

## SAMPLE FINANCIAL PLAN



Prepared by:

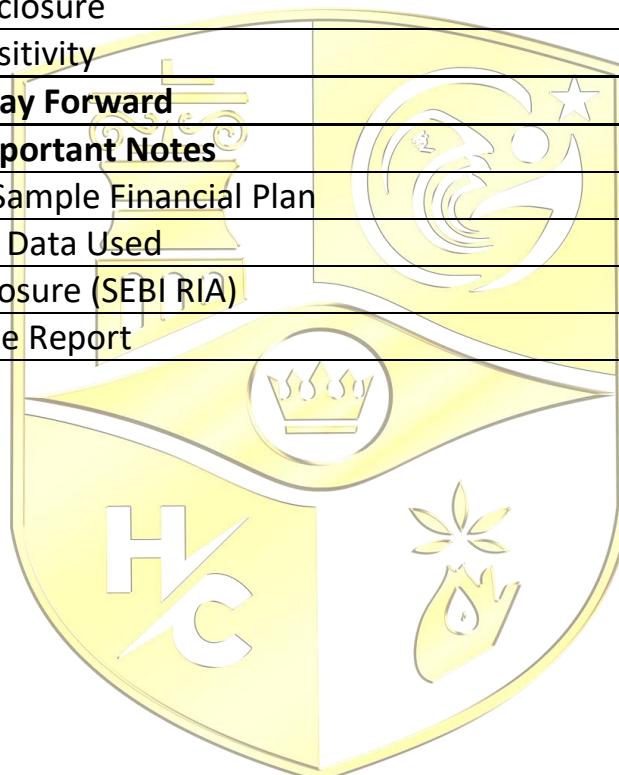
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## SECTION 1

### INTRODUCTION & SCOPE OF THE FINANCIAL PLAN

#### 1. INTRODUCTION & SCOPE OF THE FINANCIAL PLAN

##### 1.1 Meaning of Comprehensive Financial Planning

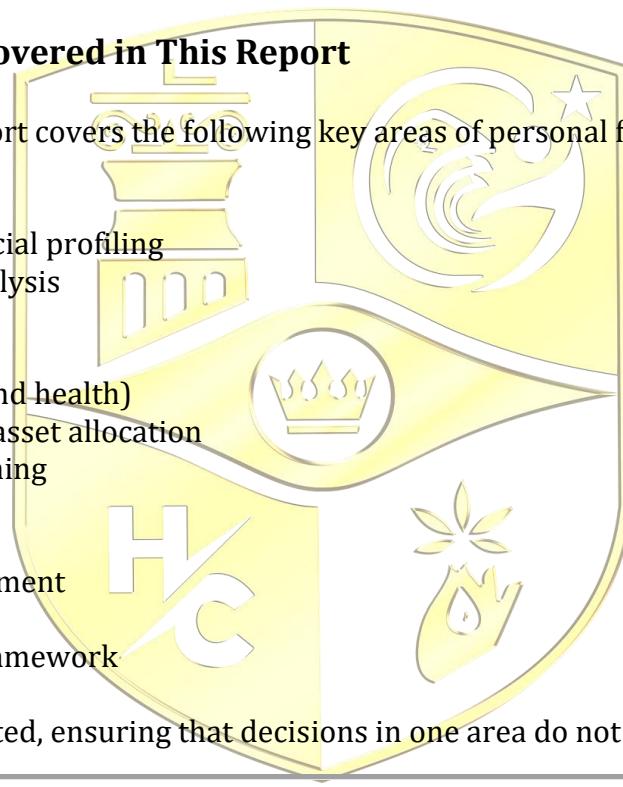
Comprehensive financial planning is a **structured and ongoing process** of evaluating an individual's or family's complete financial situation and aligning it with their life goals through disciplined planning and informed decision-making.

It goes beyond isolated product recommendations and focuses on **holistic financial well-being**, covering income management, goal planning, risk management, investment strategy, tax efficiency, retirement readiness, and long-term wealth preservation.

