

# Financial Plan

## Page 1: Executive Summary

### Financial Health Score

Overall Score	48/100
Status	Needs Attention

### Score Components

Area	Score	Weight	Status
Protection	50/100	30%	Underinsured
Liquidity	50/100	20%	Unknown
Portfolio Health	30/100	20%	High Risk Deviation
Debt Management	80/100	15%	Unknown
Goal Readiness	30/100	10%	At Risk
Tax Efficiency	30/100	5%	Room for Improvement

### Your Snapshot

Area	Current	Ideal	Priority
Life Cover	Rs. 0	Rs. 1.2 Cr	URGENT
Health Cover	Rs. 5	Rs. 10.0 L	URGENT
Emergency Fund	Unknown	Rs. 2.3 L	HIGH
Equity Allocation	100%	40%-55%	MEDIUM
EMI Burden	0%	<40%	GOOD
Goals Funded	0/2	2/2	MEDIUM

### Key Numbers

Income & Cashflow	
Annual Income	Rs. 3.8 L
Monthly Surplus	Rs. 7.0 K
Savings Rate	-22%

-	
Investments	
Current Portfolio	Rs. 1.2 L
Equity Allocation	100%
Active SIP	Rs. 1,500/month

## Your Top 3 Priorities

**Priority 1:** Portfolio Health (MEDIUM)

**Priority 2:** Goal Readiness (MEDIUM)

**Priority 3:** Tax Efficiency (MEDIUM)

*Time to review this report: 15 minutes*

## Page 2: Actuals vs Ideal

### Financial Health Dashboard

Area	You	Recommended	Status
Protection - Life	Rs. 0	Rs. 1.2 Cr+	0%
Protection - Health	Rs. 5	Rs. 10.0 L+	0%
Emergency Fund	Unknown	Rs. 2.3 L	Assess
Equity Allocation	100%	40%-55%	Rebalance
Debt Allocation	0%	45%-60%	-
EMI/Income Ratio	0%	<40%	Good

### Priority Ranking

Area	Score	Action Required
Portfolio Health	30/100	Immediate
Goal Readiness	30/100	Immediate
Tax Efficiency	30/100	Immediate
Protection	50/100	Assess & Improve
Liquidity	50/100	Assess & Improve
Debt Management	80/100	Maintain
<b>OVERALL</b>	<b>48/100</b>	<b>NEEDS ATTENTION</b>

#### When to recalculate this score:

- Quarterly review (every 3 months)
- After change in income or expenses
- After major asset/liability changes
- Before making significant financial decisions

### Advanced Risk Assessment

Parameter	Value
Calculated Score	3.0
Risk Appetite	Moderate
Tenure Limit	Moderate

Baseline Category	Moderate
Final Category	Moderate
Recommended Equity Band	40%-55% (mid 47.5%)

*Reasoning: Score 3.00 → Appetite Moderate | Tenure limit Moderate | Baseline after adjustments Moderate | Final Moderate*

## Assessment Summary

Assessment	Result
Risk Profile	Moderate
Surplus Level	Deficit
Insurance Status	Underinsured
Debt Position	Low
Liquidity	Insufficient
IHS Band	Needs Attention

## Page 3: Protection Gap Analysis

### Life Insurance

Parameter	Value
Current Status	No coverage
Current Coverage	Rs. 0
Recommended Coverage	Rs. 1.2 Cr minimum
Basis	10x annual income
Gap	Rs. 1.2 Cr

#### What to look for:

- Pure term insurance (no investment component)
- Coverage tenure until age 60-65
- Sum assured: Rs. 1.2 Cr minimum
- Consider critical illness rider for comprehensive protection

### Health Insurance

Parameter	Value
Current Status	Underinsured
Current Coverage	Rs. 5
Recommended Coverage	Rs. 10.0 L-15L
Structure	Family floater adequate for married couple
Gap	Rs. 10.0 L

#### What to look for:

- Family floater covering both spouses
- Rs. 10-15 lakh sum insured
- Cashless facility at major hospitals
- No room rent capping (or minimum 2% of sum insured)

*Tax benefit: Premiums eligible for 80D deduction (up to Rs. 25,000)*

## Page 4: Liquidity & Emergency Fund

### Emergency Fund Assessment

Parameter	Value
Target Amount	Rs. 2.3 L
Basis	6 months of essential expenses
Monthly Expenses Used	Rs. 39.0 K
Current Status	Assess your savings account + FD balances

#### Building Strategy (if starting from zero):

- Option A (12 months): Set aside Rs. 19,483/month
- Option B (18 months): Set aside Rs. 12,989/month
- Option C (24 months): Set aside Rs. 9,741/month

#### Where to Park Emergency Fund:

- Tier 1 - Instant Access (40%): Rs. 93,518 in savings bank account
- Tier 2 - Quick Access (40%): Rs. 93,518 in liquid funds or sweep-in FD
- Tier 3 - Short-term (20%): Rs. 46,759 in short-term fixed deposits

