies that have been agreed upon or to coordinate implementation with other financial professionals of client's choice. As part of this separate engagement, they can be available on an ongoing basis to answer questions, monitor activities, or to make new recommendations regarding client's financial matters.
- d) If client chooses to implement the plan through Kunjal Shah, she will earn fees, commissions, remuneration or compensation from third parties associated with any investment, product or service purchased by client. For life insurance online term plans, commissions range from 35% to 0% of the 1<sup>st</sup> year premium. The commission can be 5% to 0% from the 2<sup>nd</sup> year onward. For health insurance, commission is 15% of the premium, every year. In case of Mutual Funds, distributor's commission can be around 0.5% p.a. (upfront, initially) & 0.5%p.a. to 1% p.a. (Trail, recurring) of the market value. The commission on debt funds can be even lower and Equity tax saving funds can be even higher. The commission on Fixed Deposits (FDs) can be 0.25% to 1% of even higher. The actual commissions normally depend upon the quantum & duration of the investment. There may be additional, target based incentives, declared from time to time. Above is not an exclusive but an indicative list.
- e) The specific nature and extent of involvement in the implementation services can be mutually determined between client and Kunjal Shah upon completion of the financial planning process, or earlier if desired.
- f) Mrs. Kunjal Shah and her team may use third party specialists, service providers or channels to offer specific and relevant advice about Life, Accident, Health insurance, Annuities, Mutual Funds, Fixed Deposits, and Stocks etc. as they are better qualified to provide advice appropriate to client's situation.
- g) Mrs. Kunjal Shah may use various channels to help the client implement the plan. She currently assists clients to invest in Mutual Funds and Fixed Deposits through corporate distribution agreement with respective companies. She currently assists clients to buy insurance products through individual agency code secured by herself, her team members or business associates.
- h) Shah Rohit Financial Services Pvt. Ltd. is one of the business entities that may be involved in execution of the client's plan. The Company is jointly owned Mrs. Kunjal Shah, her in laws and Rohit Shah (planner).
- i) Client has an option of selecting any service provider provided client keeps the planner informed.
- j) The way client implements the financial plan recommendations are totally discretionary on client's part. Client will be responsible for all decisions regarding implementation of the recommendations.
- k) Client should review the plan formally at least annually. These update sessions are vital so that adjustments can be made for changed circumstances, overall economic conditions, and future tax law revisions.

**8. Liability:** Since the services referred to herein are advisory in nature, client expressly understands & agrees that planner shall not be held liable in any way relating to the performance of any investment vehicle utilized by the client or the outcome of any decision made in connection with the full or partial implementation of the recommendations made by planner, provided that planner has complied with all laws and/or regulations regulating the provision of investment advisory services. This provision shall not in any way restrict or waive any remedies or rights, which client may have pursuant to applicable laws & regulations. Client understands that there is no guarantee that client's investment objectives will be achieved. Planner shall not be liable for client's failure to inform planner in a timely manner of any material changes in client's financial circumstances.

**9. Legal, Accounting and other advisor:**

- a) In connection with any Services provided to client, planner stands ready to assist client's other professionals in implementing the Financial Plan. Client acknowledges that planner does not and will not practice law or accounting in providing its financial advice or preparing a financial plan for the client. Client acknowledges that client will engage legal & accounting advisers as appropriate & that any fees incurred for such services are the sole responsibility of client.
- b) Planner is granted the authority to discuss, impart and disclose or to communicate any or all information received from client or developed by planner under the terms of the Agreement with (A) Chartered Accountant(s) (B) Insurance Broker(s) (C) Mutual Fund – Asset Management Companies (D) Kunjal Rohit Shah

and her team members & associates to pass on the required information for implementation of the plan as per client requirements. This authority shall be used by the planner only for the purpose of building or executing the client's plan or advising the client on any relevant queries.