##### 1.2 Scope of Services Covered in This Report

This financial planning report covers the following key areas of personal finance in an integrated manner:

- Personal and family financial profiling
- Cash flow and surplus analysis
- Net worth assessment
- Emergency fund planning
- Insurance planning (life and health)
- Investment planning and asset allocation
- Goal-based financial planning
- Retirement planning
- Tax planning
- Loan and liability management
- Estate planning overview
- Action plan and review framework



Each section is interconnected, ensuring that decisions in one area do not negatively impact another.

##### 1.3 Planning Assumptions Used

For the purpose of this sample financial plan, the following assumptions have been used consistently across all calculations:

- Inflation rate assumed: **6% per annum**
- Long-term equity return assumption: **11% per annum**
- Long-term debt return assumption: **6.5% per annum**
- Life expectancy assumed: **85 years**
- Retirement age assumed: **60 years**
- Tax laws considered as per current prevailing regulations

These assumptions are **indicative and subject to change** in real-life scenarios. Actual planning for clients may use different assumptions based on individual circumstances and prevailing economic conditions.

## SECTION 2

### CLIENT & FAMILY PROFILE

#### 2. CLIENT & FAMILY PROFILE

##### 2.1 Primary Client Details

| Particulars              | Details                  |
|--------------------------|--------------------------|
| Name                     | Mr. Amit Sharma          |
| Date of Birth            | 15 April 1985            |
| Age                      | 40 Years                 |
| Marital Status           | Married                  |
| Occupation               | Senior Software Engineer |
| Employment Type          | Salaried                 |
| Organization Type        | Private Sector           |
| Annual Gross Income      | ₹18,00,000               |
| Take-Home Monthly Income | ₹1,20,000                |
| Health Status            | Good                     |
| Retirement Age Assumed   | 60 Years                 |

##### 2.2 Spouse Details

| Particulars         | Details           |
|---------------------|-------------------|
| Name                | Mrs. Neha Sharma  |
| Date of Birth       | 22 September 1988 |
| Age                 | 36 Years          |
| Occupation          | HR Manager        |
| Employment Type     | Salaried          |
| Organization Type   | Private Sector    |
| Annual Gross Income | ₹9,00,000         |

| Particulars              | Details |
|--------------------------|---------|
| Take-Home Monthly Income | ₹65,000 |
| Health Status            | Good    |

## 2.3 Dependent Children Details

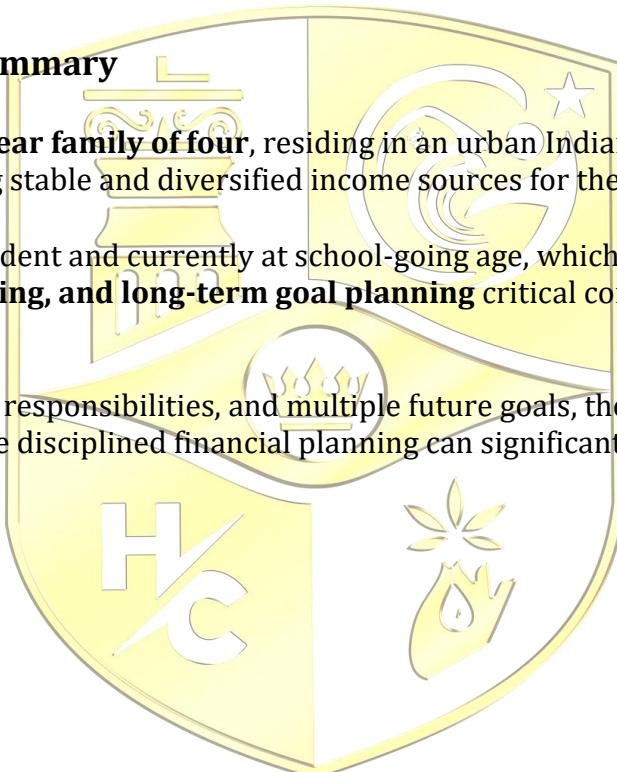
| Name         | Relationship | Date of Birth   | Age | Dependency Status |
|--------------|--------------|-----------------|-----|-------------------|
| Aarav Sharma | Son          | 10 June 2014    | 10  | Dependent         |
| Anaya Sharma | Daughter     | 18 January 2018 | 7   | Dependent         |

