

# Action Plan

**Name Of the Client: Abhay Shukla**  
**Total Annual Revenue possible: Rs.2,587**

## LIST OF OPPORTUNITIES

Sr.No	Purpose	What is the Opportunity	Amount Involved	Revenue Possible
1	Emergency Planning	Bank Deposit	Lumpsum of Rs.15000.00	0.00
2	Emergency Planning	Liquid Plus	Lumpsum of Rs.60000.00	450.00
3	Risk Cover	Term	Premium of Rs.26245.08	0.00
4	Risk Cover	Health Insurance	Premium of Rs.0.00	0.00
5	Risk Cover	Health Insurance	Premium of Rs.0.00	0.00
6	Risk Cover	Critical Illness	Premium of Rs.0.00	0.00
7	Risk Cover	Personal Accident	Premium of Rs.0.00	0.00
8	Risk Cover	Property	Premium of Rs.0.00	0.00
9	Marriage	Mid Cap	SIP of Rs.293.31	86.02
10	Marriage	Short Term Debt	SIP of Rs.2229.17	84.96
11	Travel	Mid Cap	SIP of Rs.1063.93	311.92
12	Travel	Short Term Debt	SIP of Rs.1872.52	157.29
13	Travel	Short Term Debt	SIP of Rs.2383.21	214.49
14	Marriage	Liquid Plus	SIP of Rs.3343.75	300.94

## Goal Plan

Goal	Years to Goal	Amount to be invested Monthly	Where to invest?	Specific product wise to invest in
Marriage	3	Rs.5,900	Debt-95.00% Equity-5.00% Gold-0.00	AXIS Equity Fund (G) - Rs.300 Birla Sun Life Savings Fund - Retail (G) - Rs.3,300 ICICI Pru Flexible Income Plan - Regular (G) - Rs.2,200
Travel	5	Rs.5,300	Debt-80.00% Equity-20.00% Gold-0.00	AXIS Equity Fund (G) - Rs.1,100 Birla Sun Life Dynamic Bond Fund (G) - Rs.2,400 HDFC Short Term Opportunities Fund (G) - Rs.1,900

## Total Break Up For Fresh Investments To Be Made

Name of Investment	Amount
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Axis Bank	Rs.15,000
Reliance Money Manager Fund (G)	Rs.60,000
HDFC Click 2 Protect Plan	Rs.26,200
Apollo Munich Optima Restore Individual Plan	Rs.0
Apollo Munich Optima Plus Plan	Rs.0
Bajaj Allianz Critical Illness	Rs.0
Apollo Munich Group Personal Accident Insurance	Rs.0
Bajaj Allianz Easy Householders Package	Rs.0
AXIS Equity Fund (G)	Rs.300
ICICI Pru Flexible Income Plan - Regular (G)	Rs.2,200
AXIS Equity Fund (G)	Rs.1,100
HDFC Short Term Opportunities Fund (G)	Rs.1,900
Birla Sun Life Dynamic Bond Fund (G)	Rs.2,400
Birla Sun Life Savings Fund - Retail (G)	Rs.3,300

## Product Explanations:

### Mutual fund

A Mutual fund is a professionally managed type of collective investments scheme that pools money from many investors and invests the money in assets like stocks, bonds, real estate etc. The gains and losses made from the investments are equally distributed among all the investors in the fund.

### Equity Mutual funds

A mutual fund that predominantly invests in stocks of listed companies is an equity mutual fund. These funds can be volatile in the short run but can have a considerable upside potential over a long period. Equity mutual funds can be segmented according to the size of the stocks they invest in (large cap / mid cap / small cap) or concentration of investments in a particular sector (like banking / pharma / IT / FMCG etc) or choice of stocks based on a specific theme (like Infrastructure growth / International opportunities / Rural growth etc)

### Debt Mutual funds

A Mutual funds that predominantly invest in fixed income based instruments like Government securities, bonds, corporate deposits, commercial papers, call money etc are debt mutual funds. These are considered fairly safe with little risk to capital, but income from these funds can depend on factors like interest rate cycle, liquidity position in the economy, central banks monetary policy etc. Debt mutual funds can be segmented on the basis of the nature of underlying securities they hold Income funds (Medium to long term bonds / CPs / CDs / GSec), Short term funds (Short term bonds / Call money) and Liquid funds (Cash / Call money).

