

Finance

Financial Wellness Plan

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11th Oct, 2023

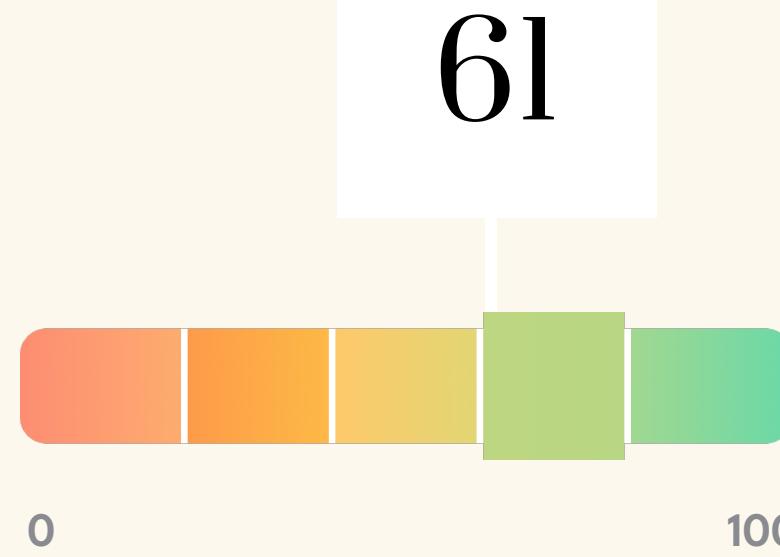


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Your Financial Profile

Financial Behaviour Score



0-50 : Financially vulnerable

50-75 : Financially coping

75-100 : Financially fit

MoneySign®



Stealthy Shark

Generation Profile

Generation 2

Skilled professional with a steady income and cautious outlook, who wants to improve the standard of living.

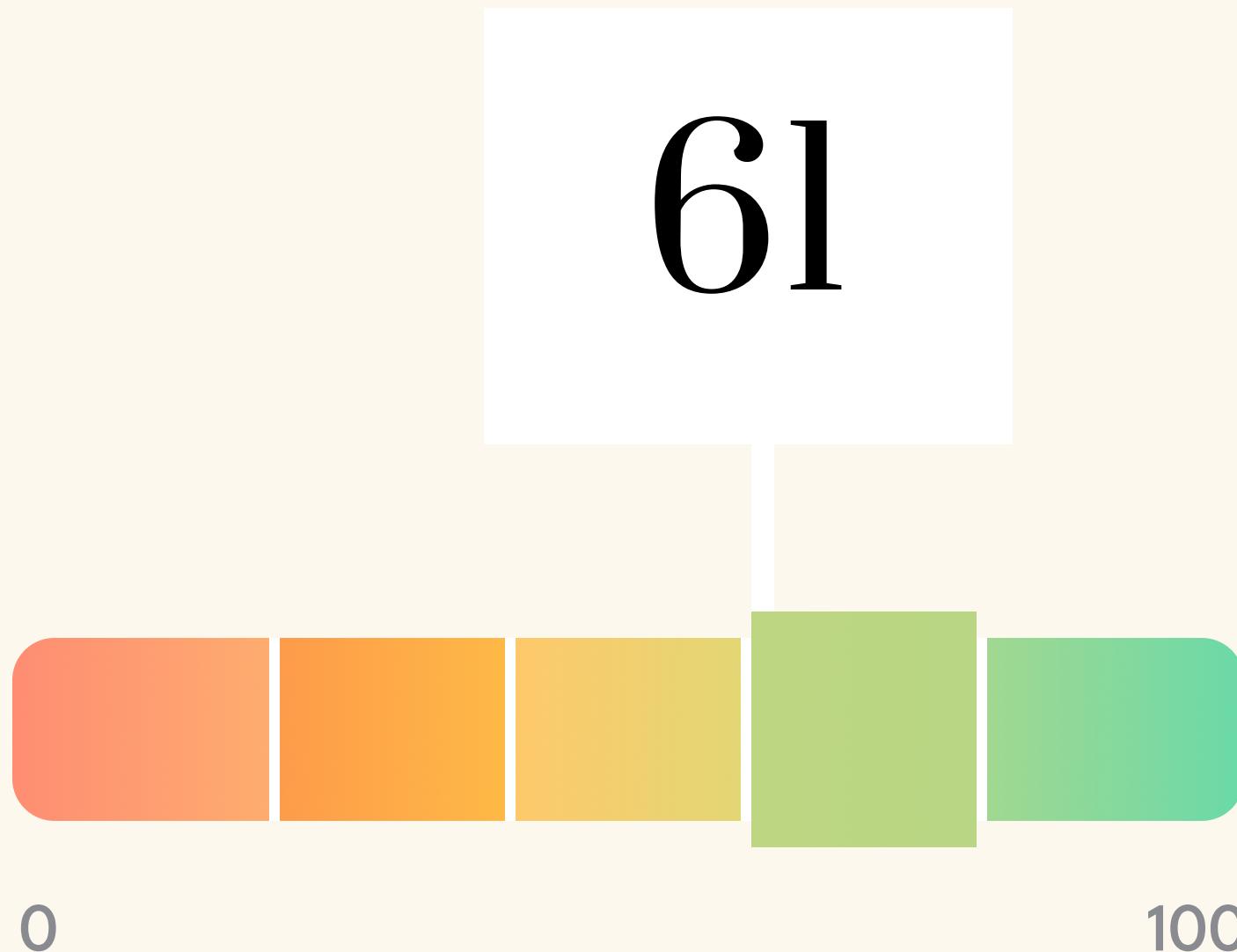
Life stage

Building phase

Age Range: 26 - 35

- Focusing on building a strong foundation
- Growing professional skills and expertise
- Taking on more responsibilities
- Building financial stability

Financial Behaviour Score



Financial Behaviour Score is a numerical representation of your financial well-being, offering an in-depth assessment of how closely your financial choices align with your personality, demography, generation, life constraints, and the macro-economic environment.

Disclaimer: Financial Behaviour Score is part of 1 Finance's patent-pending holistic financial planning framework that is aimed at generating a wellness plan for the members to help them achieve financial well-being.



Stealthy Shark

You prefer to maintain an air of mystery by being discreet about your intentions, and taking measured actions. You're highly inquisitive and aren't afraid to venture into the unknown if the reward could prove worth it. This, combined with your strategic thought process, helps you achieve solid results. Your high levels of ambition can trigger restlessness, but also motivate you to seek prospects beyond the ordinary. You exercise autonomy while making decisions, even as you closely monitor your competitor's movements to scout for rewarding opportunities. When a lucrative proposition is on the table, your decisions are swift and deliberate, regardless of what the outcome may be.

Disclaimer: MoneySign® is a personality assessment framework based on 1 Finance's **patented technology** that implements one of the most scientifically validated models in psychology and helps in hyper-personalising the financial suggestions.

Behavioural Biases

We have also identified a behavioural bias that you're likely to display while making financial decisions, and should be conscious of:

■ **Overconfidence Bias**

You may, at times, exhibit unwarranted faith in your own abilities, judgements and knowledge levels, which can manifest as attributing success to your skills and failures to external factors. This bias might convince you to underestimate risks and overestimate returns, which would lead to a highly concentrated portfolio.

Generation Profile

Your Profile

Generation 1

PERSONALITY TRAITS

- Primary bread-earner in family
- Work hard to provide for their loved ones despite limited education

FINANCIAL BEHAVIOUR

- Earning for basic sustenance
- Prioritize stability and security over taking risks with their finances

ASPIRATIONS

- Providing social security to family
- Giving basic lifestyle to next generation

EXAMPLE OF PRIORITIES

- Upgrading existing living facility to one with basic comfort and necessities
- Living a dignified life in society

Generation 2

PERSONALITY TRAITS

- Well-educated and skilled professional
- Focused on improving current lifestyle

FINANCIAL BEHAVIOUR

- Save mindfully to build a reasonable corpus
- Prefer traditional investment options such as bank deposits, mutual funds, insurance plus investment plans etc.