## 2.4 Family Structure Summary

The Sharma family is a **nuclear family of four**, residing in an urban Indian setting. Both spouses are earning members, providing stable and diversified income sources for the household.

The children are fully dependent and currently at school-going age, which makes **education planning, insurance planning, and long-term goal planning** critical components of the family's financial strategy.

With dual incomes, growing responsibilities, and multiple future goals, the family is at a **crucial accumulation phase**, where disciplined financial planning can significantly improve long-term outcomes.



## SECTION 3

### FINANCIAL OBJECTIVES & PLANNING PHILOSOPHY

#### 3. FINANCIAL OBJECTIVES & PLANNING PHILOSOPHY

##### 3.1 Short-Term Financial Goals (0-3 Years)

Short-term goals are financial objectives that the family plans to achieve within the next three years. These goals require **high liquidity and low risk**, as the investment horizon is limited.

| Goal Description              | Time Horizon | Current Cost | Priority |
|-------------------------------|--------------|--------------|----------|
| Creation of Emergency Fund    | 1 Year       | ₹6,00,000    | High     |
| Family Vacation (Domestic)    | 2 Years      | ₹3,00,000    | Medium   |
| Vehicle Replacement / Upgrade | 3 Years      | ₹8,00,000    | Medium   |

##### 3.2 Medium-Term Financial Goals (3-7 Years)

Medium-term goals balance growth with capital protection. Investments for these goals must manage volatility while aiming for reasonable returns.

| Goal Description                    | Time Horizon | Current Cost | Priority |
|-------------------------------------|--------------|--------------|----------|
| Home Renovation                     | 5 Years      | ₹10,00,000   | High     |
| Children's Skill & Activity Courses | 4 Years      | ₹4,00,000    | Medium   |
| Creation of Contingency Corpus      | 6 Years      | ₹5,00,000    | Medium   |

##### 3.3 Long-Term Financial Goals (Beyond 7 Years)

Long-term goals form the backbone of wealth creation and require a disciplined, growth-oriented approach supported by equity exposure.

| Goal Description          | Time Horizon | Current Cost | Priority |
|---------------------------|--------------|--------------|----------|
| Child Education – Aarav   | 8 Years      | ₹15,00,000   | High     |
| Child Education – Anaya   | 11 Years     | ₹18,00,000   | High     |
| Child Marriage Corpus     | 15 Years     | ₹25,00,000   | Medium   |
| Retirement Corpus         | 20 Years     | ₹1,20,00,000 | High     |
| Long-Term Wealth Creation | 18 Years     | ₹50,00,000   | Medium   |

### 3.4 Goal Prioritization Framework

All financial goals have been prioritised using the following framework:

#### 1. Essential Goals

Goals critical to financial security and family well-being, such as emergency fund, insurance protection, child education, and retirement.