**Priority:** Build emergency fund BEFORE investing in long-term goals

## Page 5: Portfolio Rebalancing

### Current Portfolio Analysis

Metric	Value
Current Value	Rs. 1.2 L
Equity Allocation	100%
Debt Allocation	0%
Unrealized Gains	Rs. 14.9 K

#### Risk Assessment:

- 100% equity allocation is aggressive for your goal mix
- No debt cushion for near-term goals

### Recommended Allocation

Current Equity	100%	Target Equity	48%
Current Debt	0%	Target Debt	52%

#### What You Control:

- Which funds/instruments to use
- When to execute rebalancing
- How to split equity vs debt within each goal
- Which goals to prioritize if all aren't affordable

## Page 6: Goal Feasibility Analysis

### Goal 1: Wealth Creation

Parameter	Value
Target Amount	Rs. 1.0 Cr
Horizon	15 years
Required SIP	Rs. 31,005/month
Status	Gap Exists
Shortfall	Rs. 31,005/month

### Goal 2: Lifestyle (Bike/Car/etc)

Parameter	Value
Target Amount	Rs. 5.0 L
Horizon	5 years
Required SIP	Rs. 6,948/month
Status	Gap Exists
Shortfall	Rs. 6,948/month

### Reality Check: Affordability Summary

Total Goals	2
Total Required SIP	Rs. 37,953/month
Current SIP Commitment	Rs. 1,500/month
Available Monthly Surplus	Rs. 7.0 K
Available for New Goals	Rs. 0
Funding Capacity	0% of requirement
Monthly Shortfall	Rs. 37,953/month

### Your Realistic Action Plan

#### Phase 1: Protection First (Months 1-6)

Before investing in goals, secure your family's protection:

- Get Term Insurance: Rs. 1.2 Cr cover → ~Rs. 80,647/year premium

- Get Health Insurance: Rs. 10.0 L cover → ~Rs. 30,000/year premium

*Total insurance cost: ~Rs. 110,647/year (Rs. 9,221/month equivalent)*

## **Phase 2: Goal-Based SIPs (After Insurance)**

*After insurance provision, no surplus remains for goal SIPs. Focus on increasing income or reducing expenses first.*

## Page 7: Tax Optimization

### Tax Profile (from ITR)

Parameter	Value
Gross Income	Rs. 3.8 L
Total Deductions	Rs. 3
Taxable Income	Rs. 3.8 L
Tax Paid	-

### Old vs New Tax Regime Comparison

Scenario	Old Regime Tax	New Regime Tax	Better Regime
Current (Your ITR)	Rs. 0	Rs. 0	New
If Max Deductions	Rs. 0	Rs. 0	New

**Recommendation:** With income  $\leq$  ₹7L, New Regime is better (full rebate, zero tax).

### Tax Optimization under New Regime

Since New Regime is recommended for you, Section 80C, 80D, and 80CCD deductions do NOT apply.

Under New Regime, focus on:

- **Employer NPS contribution** (Section 80CCD-2) - still allowed up to 14% of basic
- **Standard deduction** of Rs. 75,000 - automatically applied
- **Tax-efficient investments** - equity funds (held >1 year for LTCG exemption)
- **Health insurance** - still important for protection, even without tax benefit

## Page 8: Your Action Roadmap

### Timeline for Financial Actions

#### WEEK 1: Protection Assessment

- Check if you have term insurance. If yes, verify coverage is adequate. If no, prioritize obtaining term coverage. (2-3 hours)
- Check if you have health insurance. If yes, verify coverage is Rs. 10L+. If no, obtain health coverage. (1-2 hours)

#### WEEK 3: Portfolio Review

- Assess portfolio rebalancing need. Current equity: 100.0%, Recommended: 40%-55% (1-2 hours)
- Review goal affordability and SIP allocation (1 hour)

#### WEEK 4: Tax Planning

- Calculate if old tax regime is beneficial for your situation (1 hour)
- Plan 80C, 80D, 80CCD(1B) investments before financial year end (30 mins)

#### DAY 90: Full Progress Review

- Review progress on all action items from Week 1-4 (1 hour)
- Review goal SIP progress for 2 goal(s) (30 mins)

#### QUARTERLY: Ongoing Review

- Recalculate Financial Health Score (15 mins)
- Check if income, expenses, or goals have changed - update plan accordingly (30 mins)
- Review portfolio allocation and rebalance if needed (30 mins)

### What This Report Contains

- ✓ Financial health assessment across 6 areas
- ✓ Protection gap analysis
- ✓ Portfolio risk evaluation
- ✓ Goal feasibility assessment
- ✓ Tax optimization opportunities
- ✓ Prioritized action roadmap

## Important Notes

- This is an educational financial plan, not personalized investment advice.
- Calculations based on standard assumptions and data provided.
- Product selection and execution are your decisions.
- Market conditions and regulations may change.
- Review quarterly or after significant life events.

## Review Schedule:

- IMMEDIATE: Complete Priority 1 & 2 (Protection + Emergency)
- 30 DAYS: Portfolio rebalancing + Tax planning
- 90 DAYS: Full progress review
- QUARTERLY: Recalculate Financial Health Score
- ANNUALLY: Comprehensive plan update