ASPIRATIONS

- Providing a good lifestyle and education for future generations
- Achieving financial freedom to have more control over time

EXAMPLE OF PRIORITIES

- Creating secondary source of income
- Buying a quality car and a home with good amenities

Generation 3

PERSONALITY TRAITS

- Early adopter of new trends and global products
- Willing to take high risks in pursuit of potential rewards

FINANCIAL BEHAVIOUR

- Focused on building wealth
- Like experimenting with risky asset classes

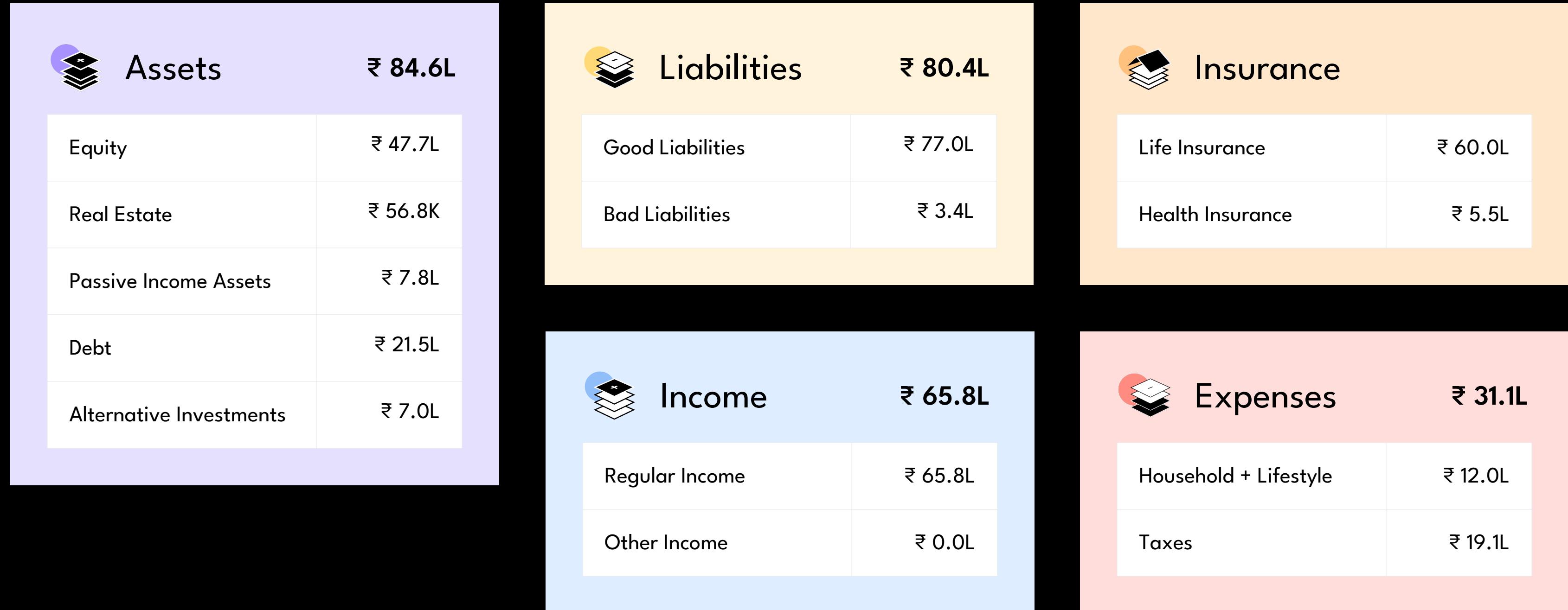
ASPIRATIONS

- Interested in luxury purchases
- Driven to start new businesses and pursue hobbies as a profession

EXAMPLE OF PRIORITIES

- Growing investment portfolio by investing in alternative assets
- Staying informed and educated about financial trends and new products

Your 1 View



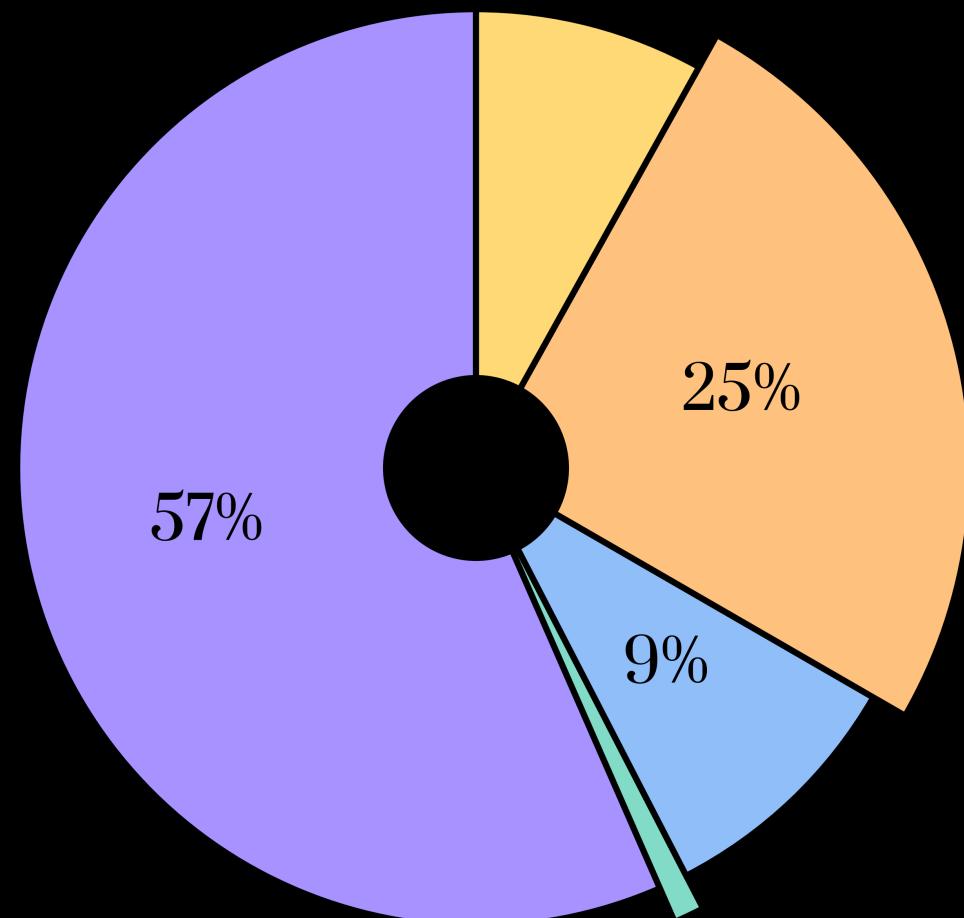
Disclaimer: The accuracy and comprehensiveness of this information is dependent on the details provided to us.

The more accurate the information, the better our financial suggestions will be.

Assets

As on 11th Oct 2023

Existing Assets: ₹ 84.6L

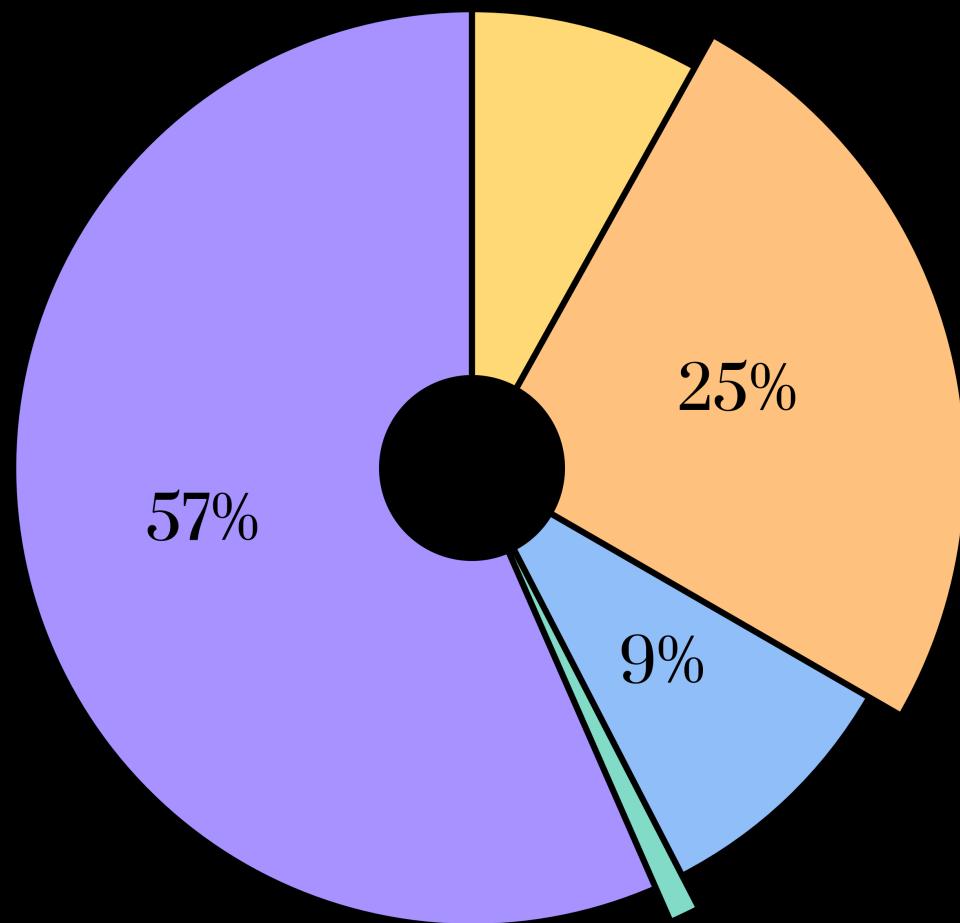


Asset	%	Asset Class	Market Value	Monthly Investment
Public Stocks (India)	47%	Equity	₹ 40.0L	₹ 4.0K
Rental Yielding (Residential)	9%	Real Estate	₹ 7.8L	₹ 0.0K
Bank FD	8%	Debt	₹ 6.8L	₹ 9.0K
Debt Funds	7%	Debt	₹ 6.0L	₹ 6.8K
Direct Bonds	7%	Debt	₹ 6.0L	₹ 6.0K
Coin Baskets	7%	Alternative Investment	₹ 5.7L	₹ 6.7K
NPS Tier I	6%	Equity + Debt	₹ 5.5L	₹ 7.8K
Equity Mutual Funds	6%	Equity	₹ 5.0L	₹ 7.0K