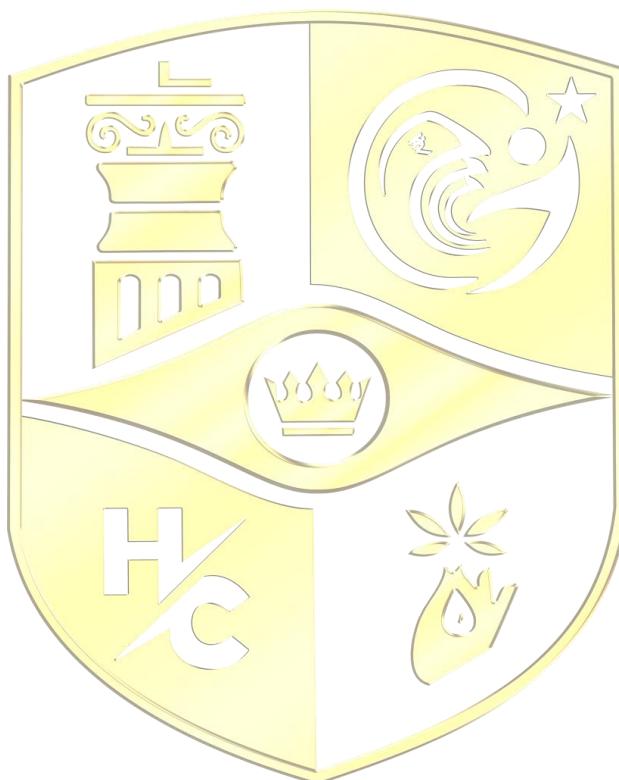
#### 2. Important Goals

Goals that enhance quality of life but can be deferred or modified if required, such as home renovation or discretionary spending.

#### 3. Aspirational Goals

Goals that are desirable but flexible, such as luxury travel or aggressive wealth creation targets.

This prioritization ensures that **core financial stability is never compromised** while still allowing room for lifestyle aspirations.



## SECTION 4

### RISK PROFILING & INVESTOR BEHAVIOUR ANALYSIS

#### 4. RISK PROFILING & INVESTOR BEHAVIOUR ANALYSIS

##### 4.1 Risk Profiling Methodology

Risk profiling is a structured process used to assess the client's **ability and willingness to take financial risk**. The assessment considers multiple dimensions, including:

- Age and life stage
- Income stability and surplus
- Existing assets and liabilities
- Financial goals and time horizons
- Emotional comfort with market fluctuations
- Past investment experience

A standardized risk assessment questionnaire was used to arrive at a **composite risk score** for the family.

##### 4.2 Risk Assessment Questionnaire Summary

The family's responses to the risk assessment questionnaire indicate the following behavioural tendencies:

- Comfortable with moderate short-term market fluctuations
- Preference for long-term growth over short-term stability
- Willingness to stay invested during temporary market declines
- Limited tolerance for permanent capital loss

The family has prior exposure to equity-oriented investments through mutual funds but prefers structured guidance over independent decision-making.

##### 4.3 Risk Capacity vs Risk Tolerance

| Parameter        | Assessment |
|------------------|------------|
| Risk Capacity    | High       |
| Risk Tolerance   | Moderate   |
| Overall Risk Fit | Balanced   |

**Risk Capacity** is assessed as high due to stable dual incomes, long investment horizons, and manageable liabilities.

**Risk Tolerance** is moderate, as the family prefers clarity, gradual progression, and controlled volatility.

## 4.4 Final Risk Category

Based on the combined assessment, the family falls under the following category:

### Final Risk Profile: MODERATE TO GROWTH ORIENTED

This profile supports:

- Meaningful equity exposure for long-term goals
- Balanced allocation for medium-term goals
- Conservative approach for short-term and essential goals

