

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%

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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
OVERALL	48/100	NEEDS ATTENTION

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 ≤ ■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