Assets

As on 11th Oct 2023

Existing Assets: ₹ 84.6L



Asset	%	Asset Class	Market Value	Monthly Investment
Physical Gold	1%	Alternative Investment	₹ 67.7K	₹ 7.9K
Direct Cryptos	1%	Alternative Investment	₹ 65.6K	₹ 8.9K
Occupied Home	1%	Real Estate	₹ 56.8K	₹ 0.0K
Total			₹ 84.6L	₹ 64.1K

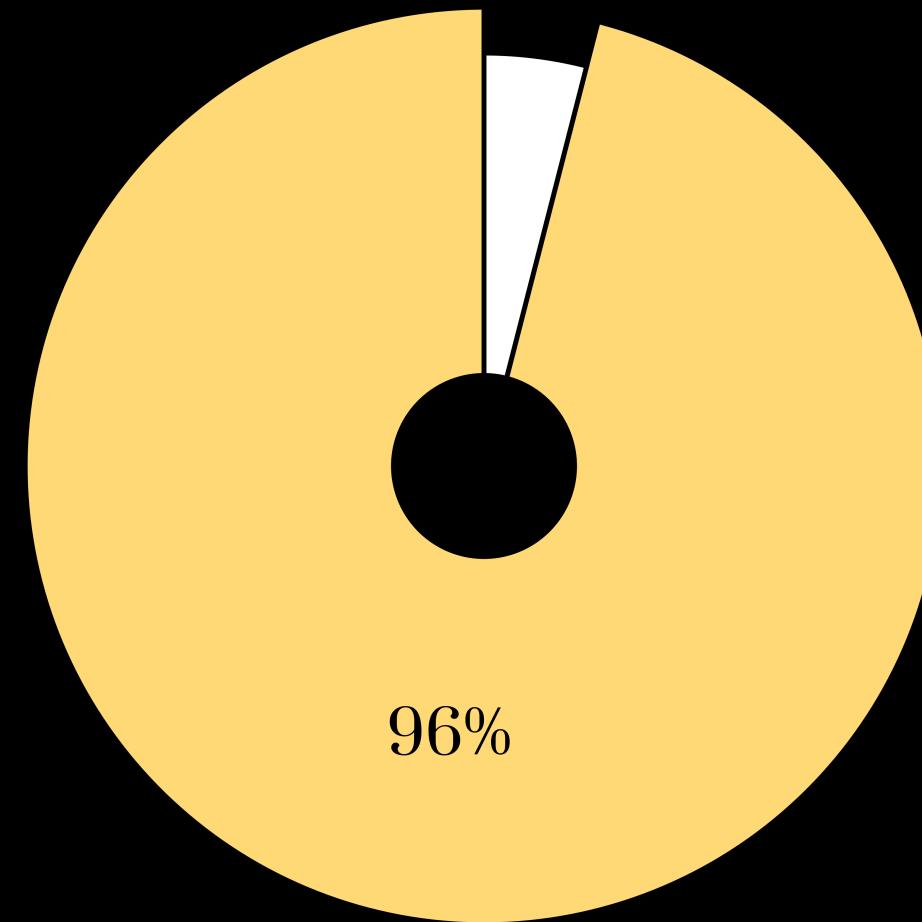
- Equity: 56%
- Real Estate: 1%
- Passive Income Assets: 9%
- Debt: 25%
- Alternative Investments: 8%

Liabilities

As on 11th Oct 2023

Existing Liabilities: ₹ 80.4L

Good liabilities generally are productive, with favourable rates and terms, while bad ones are for non-essential expenses, have high rates, or unfavourable terms. Prioritising the repayment of bad liabilities is wise, as they cost more in the long run.



- Good liabilities: 96%
- Bad liabilities: 4%

Liabilities	Category	Account Age in Months	Pending Months	Outstanding Amount	EMI	Interest Rate
Auto Loan	Bad	67	78	₹ 3.4L	₹ 8.8K	9.0%
Housing Loan	Good	76	123	₹ 76.9L	₹ 7.9K	9.4%
Property Loan	Good	12	122	₹ 12.3K	₹ 0.1K	18.0%
Total				₹ 80.4L	₹ 16.7K	

Your Financial Analysis

Emergency Planning

Emergency Funds

₹ 6.8L

Ideal: ₹ 7.8L

Having an adequate liquidity buffer is an excellent downside protection strategy against situations like job loss, financial emergencies, etc.

Health Insurance

₹ 5.5L

Ideal: ₹ 18.0L

Lack of adequate health insurance coverage exposes the family to avoidable financial and emotional strain in the event of an emergency.

Life Insurance

₹ 60.0L

Ideal: ₹ 9.9Cr

Inadequate life cover can be damaging for dependants if the policy owner leaves behind a large amount of liabilities, with only a few assets.

Your Financial Analysis

Expense and Liability Management

Good Liabilities-to-Total Assets

91%

Ideal: 17% - 42.6%

Going overboard with liabilities defeats the purpose of taking them on, especially if returns on your asset portfolio are low.

Bad Liabilities-to-Total Assets

4%

Ideal: Up to 3.3%

High levels of expensive debt translate to paying more interest than is necessary.

Good Liability Linked EMI-to-Income

1%

Ideal: 9.7% - 24.2%

Having only a few good EMIs (or none) may result in excessive interest payments, which is undesirable unless there are higher-return investment opportunities available.

Bad Liability Linked EMI-to-Income

2%

Ideal: Up to 9.1%

It is critical to manage bad debt repayment well in order to avoid paying too much interest on high-cost liabilities.

Expense-to-Income

47%

Ideal: Up to 59%

Keeping expenses under control reduces the likelihood of encountering a cash flow problem.

Your Financial Analysis

Asset Allocation

Equity

56%

Ideal: 31.8% - 71.2%

Well-balanced equity investment strategy has the potential to generate higher returns with the right risk tolerance.

Real Estate

1%

Ideal: 27.3% - 52.3%

A low real estate allocation misses out on a valuable way to diversify portfolio and generate consistent returns over time.

Passive Income Assets

9%

Ideal: 3.2% - 29.8%

Maintaining the right passive income asset allocation can help diversify a portfolio, providing a steady stream of income and reducing overall investment risk.

Debt

25%

Ideal: 6% - 31%

Maintaining an adequate debt allocation in the portfolio could reduce volatility and serve as a fallback mechanism during times of economic uncertainty.

Alternative Investments

8%

Ideal: Up to 30.1%

Allocating some portion of the portfolio to alternative products provides diversification benefits.

Net worth

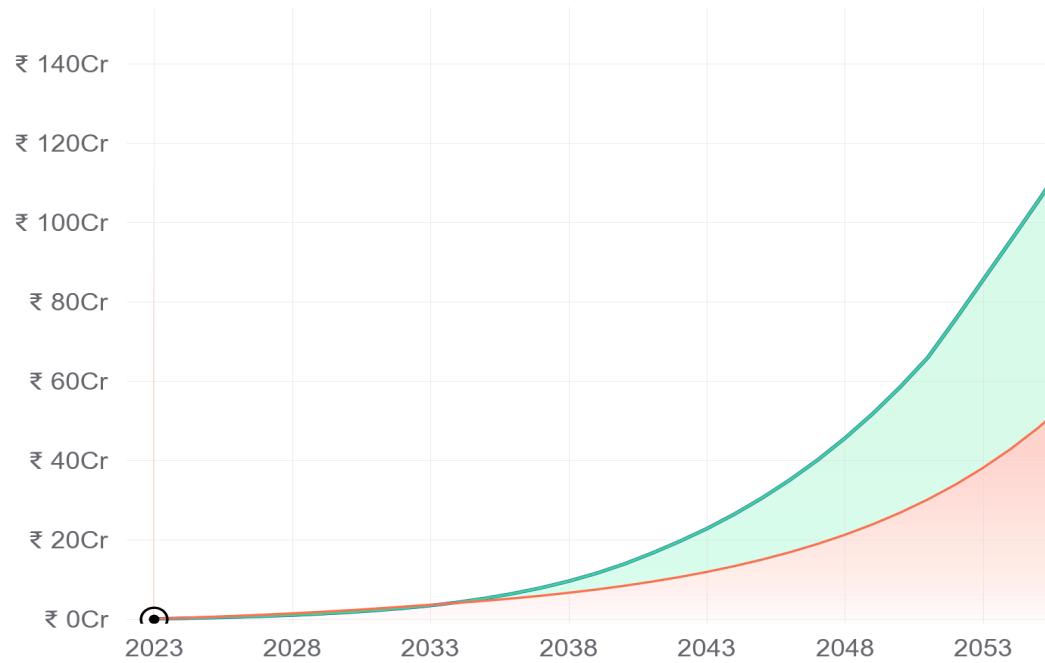
Your net worth is simply the difference between **what you own** (like your house, retirement funds, etc) and **what you owe** (your liabilities such as mortgage, credit card debt and so forth).



Value Under Advisory: ₹ 1.6Cr

This includes total of your assets and liabilities.