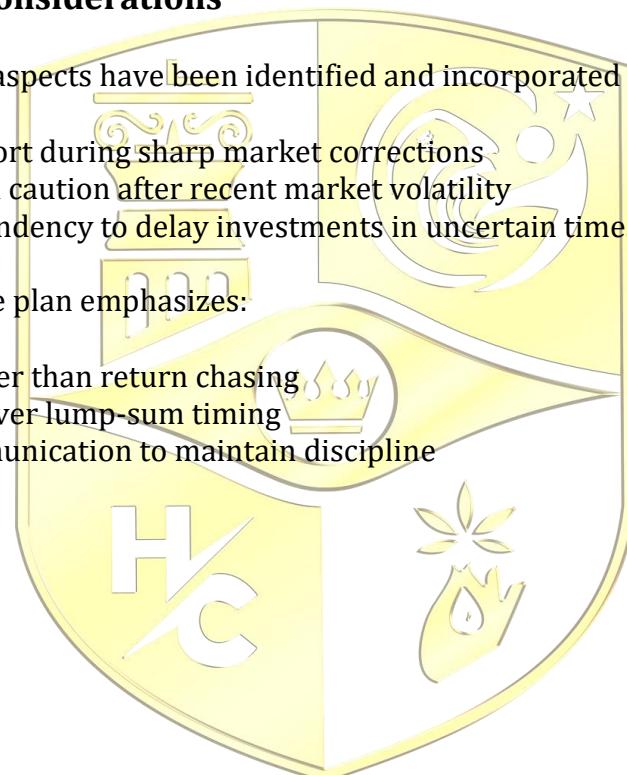
## 4.5 Behavioural Bias Considerations

The following behavioural aspects have been identified and incorporated into the planning process:

- **Loss Aversion** – Discomfort during sharp market corrections
- **Recency Bias** – Increased caution after recent market volatility
- **Over-Conservatism** – Tendency to delay investments in uncertain times

To manage these biases, the plan emphasizes:

- Goal-based investing rather than return chasing
- Systematic investments over lump-sum timing
- Regular review and communication to maintain discipline



## SECTION 5

### CASH FLOW ANALYSIS – INCOME & EXPENSES

#### 5. CASH FLOW ANALYSIS – INCOME & EXPENSES

##### 5.1 Monthly Income Details – Family Level

| Income Source                | Amount (₹)      |
|------------------------------|-----------------|
| Primary Client – Salary      | 1,20,000        |
| Spouse – Salary              | 65,000          |
| Other Income (Interest etc.) | 5,000           |
| <b>Total Monthly Income</b>  | <b>1,90,000</b> |

##### 5.2 Annual Income Summary

| Particulars         | Amount (₹) |
|---------------------|------------|
| Total Annual Income | 22,80,000  |

##### 5.3 Fixed Monthly Expenses

| Expense Category            | Amount (₹)    |
|-----------------------------|---------------|
| House Rent                  | 30,000        |
| School Fees                 | 15,000        |
| Insurance Premiums          | 8,000         |
| Loan EMI                    | 22,000        |
| Internet & Mobile           | 3,000         |
| Domestic Help               | 4,000         |
| <b>Total Fixed Expenses</b> | <b>82,000</b> |

## 5.4 Variable & Lifestyle Expenses

| Expense Category               | Amount (₹)    |
|--------------------------------|---------------|
| Groceries                      | 18,000        |
| Electricity & Utilities        | 6,000         |
| Transport & Fuel               | 10,000        |
| Dining & Entertainment         | 8,000         |
| Clothing & Personal Care       | 7,000         |
| Medical & Health               | 4,000         |
| Miscellaneous                  | 5,000         |
| <b>Total Variable Expenses</b> | <b>58,000</b> |

## 5.5 Annual Expense Summary

| Particulars            | Amount (₹) |
|------------------------|------------|
| Total Monthly Expenses | 1,40,000   |
| Total Annual Expenses  | 16,80,000  |

## 5.6 Surplus / Deficit Analysis

| Particulars            | Amount (₹)      |
|------------------------|-----------------|
| Monthly Income         | 1,90,000        |
| Monthly Expenses       | 1,40,000        |
| <b>Monthly Surplus</b> | <b>50,000</b>   |
| <b>Annual Surplus</b>  | <b>6,00,000</b> |

The family generates a **healthy monthly surplus**, which provides sufficient capacity for goal-based investments, emergency fund creation, and long-term wealth accumulation.