**10. Dispute Resolution:**

- a) Client and planner agree that if any controversy arises in connection with any Services provided under this Agreement, such controversy shall be under jurisdiction of Mumbai.
- b) Under all circumstances, the maximum liability on planner is restricted to 25% of the total fees received.

**11. Responsibilities**

- a) Information acquired by planner in the course of the engagement is subject to strict confidentiality requirements. No information will be disclosed by planner to external parties except as required or allowed for by law, or with client's express consent. The only exception here is mentioned in the point 9 b)
- b) As a result of compliance and self-regulatory conduct, planner may be subject to reviews by SEBI, FPSB India or any such self-regulatory organization or body which monitors compliance with the professional standards by its members. By accepting this engagement, client acknowledges that, files relating to this engagement will be made available under such compliance needs. Should this occur, planner will advise client.
- c) The client is responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. Clients are required to arrange for reasonable access by planner to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied. Any advice given to the client is only an opinion based on planner's knowledge of the client's particular circumstances.
- d) Planner will not audit or verify the data that the client submits, although planner may ask for clarifications.
- e) Client to provide the name and contact details of CA, Insurance & Investment advisor & Lawyer (if any)

**12. List of Documents required**

- a) Last year's Form 16 & last 3 months' pay slip (for salaried) & CTC details
- b) Last year's ITR (Income Tax returns). (For Self Employed)
- c) Pan Card copies of all income generating / ITR filing members
- d) Bank statement for last 2 months (details of account no, mode of holding, current balance & transactions.
- e) Investment records
- f) Bank and / or Company Fixed deposit certificates
- g) PPF passbook copy & last entry copy
- h) EPF latest statement copy
- i) Mutual Fund latest statements
- j) Life Insurance policies photocopies
- k) Mediciam policies / Car insurance photocopies
- l) Shares - Demat account statement containing the details of investor and shares
- m) Post office deposits / Monthly income plan (MIS) details/ RD details.
- n) NSC/ KVP or Postal Term deposits
- o) Credit Report (From CIBIL or other agencies)

**13. Liabilities**

- a) Home loan outstanding statement.
- b) Personal loan outstanding statement.
- c) Credit card latest statement
- d) Vehicle loan outstanding details and statement
- e) Any other loans details (or inter family borrowings)

**14. Ownership of Documents**

- a) All original documents obtained from the client arising from the engagement shall remain the property of the client. However, planner reserves the right to make copies of the original documents for our records.

- b) The engagement may result in the production of say client's Income Tax Return or Will. Ownership of such documents will vest in client. All other documents produced by planner in respect of this engagement will remain the intellectual property of the planner.

**15. Succession & Assignment:**

- a) If the planner dies retires, becomes permanently disabled or incapacitated, another planner or associate from the planner's team will assume responsibility, with client's approval, to supply client with Services.
- b) Client understands that Services provided to client are personal to the client and client cannot assign the right to receive Services or the benefits or burdens thereof to any other person.

**16. Termination:**

- a) Agreement may be terminated by the planner or client by providing a 30 days' notice
- b) In case of termination, any refund of advisory fees will be issued as follows:
  - a. NIL Refund: If the draft plan has been prepared and submitted.
  - b. If the termination takes place during the period of receiving the documents & initial working by the planner, a maximum of 25% of the Fees paid will be refunded.

- 17. Miscellaneous:** This Agreement may not be amended or modified, except in writing and only if signed by both parties. This Agreement may be executed in counterparts, each of which shall be an original and all of which together shall be deemed to be one instrument.