Net Worth Projection



Current Net Worth Trajectory (CNWT)

MAR 2056 | ₹ 54.2Cr

Assumes that you maintain your current financial habits until retirement.

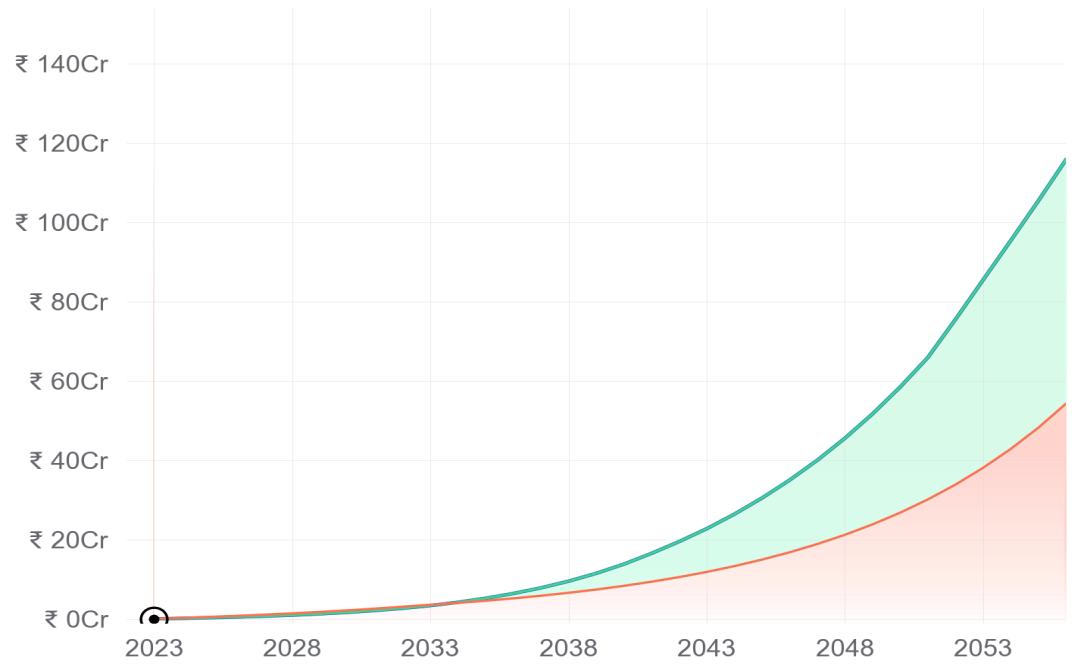
Net worth Trajectory With Effective Planning (NWTEP)

MAR 2056 | ₹ 115.7Cr

Assumes that your finances are aligned with your personality by following the ideal guidance provided on the 'Your Financial Analysis' pages on the following aspects: expense and liability management, asset allocation, and emergency planning.

Year	CNWT (Cr)	NWTEP (Cr)
2023	0.1	0.1
2024	0.3	0.2
2025	0.5	0.3
2026	0.8	0.5
2027	1.1	0.7
2028	1.4	1.0
2029	1.8	1.3
2030	2.2	1.7
2031	2.6	2.1
2032	3.1	2.7
2033	3.6	3.4
2034	4.1	4.2
2035	4.6	5.2
2036	5.2	6.4
2037	5.9	7.8
2038	6.6	9.5
2039	7.4	11.5
2040	8.4	13.8
2041	9.4	16.5
2042	10.6	19.5
2043	11.9	22.8
2044	13.3	26.4
2045	15.0	30.5
2046	16.8	35.0
2047	18.9	40.0
2048	21.2	45.5
2049	23.8	51.7
2050	26.8	58.4

Net Worth Projection



■ Current Net Worth Trajectory (CNWT)

MAR 2056 | ₹ 54.2Cr

Assumes that you maintain your current financial habits until retirement.

■ Net worth Trajectory With Effective Planning (NWTEP)

MAR 2056 | ₹ 115.7Cr

Assumes that your finances are aligned with your personality by following the ideal guidance provided on the 'Your Financial Analysis' pages on the following aspects: expense and liability management, asset allocation, and emergency planning.

Year	CNWT (Cr)	NWTEP (Cr)
2051	30.1	65.8
2052	33.8	75.4
2053	38.1	85.4
2054	42.8	95.3
2055	48.2	105.3
2056	54.2	115.7

Our Assumptions

Risk/Return Profile of Asset Classes

Asset Classes	Examples	Returns %	Risk Level
Equity	Direct equity Equity funds International/overseas funds	10% - 15%	 Moderate to High
Real Estate	Occupied home Commercial property Land	5% - 10%	 Low to High
Passive Income Assets	Rental yielding property REITs, InvITs InvITs	7% - 15%	 Low to High
Debt	Safe Deposits Debt Funds EPF/PPF	4% - 10%	 Very Low to High
Alternative Investments	Gold Digital assets Art and Collectibles	8% - 30%	 Low to Very High

Income/Expense YoY Growth

Lifestage	Age Range	Income Growth
Building	26 - 35	15%
Growth	36 - 45	20%
Sustainability	46 - 55	5%
Pre-Retirement	56 - 60	-20%

Expense Growth: 10%

The timing of life stages varies based on profession, industry trends, career goals, and other factors, making it unique to each individual.

Interest Rates on Liabilities

Liabilities	Interest Rates
Housing Loan	8% - 12%
Auto Loan	8% - 12%
Personal Loan	11% - 15%
Education Loan	8% - 12%

Bureau Report Summary

Credit Score Analysis		
Your Credit Score	Our Evaluation	Comments
790	Excellent	Well Done. You have an excellent credit score which shows you will be regarded as a responsible credit seeker.

Credit Facilities Taken				
Type of Facility	Total Records	Active Accounts	Closed Accounts	Accounts with Negative History
Auto Loan	0	0	0	0
Credit Card Loan	0	0	0	0
Gold Loan	0	0	0	0
Housing Loan	0	0	0	0
Other Loan	0	0	0	0
Personal Loan	0	0	0	0
Total	0	0	0	0

Liability Management

Affordability Check					
Liability Type	Current Liability Distribution			Suggested Range	
	Outstanding	EMI	Loan Size	EMI	
Good	₹ 77.0L	₹ 8.0K	14.4L to 36.0L	13.6K to 34.0K	
Bad	₹ 3.4L	₹ 8.8K	0.0L to 2.8L	0.0K to 6.2K	
Total	₹ 80.4L	₹ 16.7K	14.4L to 38.9L	13.6K to 40.2K	

Comments

- Your EMI Burden Ratio (EMI by gross monthly income) is appropriate at 3%.

Insurance Policy Evaluation

Policy Details							Policy Evaluation			
Policy Name	Plan Type	Start Date	Policy Tenure	Annual Premium*	Life Cover	Premium paid till date amount	Premium Payable	Suggested Action	Surrender Value**	
LIC Jeevan Lakshya	Whole Life Plan	06-Jan-22	18 yrs	₹ 45.2L	₹ 5.6L	₹ 1.5L	₹ 45.0L	Surrender	₹ 15.5L	
LIC Jeevan Lakshya	Whole Life Plan	06-Jan-22	18 yrs	₹ 45.2L	₹ 5.6L	₹ 1.5L	₹ 45.0L	Surrender	₹ 15.5L	
LIC Jeevan Lakshya	Whole Life Plan	06-Jan-22	18 yrs	₹ 45.2L	₹ 5.6L	₹ 1.5L	₹ 45.0L	Continue till maturity	₹ 15.5L	
LIC Jeevan Lakshya	Whole Life Plan	06-Jan-22	18 yrs	₹ 45.2L	₹ 5.6L	₹ 1.5L	₹ 45.0L	Surrender	₹ 15.5L	
LIC Jeevan Lakshya	Whole Life Plan	06-Jan-22	18 yrs	₹ 45.2L	₹ 5.6L	₹ 1.5L	₹ 45.0L	Stop premium payment	₹ 15.5L	
LIC Jeevan Lakshya	Whole Life Plan	06-Jan-22	18 yrs	₹ 45.2L	₹ 5.6L	₹ 1.5L	₹ 45.0L	Surrender	₹ 15.5L	
LIC Jeevan Lakshya	Whole Life Plan	06-Jan-22	18 yrs	₹ 45.2L	₹ 5.6L	₹ 1.5L	₹ 45.0L	Continue till lock-in period	Check market value	
Total				₹ 1.7Cr	₹ 1.6L	₹ 1.5L	₹ 14.6K		₹ 43.9K	

* All premium amounts are converted to annual figures based on the frequency of premium payments (quarterly, semi-annual, etc.)

** Surrender value is an estimate derived from the general surrender value factor applied to insurance policies in case of surrender. The total surrender value excludes ULIPs and Annuities.

Insurance Policy Evaluation

Comments

1. For policies where, "**Surrender**" is suggested:

- **Endowment:** Unless the policy is linked to a financial goal, limit your losses by surrendering as the yield is generally low at 3-4% p.a.
- **ULIP Policies:** Unless the policy is linked to a financial goal, surrendering is better because charges related to administration, fund management, premium allocation, mortality, etc. greatly reduce the investible amount.
- **Annuity:** Avoid incurring surrender charges when the policy has less time to maturity.
- **Whole Life Policies:** Choosing an annuity plan with an insurer is comparatively costly due to charges related to administration, fund management, premium allocation, mortality (if applicable), etc. Consider standalone pension solutions like NPS, which have low fees, more investment options, and better long-term returns.