## SECTION 6

### NET WORTH STATEMENT

#### 6. NET WORTH STATEMENT

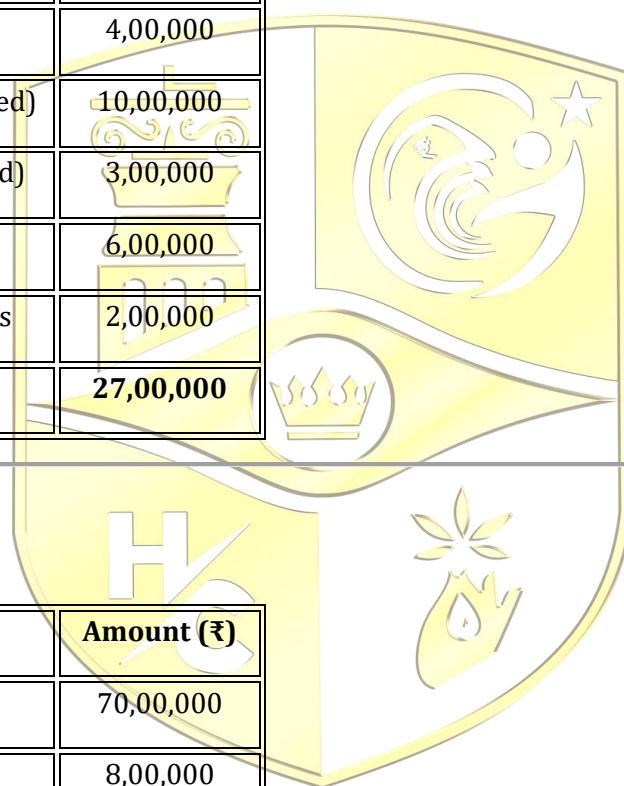
##### 6.1 Assets Classification

###### 6.1.1 Financial Assets

| Asset Type                     | Amount (₹)       |
|--------------------------------|------------------|
| Savings Bank Balance           | 2,00,000         |
| Fixed Deposits                 | 4,00,000         |
| Mutual Funds (Equity Oriented) | 10,00,000        |
| Mutual Funds (Debt Oriented)   | 3,00,000         |
| EPF & PPF                      | 6,00,000         |
| Shares & Other Investments     | 2,00,000         |
| <b>Total Financial Assets</b>  | <b>27,00,000</b> |

###### 6.1.2 Physical Assets

| Asset Type                   | Amount (₹)       |
|------------------------------|------------------|
| Residential House            | 70,00,000        |
| Gold Jewellery               | 8,00,000         |
| Vehicle                      | 6,00,000         |
| <b>Total Physical Assets</b> | <b>84,00,000</b> |



## 6.2 Liabilities Classification

### 6.2.1 Short-Term Liabilities

| Liability Type                      | Outstanding Amount (₹) |
|-------------------------------------|------------------------|
| Credit Card Dues                    | 50,000                 |
| Personal Loan                       | 1,50,000               |
| <b>Total Short-Term Liabilities</b> | <b>2,00,000</b>        |

### 6.2.2 Long-Term Liabilities

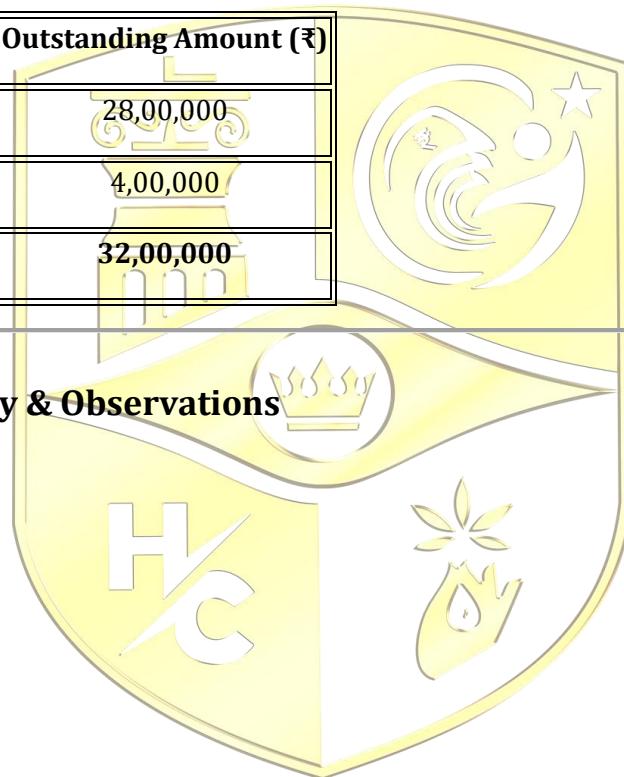
| Liability Type                     | Outstanding Amount (₹) |
|------------------------------------|------------------------|
| Home Loan                          | 28,00,000              |
| Vehicle Loan                       | 4,00,000               |
| <b>Total Long-Term Liabilities</b> | <b>32,00,000</b>       |