**18. Confirmation of Terms**

- a) Both the parties to sign and return a copy of this letter to indicate that it is in accordance with their respective understanding of the arrangements and that they agree with the scope of the services, terms and conditions mentioned. This letter will be effective for future years unless planner advise client of any change.
- b) In the absence of client's written acceptance & payment, this Letter of Engagement will expire within 14 days from today i.e. by 18 Mar 2016

**Disclaimer**

1. We make financial plan based on the information that you provide us and goals that you set for yourself. The results will depend on execution of recommendations and true up of our assumptions.
2. Tax assumptions may undergo a substantial change based on regulatory policies, from time to time.
3. Please do not treat our plan as a legal or accounting advice. You should discuss this plan with your Lawyer and Chartered Accountant.
4. The numbers in the plan are ball park estimates. The actual situation may not be same, depending on the various factors from time to time. There is no warranty on accuracy & we do not accept any liability for any error, omission or any loss in this regard.
5. While we have tried to be reasonably accurate, we cannot assure you regarding the financial outcome of your investments. This is due to dynamic nature of our economic and tax environment.
6. If the information you have provided is incorrect, the plan's outcome will reflect that. Please carefully review that the information you have provided to us is good.
7. Assumptions made by us in good faith may impact in a negative or a positive way. Please review all assumptions at your end.
8. Plan should be reviewed regularly, at least once in a year, and updated with the progress, current status and changes in future requirements.
9. Past performance does not guarantee about future outcome.
10. Our advice or recommendations are not insured in any manner.
11. Errors & Omissions expected (E&OE).
12. We reserve the right to amend the offerings, terms & conditions and other details without prior intimation.
13. Clients are required to make a written request asking for advice.
14. Prices are subject to change without prior intimation. For a committed price, customers are requested to get a Letter of Engagement issued.

15. The services cannot be extended beyond the package expiry. The client should avail all services within the validity of the package.
16. When an action is required from the client's side, we will make reasonable efforts to help you. However, client understands that financial planner is offering financial planning services but not project management or follow-up services.
17. Financial planner may have to take subjective, discretionary or judgement calls based on situations
18. Please refer to our Letter of Engagement for more terms and conditions

## Disclosure

1. Rohit Shah is a SEBI Registered Investment Adviser (Individual category)
2. We use a standard methodology to build your Financial Plan. This generally comprises of using forecasting methods like Present Value, Future Value, Net Present Value, Constant and Increasing Annuity calculations. For life insurance Planning, we base our workings on "Needs based" approach. On client specific situation, we may use a different approach.
3. Our Mutual Funds recommendations are based on various parameters like their long term performance, risk and return trade off, reputation of the AMC. We use standard research software.
4. There is no obligation on you to take any product or services through us.
5. If you buy any financial product (e.g. Mutual Fund, Online Term Plan and Estate Planning) through our execution team, they will earn additional fee, income, incentive, charges or commission. Further details on normal commissions are provided in the letter of engagement
6. Our execution team is certified by IRDA for being an Insurance Advisor & by NISM for being a Certified Mutual Fund Distributors.
7. Our Execution team is associated with life, health & general insurance companies and insurance brokers.
8. Your feedback on our services may be used for our marketing & promotional purposes at places like our Website, Social Media, flyers, brochures, presentations, conferences & seminars etc.
9. We do not commit any Service Level Assurance (SLA) for any of our services.
10. We use a proprietary model for preparing plans. We do not share soft copy of workings with clients.
11. The images used on the website, Financial Plan, brochure, flyer and other places have been duly purchased by us. We may also use "free to use" image(s) from internet.
12. We own the Intellectual Property rights on all reports, templates, workings, tools we share with you, including the sample financial plan.
13. Your Comprehensive Financial Plan will be customized & delivered in line with our Sample Financial Plan. A copy of the same is available at [www.bit.ly/gyrsfp](http://www.bit.ly/gyrsfp)
14. We may have personally invested in stocks in banks, financial services and insurance segment.
15. For file sharing, easier access and communication, automated email list & records management we may save your data on External platforms, software or clouds etc. (e.g. Dropbox, Mailchimp, Wufoo). These may be located on service outside India.
16. We do not claim to have expertise in every financial product available in the country.

Ravi & Shruti Sinha

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(Financial Planner)

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(Client)