2. For policies where, "**Stop premium payment**" is suggested:

- **Endowment:** Limit your loss early on as surrendering after 3 years leads to significant value erosion. Also, the yield on such traditional products is generally low at 3-4% p.a.

Insurance Policy Evaluation

3. For policies where, "**Continue till Maturity**" is suggested:

- **Whole Life Plan:** Avoid incurring surrender charges when the policy has less time to maturity.

4. For policies where, "**Continue till lock-in period**" is suggested:

- **ULIPS:** Continue the policy until the end of the lock-in period, as early surrender will move your funds to the discontinuance fund, the life cover will cease and the fund management charges will still be levied. Post-lock-in period, you will receive the policy's fund value upon surrendering.

Insurance Policy Evaluation

By separating your insurance and investment needs, you can increase your life coverage significantly (with term insurance) and earn better returns on your investments (with instruments like mutual funds).

Refer to our “Financial Products Featured List” section for high-quality term insurance and mutual fund options.

Recommendation Summary		
	Cover	Annual Premium
Existing Plan (s)	₹ 66.8L	₹ 1.8L
Recommended (Term Insurance)	₹ 2.0Cr ¹	₹ 2.5L ²
Net Saving		₹ 1.5L ³

¹ Estimated based on your need-based analysis, considering the identified mortality protection gap.

² Estimated using your age, gender, the above cover, and coverage until the age of 65 years, for an affordable policy. The exact premium may vary depending on other factors like policy tenure, cover amount, life insurer, etc.

³ Net savings in premiums can be reinvested in high-quality instruments.

MF Holdings Evaluation

Scheme Name	Plan	Category	Scheme Type	Current Value	Fund Evaluation		Excess Annual Expense**
					Score*	Quality	
DSP Focus Fund	Direct Plan	Equity	Banking and PSU Fund	₹ 2.3L	41	Low	₹ 0.0K
Franklin India Focused Equity Fund	Direct Plan	Equity	Focused Fund	₹ 2.0L	83	High	₹ 0.0K
Franklin India Focused Equity Fund	Direct Plan	Equity	Focused Fund	₹ 2.0L	83	High	₹ 0.0K
Motilal Oswal Flexi Cap Fund	Direct Plan	Equity	Flexi Cap Fund	₹ 2.5L	63	Medium	₹ 0.0K
DSP Arbitrage Fund	Direct Plan	Hybrid	Arbitrage Fund	₹ 4.4L	0	-	₹ 0.0K
SBI Magnum Midcap Fund	Regular	Equity	Mid Cap Fund	₹ 3.9L	97	High	₹ 3.3K
Parag Parikh Flexi Cap Fund	Regular	Equity	Flexi Cap Fund	₹ 10.4L	99	High	₹ 8.3K
Total				₹ 1.7Cr	61		₹ 43.9K

*1 Finance score ranges from 0-100. The table above displays scores of the Direct-Growth plans of the respective schemes.

**Excess annual commissions are estimates derived from the difference between expense ratios of regular and direct plans, and current value.

MF Holdings Evaluation

Comments

- 31% of your MF investments (by value) are in Regular plans. As a result, you might pay 0.26% of your investment value in excess commissions every year. By switching to direct plans you can enhance your returns by that much. Explore our [MF commission analyser](#) to estimate excess commissions paid by you till date.
- 27% of your equity MFs (by value) are high quality. Consider removing low/medium quality funds from your portfolio. Our equity MF featured list is available at the end of this report, and an evaluation of all equity MFs is available on our [MF scoring and ranking](#).

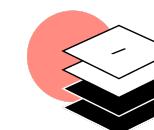
Your Financial Wellness Plan

Key Takeaways



Emergency Planning

- You've wisely thought about emergency planning. Great going with that long-term vision.
- Not buying an adequate health cover for yourself exposes you and your loved ones to emotional strain. Consider purchasing more cover.



Expense and Liability Management

- Your good liabilities to total assets ratio is relatively high. Consider reducing your good liabilities by a fraction to start with.
- Your bad liabilities to total assets ratio is high. Consider using low-yielding assets to pay off your bad liabilities.



Asset Allocation

- You've done a good job building passive income. Minimal efforts like these go a long way.
- Well done with your debt allocation. It helps reduce portfolio volatility and acts as a fallback mechanism in times of emergency.

Next 3 Months Action Plan

Next 3 Months Cashflows	Amount
Income	₹ 16.4L
Household & Lifestyle Expenses	₹ 3.0L
Tax Expenses	₹ 4.8L
EMIs	₹ 50.2K
Planned Investments	₹ 1.9L
Surplus for the Period	₹ 6.2L

Expense and Liability Management

- ythgh

Emergency Planning

- please

Financial Products Featured List

Term Insurance Plans		
Plan Details	Strength	Weakness
Insurer - Max Life Plan - Max Life Smart Secure Plus	<ul style="list-style-type: none"> Claim Settlement ratio of 99.34% Slightly less expensive than competing products on the market Terminal illness coverage at no cost Coverage of 64 Critical illness, which is a separate cover in addition to base cover amount 	<ul style="list-style-type: none"> There are few options for customising claim payouts
Insurer - TATA-AIA Life Plan - Sampoorna Raksha Supreme	<ul style="list-style-type: none"> Claim settlement ratio of 98.53% In-built terminal illness cover Option to increase coverage at key life stages 	<ul style="list-style-type: none"> No discount on online purchase of policy

Disclaimer: The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Term Insurance Plans		
Plan Details	Strength	Weakness
Insurer - Hdfc Life Plan - Hdfc Life Click 2 protect Life	<ul style="list-style-type: none">• Claim Settlement Ratio (CSR) of 98.66%• Flexibility to change premium payment terms from regular to limited pay• Change of payment frequency during premium paying term available at no cost• Good track record of settling claims faster than other insurers• 3 complaints per 10,000 claims	<ul style="list-style-type: none">• Expensive than other competing products

Disclaimer: The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Health Insurance Plans		
Plan Details	Strength	Weakness
Insurer - Manipal Cigna Plan - ProHealth Prime Protect	<ul style="list-style-type: none"> • No room rent sublimits • No Claim Bonus (NCB) benefit is greater than 150% over time • Sum insured can be recharged up to the cover amount for related diseases • No co-pay in the policy • Rewards for healthy behaviour are available 	<ul style="list-style-type: none"> • 6500 Cashless Network Hospitals
Insurer - Niva Bupa Health Plan - Health ReAssure	<ul style="list-style-type: none"> • No room rent sublimits • No Claim Bonus (NCB) benefit over time is up to 100% • Sum insured can be recharged up to the cover amount for related diseases • No co-pay in the policy • Rewards for healthy behaviour are available • 8600 cashless network hospitals 	<ul style="list-style-type: none"> • Pre-existing diseases are covered after 3 years

Disclaimer: The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Health Insurance Plans		
Plan Details	Strength	Weakness
Insurer - Care Health Plan - Care Plus	<ul style="list-style-type: none"> • No room rent sublimits • No Claim Bonus (NCB) benefit is greater than 150% over time • Recharge of sum insured upto the cover amount is available for an unlimited number of times for unrelated diseases • No co-pay in the policy • Rewards for healthy behaviour are available • There are 19000 cashless network hospitals, which is the most of any insurer 	<ul style="list-style-type: none"> • Pre-existing diseases are covered after 3 years
Insurer - Aditya Birla Health Plan - Activ Health Platinum Enhanced	<ul style="list-style-type: none"> • No room rent sublimits • No Claim Bonus (NCB) benefit can be up to 100% over time • No co-pay in the policy • Rewards for healthy behaviour are available • 10,051 cashless network hospitals • Sum insured can be recharged once per policy year up to the cover amount 	<ul style="list-style-type: none"> • Pre-existing diseases are covered after 3 years

Disclaimer: The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Health Insurance Plans		
Plan Details	Strength	Weakness
Insurer - Navi General Plan - Navi Health Plan 5	<ul style="list-style-type: none">No Claim Bonus (NCB) benefit is greater than 150% over timeRecharge of sum insured upto the cover amount is available for an unlimited number of times for unrelated diseasesPre-existing diseases are covered after 1 yearNo Co-pay in the policyRewards for healthy behaviour are available10,000 Cashless Network Hospitals	<ul style="list-style-type: none">Low Claim Settlement Ratio (CSR) of 83%

Disclaimer: The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Equity Mutual Funds - Large Cap Index

Fund Scheme	Strength	Weakness
HDFC Index Fund-S&P BSE Sensex	<ul style="list-style-type: none">Accurate tracking of performance of underlying benchmark index with minimal deviationLarge AUM of ₹ 4156 cr	
Navi Nifty 50 Index Fund	<ul style="list-style-type: none">Accurate tracking of performance of underlying benchmark index with minimal deviationLow expense ratio of 0.06% as compared with category average of 0.22%.	<ul style="list-style-type: none">Only 1 year of track recordSmall AUM of ₹ 96 cr
Axis Nifty 50 Index Fund	<ul style="list-style-type: none">Accurate tracking of performance of underlying benchmark index with minimal deviationLow expense ratio of 0.12% as compared with category average of 0.22%.	<ul style="list-style-type: none">Only 1 year of track record