## 6.3 Net Worth Summary & Observations

| Particulars       | Amount (₹)       |
|-------------------|------------------|
| Total Assets      | 1,11,00,000      |
| Total Liabilities | 34,00,000        |
| <b>Net Worth</b>  | <b>77,00,000</b> |

### Observations:

- Net worth is positive and steadily growing
- Majority of assets are locked in physical form
- Financial asset allocation can be further optimized
- Liability levels are manageable relative to income



## SECTION 7

### EMERGENCY FUND PLANNING

#### 7. EMERGENCY FUND PLANNING

##### 7.1 Importance of Emergency Fund

An emergency fund acts as a **financial shock absorber**, protecting the family from unexpected events such as job loss, medical emergencies, or sudden large expenses.

A well-maintained emergency fund prevents:

- Liquidation of long-term investments at unfavorable times
- Dependence on high-interest loans or credit cards
- Disruption of long-term financial goals

##### 7.2 Required Emergency Corpus Calculation

The emergency fund requirement is calculated based on **monthly household expenses**.

| Particulars                 | Amount (₹) |
|-----------------------------|------------|
| Average Monthly Expenses    | 1,40,000   |
| Recommended Coverage Period | 6 Months   |
| Required Emergency Corpus   | 8,40,000   |

##### 7.3 Existing Emergency Fund Status

| Source                               | Amount (₹)      |
|--------------------------------------|-----------------|
| Savings Account Balance              | 2,00,000        |
| Liquid Mutual Funds                  | 2,00,000        |
| <b>Total Existing Emergency Fund</b> | <b>4,00,000</b> |

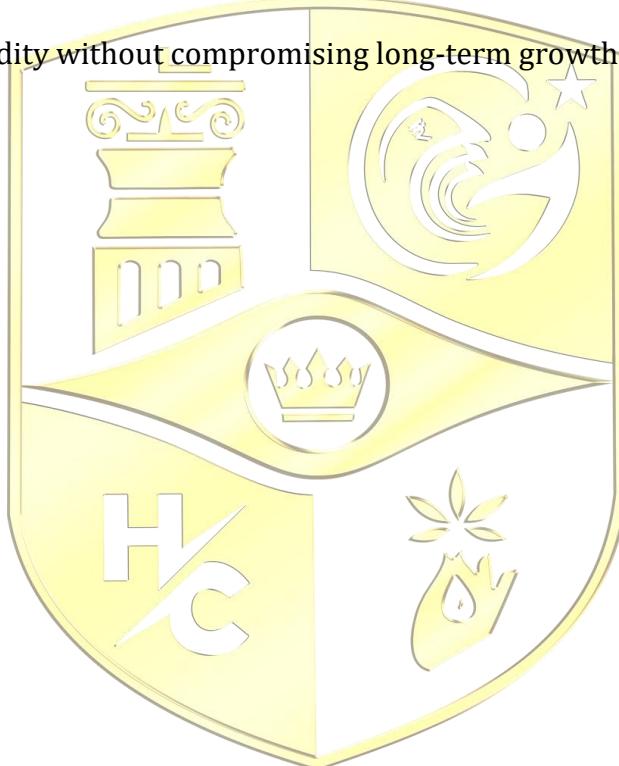
## 7.4 Emergency Fund Gap & Action Plan

| Particulars      | Amount (₹)      |
|------------------|-----------------|
| Required Corpus  | 8,40,000        |
| Existing Corpus  | 4,00,000        |
| <b>Shortfall</b> | <b>4,40,000</b> |

### Recommended Action Plan:

- Build the shortfall over the next **18 months**
- Allocate **₹25,000 per month** from monthly surplus
- Park funds in savings account and liquid mutual funds
- Keep emergency fund separate from investment corpus

This approach ensures liquidity without compromising long-term growth.