### Gold funds

A mutual fund that primarily invests in gold bullion on gold mining companies are Gold funds. Their price movements will more or less reflect the price movement of gold in the market.

## Emergency Planning

To tide over emergencies like loss of job or loss in business or sudden health set backs or natural calamities a sum equivalent to 6 months expenses have to be maintained as emergency funds

- New savings (investment) account jointly held - **Rs.44,700**
- Deposits Savings and Fixed - **Rs.44,700**
- Lump sum investments in Mutual funds - **Rs.60,000**

## Purpose: Emergency Funds

## Risk Planning

Risks	Cover required	What is available	To do
Early death	1,71,00,000	0	Take term cover for 1,71,00,000
Disability of earning member critical illness	4,50,000	1,50,000	Take critical illness insurance for 3,00,000 and continue paying premium for existing policy.
Disability of earning member - accident	9,00,000	0	Take accidental insurance for 9,00,000 and continue paying premium for existing policy
Health set back of earning members	2,00,000	5,00,000	Continue paying premium for existing policy. Take additional Rs.-3,00,000 health insurance for all family member and a Rs. 10 lac top up for the family as a whole.
Health setbacks in the family	Rs 5,00,000	2,00,000	Continue paying premium for existing policies
Loss of assets due to natural calamities	Value of assets	None	Value all your assets and take asset insurance accordingly. Or take a comprehensive householders policy for a pre-declared value of assets.

## Product Brief:

### Health Insurance

Health insurance is an insurance against the risk of incurring medical expenses involving hospitalisation surgery and medication. Individual health insurance policies cover an individual for a pre-decided amount called Sum insured in return for a premium. Family floater policies provide cover for the whole family at very less cost. Mediclaim policies reimburse the cost of hospital stay, doctor fees, surgeries etc. Hospitalisation cash policies help cover expenses incidental to hospitalization.

### Top up health insurances

Top up health insurance policies help in covering very expensive treatments. You can take a policy for about Rs. 10 lacs at the cost of a normal Rs. 2 lac cover. But claims on these policies can be made only if the claim amount crosses a minimum threshold limit.

### Accident insurance

An accident insurance will provide financial compensation if any of the below happens :

- Death due to accident
- Permanent total disability like loss of sight, both limbs etc.
- Permanent partial disability like loss of one limb, one eye etc
- Temporary total disability like surgeries or treatments requiring hospitalization / rest for 6 months
- Medical, hospitalization and related expenses arising due to accidental injuries
- A sum paid for children education in case of death / permanent total disability

### **Critical illness insurances**

These days the possibility of death is far lesser than the possibility of falling sick - critically sick. Insurance companies are more concerned about morbidity than about mortality.

A critical illness insurance policy will work as follows:- The benefit amount is payable once the disease (specified in the policy) is diagnosed meeting specific criteria and the insured survives 30 days after the diagnosis.

- The insured will receive the amount as lumpsum so that he can plan the treatment accordingly
- Expenses like donor expenses in a transplant surgery, which are not covered under normal health insurance policy, can be paid out of the amount received under this cover both in India & abroad
- The amount can also be used to compensate for loss of income for the period when the insured has to undergo treatment and recuperate .
- Medical examination may be required in some cases based on the age and the benefit amount chosen

### **Household Content Insurance**

A comprehensive householders policy will cover Household contents , Domestic appliances, Electronic equipments, Domestic travel baggage Optional coverage of the building can be taken at extra premiums These policies cover risks like Fire, lightning & allied perils, Burglary or theft, Breakdown of domestic appliances, Repair and replacement of electronic equipments

### **Do remember:**

Insurance will only cover the unknown only - risks that were not expected or conditions that did not exist at the time of purchasing insurance. Insurance policies are only indemnity policies. The objective is to place you back close to the same position as before the risk happened. You will not be able to make a profit from the insurance.