Disclaimer: All the above schemes are Growth-Direct plans. The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Equity Mutual Funds - Flexicap fund		
Fund Scheme	Strength	Weakness
Parag Parekh Flexi Cap Fund	<ul style="list-style-type: none"> Consistency in delivering high risk-adjusted returns by actively managing funds between large cap, midcap and smallcap Strong ability to outperform benchmark returns 	
Kotak Flexi Cap Fund	<ul style="list-style-type: none"> Consistency in delivering high risk-adjusted returns by actively managing funds between large cap, midcap and smallcap Low expense ratio of 0.67% versus category average of 0.84% 	
Franklin India Flexi Cap Fund	<ul style="list-style-type: none"> Consistency in delivering high risk-adjusted returns by actively managing funds between large cap, midcap and smallcap 	<ul style="list-style-type: none"> High expense ratio of 1.09% versus category average of 0.84%

Disclaimer: All the above schemes are Growth-Direct plans. The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Debt Mutual Funds - Liquid Funds		
Scheme Details	Strength	Weakness
Name - Aditya Birla SL Liquid Fund Investment horizon - Upto 1 year	<ul style="list-style-type: none"> Impressive history of consistency with an annual CAGR of 6.7% since inception. Highest YTM of 7.08% in the category as compared to category average of 6.81%. Enhances investor security through a diverse portfolio of high-grade bond issues. 	<ul style="list-style-type: none"> High expense ratio of 0.21% versus category average of 0.16%.
Name - Nippon India Liquid Fund Investment horizon - Upto 1 year	<ul style="list-style-type: none"> Track record of steady performance, with a CAGR of 6.75% since inception. Competitive YTM of 6.86% as compared to category average of 6.81%. Features a diversified portfolio of high-quality bond issues. 	<ul style="list-style-type: none"> Slightly higher expense ratio of 0.20% versus category average of 0.16%.

Disclaimer: All the above schemes are Growth-Direct plans. The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Debt Mutual Funds - Short Term		
Scheme Details	Strength	Weakness
<p>Name - ICICI Pru Short Term Fund Investment horizon - 1 to 3 years</p>	<ul style="list-style-type: none"> Robust performance record, with a CAGR of 8.42% since inception. Leads category with highest YTM of 8.04% and lower modified duration of 1.44, comfortably surpassing category average of 7.57% and 1.90 respectively. Maintains a diverse selection of high-quality bond issues. 	<ul style="list-style-type: none"> High expense ratio of 0.39% versus category average of 0.35%.
<p>Name - HDFC Short Term Debt Fund Investment horizon - 1 to 3 years</p>	<ul style="list-style-type: none"> History of consistent performance, with a CAGR of 7.99% since inception. Favourable YTM of 7.82% compared to category average of 7.57%. Carries a low expense ratio of 0.29%, making it cost effective. Boasts a diverse and high-quality bond portfolio. 	

Disclaimer: All the above schemes are Growth-Direct plans. The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Debt Mutual Funds - Dynamic Bond		
Scheme Details	Strength	Weakness
<p>Name - ICICI Pru All Seasons Bond Fund Investment horizon - 3 to 5 years</p>	<ul style="list-style-type: none"> • Solid track record of stable performance, with a CAGR of 9.87% since inception. • Highest YTM of 8.15% in category as compared to category average of 7.42%. • Versatile and well-diversified portfolio of high-quality bond issues. 	<ul style="list-style-type: none"> • High expense ratio of 0.66% versus category average of 0.51%.
<p>Name - Kotak Dynamic Bond Fund Investment horizon - 3 to 5 years</p>	<ul style="list-style-type: none"> • Steady performance over time, with a CAGR of 8.77% since inception. • High YTM of 7.82% compared to category average of 7.42%. • Carries a low expense ratio of 0.40% versus category average of 0.51%. • Balance risk-reward profile with portfolio of diversified and high-quality bonds. 	

Disclaimer: All the above schemes are Growth-Direct plans. The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Hybrid Mutual Funds - Balanced Advantage		
Scheme Details	Strength	Weakness
<p>Name - HDFC Balanced Advantage Fund Investment horizon - 3 to 5 years</p>	<ul style="list-style-type: none"> Robust performance record, with a CAGR of 14.77% since inception Consistency in delivering high risk-adjusted returns by actively managing funds between equity and debt High yield-to-maturity (YTM) on debt portfolio of 7.31% versus category average of 7.26% Strong ability to outperform benchmark returns 	<ul style="list-style-type: none"> High expense ratio of 0.84% versus category average of 0.69%
<p>Name - Tata Balanced Advantage Fund Investment horizon - 3 to 5 years</p>	<ul style="list-style-type: none"> Strong performance record, with a CAGR of 11.69% since inception Consistency in delivering high risk-adjusted returns by actively managing funds between equity and debt Low expense ratio of 0.32% versus category average of 0.69% 	<ul style="list-style-type: none"> Relatively new fund with 4+ years of track record

Disclaimer: All the above schemes are Growth-Direct plans. The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Hybrid Mutual Funds - Aggressive Hybrid		
Scheme Details	Strength	Weakness
Name - ICICI Pru Equity & Debt Fund Investment horizon - 3 to 5 years	<ul style="list-style-type: none"> Robust performance record, with a CAGR of 16.38% since inception Consistency in delivering high risk-adjusted returns by actively managing funds between equity and debt High YTM on debt portfolio of 7.79% versus category average of 7.58% Strong ability to outperform benchmark returns 	<ul style="list-style-type: none"> High expense ratio of 1.13% versus category average of 0.89%
Name - SBI Equity Hybrid Fund Investment horizon - 3 to 5 years	<ul style="list-style-type: none"> Strong performance record, with a CAGR of 14.31% since inception Consistency in delivering high risk-adjusted returns by actively managing funds between equity and debt Low expense ratio of 0.77% versus category average of 0.89% 	<ul style="list-style-type: none"> Low YTM on debt portfolio of 7.45% versus category average of 7.58%

Disclaimer: All the above schemes are Growth-Direct plans. The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Card Details		
Card Details	Strength	Weakness
<p>LIT (AU Bank) Zero fee multi-purpose card</p> <p>Annual Fee - Nil</p> <p>Eligibility - Age of 21-60 years</p> <p>Best suited for - Grocery, Fuel, Food and Dining, Shopping, Entertainment, Travel</p> <p>Best reward points (RP) conversion rate - 0.25-for-1</p>	<ul style="list-style-type: none"> Accelerated RPs on base accrual rate of 1% on household and lifestyle benefits: 10x or 5x reward points on online and offline purchases; and additional 5% cashback for travel, food & dining, grocery, technology & electronics, and clothing & fashion 16 complimentary domestic and international airport lounge access at participating lounges 	<ul style="list-style-type: none"> No RPs on fuel transactions No air accident cover, travel insurance or emergency hospitalisation cover on domestic/international travel Interest rate charge of 43.08% per annum

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Financial Products Featured List

Card Details		
Card Details	Strength	Weakness
<p>HDFC TATA Neu Infinity Low fee multi-purpose card</p> <p>Annual Fee - ₹ 1,499 + taxes</p> <p>Eligibility - Age of 21-65 years and salary of Rs. 12 LPA or annual ITR filed for Rs. 12 Lakhs</p> <p>Best suited for - Grocery, Fuel, Food and Dining, Shopping, Entertainment</p> <p>Best reward points (RP) conversion rate - 1-for-1</p>	<ul style="list-style-type: none"> Accelerated NeuCoins rewards on base accrual rate of 1.5% on household and lifestyle benefits: groceries (10% on BigBasket); food and dining (10% on Qmin); clothing and fashion (10% on Tata CLIQ, Westside, Tanishq, Titan); and entertainment (10% on TATA play) 8 domestic and 4 international complimentary airport lounge access per year at participating lounges 	<ul style="list-style-type: none"> No NeuCoins on fuel transactions Interest rate charge of 41.88% per annum

Disclaimer: The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Card Details		
Card Details	Strength	Weakness
BPCL SBI OCTANE Low fee fuel card Annual Fee - ₹ 1,499 + taxes Eligibility - Age above 18 years Best suited for - Fuel Best reward points (RP) conversion rate - 0.25-for-1	<ul style="list-style-type: none">Accelerated RPs on base accrual rate of 1% on fuel (25x on fuel purchases at BPCL outlets in India)4 complimentary domestic airport lounge access per year at participating lounges	<ul style="list-style-type: none">Interest rate charge of 42% per annum

Disclaimer: The above featured list is based on 1 Finance's proprietary research.