You should never replace insurance unless you have the replacement in place.

### **Disclaimer:**

Acceptance of risk is the prerogative of the insurance company Your policy may be accepted as is / accepted with exclusions / accepted with loading on premium / postponed / put on hold for more medical tests or sometimes declined. We have very little control over the underwriting processes different companies follow.

### **Debt Management:**

Your loan commitments seem within normal limits. However getting out of loans sooner can release cashflows that can be used for other beneficial purposes. You can - Consider consolidating your loans by

taking a larger lower cost loan and repay the higher cost loans -Extend the tenure of loan for a short while, to handle cashflows better - Negotiate good deals and repay some loans if possible - Follow debt repayment plans like debt snowballing etc to get out of debt. Subscribe to our debt management services for customised help.

If you are looking at taking any loans in future, you should get your credit rating checked. A good credit score will ensure you get good deals on new loans. To understand what your credit score is and to improve your score subscribe to our Credit Ready Plan.

Business loans are given to small and medium enterprises for working capital, expansion, or modernization of existing business. It can be availed as secured or unsecured loan. Who can provide Loans:Banks and NBFCs. Interest rates: 14% - 22%. Costs: Processing fee 2% of the loan amount. Pre-closure charges: It ranges between 3% - 4% of outstanding loan amount. Tenure: Maximum 3 years. Documents needed: KYC, Financial papers like P&L, Balance Sheet etc, ITR for last three years and Bank statement.

## **Tax Planning:**

All income earned is taxable, but with some deductibles and exemptions. You will have to calculate your income, pay tax on it and file your tax returns every year. You can redesiing your salary or income to save some taxes. You can save tax u/s 24B if you are repaying home loans, u/s 80C if you make investments in EPF / PPF / Insurance policies / Tax saving mutual funds / some Post office schemes, u/s 80D if you have health insurance. Subscribe to our Tax Planning services to avail customised services. Last date for filing tax returns in 31st July every year.

## **Succession Planning:**

### **Holding pattern of assets:**

Joint holding will ensure access to atleast one of you in case there is an emergency need for the money. If many investments are singly held there is a possibility that it may remain inaccessible when needed. It is good that you have your investments in joint holding. In case some investments are very old, you may want to check the holding pattern and make changes wherever applicable. However anyone or survivor joint holding is not to be confused with ownership. In the event of the demise of one of the holders, the other does not become the sole owner, rather the share of the deceased holder will have to be distributed accordingly to his Will or the Law.

### **Keeping family informed:**

Your family for whose use you have accumulated all the assets need to have knowledge of what is available and where it is accessible. Preparing a list of all your assets might be a very good idea. Better still will be preparing a detailed Will. Subscribe to our Succession Planning services for preparing a legally sound and comprehensively well thought out Will from the comforts of your home.

### **Prepare a Will:**

A Will is a declaration in a prescribed manner of the intention of the person making it, with regard to the matters which he wishes to take effect upon or after his death. This is important to ensure that the family and loved ones gain easy access to assets built for them without any legal hassles. In this uncertain world, there is no better time than NOW to write the Will. Our Succession Planning services can help you in preparing a legally sound and comprehensively well thought out Will through a highly secure and robust online platform.

Subscribe to our Succession Planning services for preparing a legally sound and comprehensively well thought out Will from the comforts of your home.

A Power of Attorney is a legal right you give someone to act on your behalf in case you are not available or in a position to act. This can be general POA to act on all matters or a restricted POA to act only under certain circumstances. If you are traveling extensively, authorizing someone to work on your behalf in case you cannot do it on your own, will ensure that your work will not be affected because of your unavailability. Also in the case of disability, access to your assets will not be denied if POA is available. At the same time a POA in the wrong hands can turn out to be dangerous. You may want to check the conditions in your POA and ensure they are updated and relevant.

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