Financial Products Featured List

Card Details		
Card Details	Strength	Weakness
<p>HDFC Bank Diners Club Privilege Low fee travel card</p> <p>Annual Fee - ₹ 2,500 + taxes</p> <p>Eligibility - Age of 21-65 years and salary of Rs. 8.4 LPA or annual ITR filed for Rs. 8.4 Lakhs</p> <p>Best suited for - Travel</p> <p>Best reward points (RP) conversion rate - 0.5-for-1</p>	<ul style="list-style-type: none"> Accelerated RPs on base accrual rate of 2.7% on lifestyle benefits: travel and vacation (5x on flights, 10x on hotels, 3x on trains, 5x on buses) 8 complimentary domestic and international airport lounge access per year at participating lounges Comprehensive insurance including air accidental cover (Rs. 1 crore), overseas hospitalisation (Rs. 25 lakhs) and travel insurance for baggage & document loss/delay (Rs. 1 lakh) 	<ul style="list-style-type: none"> No complimentary golf rounds and lessons Annual fee waiver on spending more than Rs. 3 lakhs in the preceding year

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Financial Products Featured List

Card Details		
Card Details	Strength	Weakness
Axis Bank Magnus Premium lifestyle card Annual Fee - ₹ 10,000 + taxes Eligibility - Age of 18-70 years and salary of Rs. 18 LPA or annual ITR filed for Rs.18 lakhs Best suited for - Food and Dining, Shopping, Entertainment Best reward points (RP) conversion rate - 0.4-for-1	<ul style="list-style-type: none"> Accelerated EDGE RPs on base accrual rate of 6% on lifestyle benefits: clothing and fashion (10x on Pantaloons, 5x on Nyka/Tata CLiQ); technology and electronics (5x on Croma); food and dining (40% off on Easydiner and 5x on Swiggy/Zomato); and entertainment (buy one movie/non-movie ticket and get upto Rs.500 off on second ticket on BookMyShow) Unlimited domestic and international airport lounge access at participating lounges 	<ul style="list-style-type: none"> No air accident cover or emergency hospitalisation cover on domestic/international travel Interest rate charge of 42.58% per annum

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Financial Products Featured List

Card Details		
Card Details	Strength	Weakness
<p>HDFC Diners Club Black Premium multi-purpose card</p> <p>Annual Fee - ₹ 10,000 + taxes</p> <p>Eligibility - Age of 21-60 years and salary of Rs. 21 LPA or annual ITR filed for Rs. 21 Lakhs</p> <p>Best suited for - Grocery, Food and Dining, Shopping, Entertainment, Travel, Luxury</p> <p>Best reward points (RP) conversion rate - 1-for-1</p>	<ul style="list-style-type: none"> Accelerated RPs on base accrual rate of 3.3% on household and lifestyle benefits: groceries (3x on Flipkart); food & dining (2x on weekend dining and 3x on Swiggy/Zomato); entertainment (3x on BookMyShow); clothing and fashion (3x on Amazon, Flipkart, Pantaloons, Myntra, Tata CLiQ); and travel and vacations (5x on flights, 10x on hotels, 3x on trains, 5x on buses) 6 complimentary golf games per quarter across domestic/international courses Unlimited domestic and international airport lounge access at participating lounges 	<ul style="list-style-type: none"> No complimentary golf lessons

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Financial Products Featured List

Card Details		
Card Details	Strength	Weakness
HDFC Bank Infinia Premium all-purpose luxury card Annual Fee - ₹ 12,500 + taxes Eligibility - Age of 18-70 years Best suited for - Grocery, Food and Dining, Shopping, Entertainment, Travel, Luxury Best reward points (RP) conversion rate - 1-for-1	<ul style="list-style-type: none"> Accelerated RPs on base accrual rate of 3.3% on household and lifestyle benefits: groceries (5x on Flipkart); food & dining (5x on Swiggy/Zomato, additional 15% off via Swiggy Dineout); entertainment (5x on BookMyShow); clothing & fashion (5x on Amazon, Flipkart, Pantaloons, Myntra, Tata CLiQ); and technology & electronics (5x on Imagine store, Amazon, Flipkart) Unlimited complimentary golf rounds and coaching across India Unlimited domestic and international airport lounge access at participating lounges 	<ul style="list-style-type: none"> Invite-only credit card No travel insurance cover

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Building a Strong Credit Profile

A strong credit profile is critical for financial stability and securing credit. Cultivating good financial habits can help you achieve a healthy credit profile. Here are some valuable tips to consider:

- **Make timely payments** - Consistently paying your bills on time demonstrates your creditworthiness and protects you from unnecessary fees.
- **Keep a credit card in use** - Using a credit card responsibly can positively impact your credit score, but it is important to pay off the entire balance on time to avoid accruing debt.
- **Apply for credit mindfully** - While having a healthy mix of credit lines can boost your creditworthiness, avoid applying for credit unnecessarily or having multiple rejections, which can negatively impact your credit profile.
- **Always close accounts** - Make timely repayments, request the return of any hypothecated documents, and verify that closure letters are updated with credit bureaus.
- **Maintain aged accounts** - Keep your oldest accounts open, as they can help build a longer credit history and improve your credit profile. Use your available credit lines wisely and pay them off in a timely manner.
- **Communicate with your lender** - If you face any financial difficulties, be open and honest with your lender, and seek help when needed. Most lenders are willing to listen and provide assistance if you can demonstrate the legitimacy of your situation.

Planning Your Income Taxes

Tax planning is a crucial aspect of personal finance that cannot be overlooked. It can help you maximize your returns and minimize your tax liability. Here are some best practices that you should consider:

- **Start tax planning early** - Start at the beginning of the financial year instead of waiting till the last minute.
- **Utilize tax-saving investments** - Invest in tax-saving instruments to reduce your tax liability. Refer to the 'Available Tax Deductions' table on the following pages.
- **Claim all available tax deductions** - Make sure to claim all possible deductions under different sections of the Income Tax Act to reduce your tax liability. Refer to the 'Available Tax Deductions' table on the following pages.
- **Review your salary structure** - Optimize your salary structure to reduce your tax liability by including components such as House Rent Allowance (HRA), Leave Travel Allowance (LTA), and medical reimbursements.
- **File your taxes on time** - Ensure that you file your tax returns on time to avoid penalties and interest charges.

Available Tax Deductions

(as per Old Tax Regime)

Section	Income Tax Deduction on	Allowed Limit	Applicable For
80C	<ul style="list-style-type: none"> Investment in PPF, National Saving Certificate (NSC), Sukanya Samridhi Yojana (SSY), ULIP, ELSS, 5-year tax-saving FD, Senior Citizen Savings Scheme (SCSS), infrastructure bonds Employee's share of PF contribution Life Insurance premium payment Children's Tuition Fee Principal repayment of home loan Stamp duty and registration charges for purchase of property. 	Rs 1.5L (aggregate of sections 80CCD, 80CCC, 80C)	Individuals, Hindu Undivided Families
80CCC	<ul style="list-style-type: none"> For LIC or other insurer pension annuity plan deposits from Section 10 funds (23AAB) 	Rs 1.5L (aggregate of sections 80CCD, 80CCC, 80C)	Individuals
80CCD(1)	<p>Employee contribution under section 80CCD(1) towards National Pension Scheme (NPS) account or the Atal Pension Yojana (APY) account. Maximum deduction is the lesser of:</p> <ul style="list-style-type: none"> 10% of salary (for employees) 20% of gross total income (for self-employed) 	Rs 1.5L (aggregate of sections 80CCD, 80CCC, 80C)	Individuals

Available Tax Deductions

(as per Old Tax Regime)

Section	Income Tax Deduction on	Allowed Limit	Applicable For
80CCD (2)	<ul style="list-style-type: none"> Employer contribution to NPS account 	Maximum up: <ul style="list-style-type: none"> 14% of salary (for Central Govt. employees) 10% of salary (for other employees) 	Individuals
80CCD(1B)	<ul style="list-style-type: none"> Additional contribution to NPS 	₹ 50K	Individuals
80CCH	<ul style="list-style-type: none"> Contribution to Agniveer corpus fund (applicable from Nov 2022) 	No limit	Individuals enrolled in Agneepath scheme
80D	<ul style="list-style-type: none"> Medical Insurance – self, spouse, children Medical Insurance – parents 	<ul style="list-style-type: none"> ₹ 25K ₹ 25K (parents <60 years) & ₹ 50K (parents >=60 years) 	Individuals and HUFs
80DD	Medical treatment for handicapped dependents or payment to specified scheme for maintenance of handicapped dependent. <ul style="list-style-type: none"> Disability is 40% or more but less than 80% Disability is 80% or more 	<ul style="list-style-type: none"> ₹ 75K ₹ 1.25L 	Individuals and HUFs who have a handicapped dependent

Available Tax Deductions

(as per Old Tax Regime)

Section	Income Tax Deduction on	Allowed Limit	Applicable For
80DDB	Medical expenditure on self or dependent relative for diseases specified in rule 11DD <ul style="list-style-type: none"> • For less than 60 years old • For more than 60 years old 	<ul style="list-style-type: none"> • Lower of ₹ 40K or amount actually paid • Lower of ₹ 1L or amount actually paid 	Individuals and HUFs
80E	<ul style="list-style-type: none"> • Interest on education loan 	Interest paid for a period of 8 years	Individuals
80EE	<ul style="list-style-type: none"> • Interest on home loan for first-time homeowners, available for loans sanctioned between 01-Apr-2016 and 31-Mar-2017 	₹ 50K	Individuals
80EEA	<ul style="list-style-type: none"> • Interest on home loan (over and above Rs. 2,00,000 deduction under 24B, allowing taxpayers to deduct total of Rs. 3,50,000 for interest on home loan) for loans sanctioned between 01-Apr-2019 and 31-Mar-2022 	₹ 1.5L	Individuals
80EEB	<ul style="list-style-type: none"> • Interest on loan taken between 01-Apr-2019 and 31-Mar-2023 for purchase of electric vehicle 	₹ 1.5L	Individuals
80G	<ul style="list-style-type: none"> • Contributions to certain relief funds and charitable institutions 	50% or 100% of the donation amount can be claimed.	Individuals, HUFs, companies

Available Tax Deductions

(as per Old Tax Regime)

Section	Income Tax Deduction on	Allowed Limit	Applicable For
80GG	<ul style="list-style-type: none"> For rent paid when HRA is not received from an employer 	Least of: <ul style="list-style-type: none"> Rent paid minus 10% of total income ₹ 5K per month 25% of total income 	Individuals not receiving HRA
80GGA	<ul style="list-style-type: none"> Donation for scientific, social science, research, or rural development to specific universities, colleges or research association 	No limit	All individuals except those having Income from business and profession
80GGC	<ul style="list-style-type: none"> Contribution by individuals to political parties 	Amount contributed (not allowed if paid in cash)	Individuals
80RRB	<ul style="list-style-type: none"> Royalty on patents 	₹ 3L	Resident individual who is a patentee
80TTA (1)	<ul style="list-style-type: none"> Interest income from savings account 	₹ 10K	Individuals and HUFs (except senior citizens)
80TTB	<ul style="list-style-type: none"> Exemption of interest from banks, post offices, etc. 	Maximum up to ₹ 50K	Senior citizens (above 60 years)

Available Tax Deductions

(as per Old Tax Regime)

Section	Income Tax Deduction on	Allowed Limit	Allowed Limit
80U	<ul style="list-style-type: none"> Individual suffering from physical disability (including blindness) or mental retardation Individual suffering from severe disability 	<ul style="list-style-type: none"> ₹ 75K ₹ 1.25L 	Individuals with disabilities
24B	<ul style="list-style-type: none"> Tax exemption on interest paid on home loan 	₹ 2L	Individuals
10(13A)	<ul style="list-style-type: none"> House Rent Allowance (HRA) 	Least of: <ul style="list-style-type: none"> Actual HRA received 40%/50% of Basic+DA for non-metro/ metro city Actual rent paid minus 10% of Basic+DA 	Individual receiving HRA from employer
10(5)	<ul style="list-style-type: none"> Leave Travel Allowance (LTA) 	<ul style="list-style-type: none"> Only for self/family's domestic travel by train (max upto 1st class AC Fare by shortest route) or flight (max upto economy class fare) Allowed 2 times in 4 years 	Individual receiving LTA from employer

Capital Gains Taxation by Asset Type

Equity

Asset Type	Long-term Capital Gains (LTCG)			Short-term Capital Gains (STCG)	
	Holding Period	Tax Rate		Holding Period	Tax Rate
Domestic shares	Listed	> 1 year	10% on LTCG > ₹ 1 lakh/year	< 1 year	15%
	Unlisted	> 2 years	20% with indexation	< 2 years	As per income tax slab
Equity mutual funds		> 1 year	10% on LTCG > ₹ 1 lakh/year	< 1 year	15%
Foreign shares		> 2 years	20% with indexation	< 2 years	As per income tax slab

Real Estate

Asset Type	Long-term Capital Gains (LTCG)			Short-term Capital Gains (STCG)	
	Holding Period	Tax Rate		Holding Period	Tax Rate
Residential/commercial	> 2 years	20% with indexation		< 2 years	As per income tax slab

Capital gains tax exemptions under the Income Tax Act:

1. Section 112A (Grandfather provision): Exempts LTCG tax on equity shares/units bought before 31st January 2018, adjusting the cost to the values as of 1st February 2018.
2. Section 54: Allows tax exemption on LTCG from the sale of a house, provided capital gains are reinvested in a new residential property.
3. Section 54EC: Offers tax exemption on gains when proceeds from housing property sales are reinvested in specific bonds issued by NHAI or REC.
4. Section 54F: Grants tax exemption on gains from the sale of long-term capital assets other than house property, when sales proceeds are reinvested in a new residential property.

Capital Gains Taxation by Asset Type

Debt		Long-term Capital Gains (LTCG)		Short-term Capital Gains (STCG)	
Asset Type		Holding Period	Tax Rate	Holding Period	Tax Rate
Debt mutual funds		Any	As per income tax slab	Any	As per income tax slab
Listed/Zero coupon bonds		> 1 year	20% with indexation, 10% w/o indexation, whichever is lower	< 1 year	As per income tax slab
Unlisted bonds		> 3 years	20% with indexation	< 3 years	As per income tax slab

Passive Income Assets		Long-term Capital Gains (LTCG)		Short-term Capital Gains (STCG)	
Asset Type		Holding Period	Tax Rate	Holding Period	Tax Rate
REITs/InvITs		> 3 years	10% on LTCG > ₹ 1 lakh/year	< 3 years	15%

Capital Gains Taxation by Asset Type

Others		Long-term Capital Gains (LTCG)		Short-term Capital Gains (STCG)	
Asset Type		Holding Period	Tax Rate	Holding Period	Tax Rate
Hybrid mutual funds (<35% equity)/Market-Linked Debentures	Purchased before 1st April, 2023	> 3 years	20% with indexation	< 3 years	As per income tax slab
	Purchased on or after 1st April, 2023	Any	As per income tax slab	Any	As per income tax slab
Hybrid mutual funds (35% - 65% equity)	> 3 years	20% with indexation	< 3 years	As per income tax slab	
Collectibles/Antiques	> 3 years	20% with indexation	< 3 years	As per income tax slab	
Cryptocurrencies/NFTs	Any	30% for all holding periods	Any	30% for all holding periods	

Capital Gains Taxation by Asset Type

Others		Long-term Capital Gains (LTCG)		Short-term Capital Gains (STCG)	
Asset Type		Holding Period	Tax Rate	Holding Period	Tax Rate
Sovereign Gold Bonds	Held till Maturity	Any	Exempt	Any	Exempt
	Sold in secondary market	> 3 years	20% with indexation	< 3 years	As per income tax slab
Non-Convertible Debentures	Listed	> 1 year	10% without indexation	< 1 year	As per income tax slab
	Unlisted	> 3 years	20% with indexation	< 3 years	As per income tax slab

Planning For Inheritance

Inheritance planning is your proactive roadmap, preparing you today for the sensitive journey of inheriting wealth in the future. It's about equipping yourself from now itself with the knowledge to manage future responsibilities wisely, fostering financial stability and peace of mind, all while maintaining family harmony and strengthening ties. Here's what to keep in mind:

- In India, wealth can be inherited in four primary ways: via a will, succession laws, gifting, or through a trust.
- While a will and succession laws come into play after the owner's death, gifts can be given during their lifetime.
- Trusts involve a legal entity managing wealth for beneficiaries, often requiring specialized legal advice.
- Always retain documents and records of the assets purchased by the previous generation.
- For real estate purchased before 1st April 2001, obtain a valuation certificate from a registered property valuer for fair market value as of 1st April 2001.

Understanding Inheritance's Tax Implications

Although inheritance may not have any immediate tax consequences in India, it is critical to understand the scenarios that can trigger tax liabilities. Here are some essential details:

- There's no inheritance tax in India. However, capital gains tax is applicable when selling inherited assets.
- While calculating capital gains, cost will be the price paid by the previous owner at the time of purchase. Refer to the '**Capital Gains Taxation by Asset Type**' table for more details.
- If filing ITR 3, disclosing the inherited assets is advisable.
- If the deceased earned during any part of the financial year in which they passed away, their ITR should be filed.

Planning Your Estate and Will

Creating a will is essential for individuals who wish to distribute their assets as per their preference after their demise. In India, legal heirs differ based on religious identity, and it is crucial to understand the legalities involved in estate and will planning. Here are some key points to keep in mind:

- Any adult over the age of 18 with sound mind can create a will that outlines the distribution of assets.
- Legal heirs differ based on religious identity, with Hindus following the Hindu Succession Act of 1956, Muslims following the Muslim Personal Law, and other Indians following the Indian Succession Act of 1925.
- Nominees are caretakers and not owners of the assets, and the assets will later be distributed to legal heirs.
- Joint accounts are considered as equal ownership between individuals, so the survivor does not become the owner. Half the wealth is distributed to legal heirs or according to the will.
- It is not mandatory for a will to be stamped, typed, or registered, and it only requires the individual's signature along with two other witnesses.

Disclaimer

The Disclaimer page should be read in conjunction with this report.

This report is based on the data and presumptions supplied by you (client/ user/ member).

This report is designed to assess your present financial condition and recommend planning ideas and concepts that may be beneficial. This report aims to demonstrate how well-established financial planning principles can enhance your existing financial situation. This report does not imply a recommendation of any specific method, but rather offers broad, general advice on the benefits of a few financial planning principles.

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