## SECTION 8

### INSURANCE PLANNING

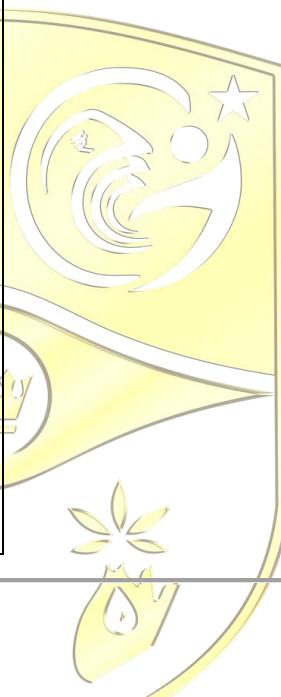
#### 8. INSURANCE PLANNING

##### 8.1 Life Insurance Need Analysis

Life insurance is essential to ensure that the family's financial goals are **not compromised** in the event of the untimely demise of the earning member.

The life insurance requirement is calculated using the **Human Life Value and Expense Replacement approach**.

| Particulars                                 | Amount (₹)         |
|---|--------------------|
| Annual Family Expenses                      | 16,80,000          |
| Income Replacement Period                   | 20 Years           |
| Total Expense Replacement Value             | 3,36,00,000        |
| Outstanding Loans                           | 34,00,000          |
| Future Goal Provision (Children, etc.)      | 30,00,000          |
| Existing Financial Assets (Excluding House) | 27,00,000          |
| <b>Recommended Life Cover</b>               | <b>3,75,00,000</b> |



##### 8.2 Existing Life Insurance Policies Review

| Policy Holder | Policy Type | Sum Assured (₹)    | Annual Premium (₹) |
|---------------|-------------|--------------------|--------------------|
| Amit Sharma   | Term Plan   | 1,50,00,000        | 18,000             |
| Amit Sharma   | Endowment   | 25,00,000          | 45,000             |
| Neha Sharma   | Term Plan   | 50,00,000          | 6,500              |
| <b>Total</b>  |             | <b>2,25,00,000</b> | <b>69,500</b>      |

### 8.3 Life Insurance Gap Analysis

| Particulars            | Amount (₹)         |
|------------------------|--------------------|
| Recommended Life Cover | 3,75,00,000        |
| Existing Life Cover    | 2,25,00,000        |
| <b>Insurance Gap</b>   | <b>1,50,00,000</b> |

#### Recommendation:

- Purchase additional **pure term insurance** of ₹1.50 crore
- Prefer level-term plan with policy tenure till age 60
- Avoid mixing insurance with investment products

### 8.4 Health Insurance Review

| Insured Members           | Sum Insured (₹)  |
|---------------------------|------------------|
| Family Floater Policy     | 10,00,000        |
| Employer Group Cover      | 5,00,000         |
| <b>Total Health Cover</b> | <b>15,00,000</b> |

### 8.5 Health Insurance Gap Analysis

| Particulars                 | Amount (₹)      |
|-----------------------------|-----------------|
| Recommended Health Cover    | 20,00,000       |
| Existing Health Cover       | 15,00,000       |
| <b>Health Insurance Gap</b> | <b>5,00,000</b> |

#### Recommendation:

- Add a **super top-up health insurance policy** of ₹10 lakh
- Maintain employer cover only as secondary support
- Ensure policy includes no sub-limits and room rent caps

## 8.6 Critical Illness & Personal Accident Disability Cover

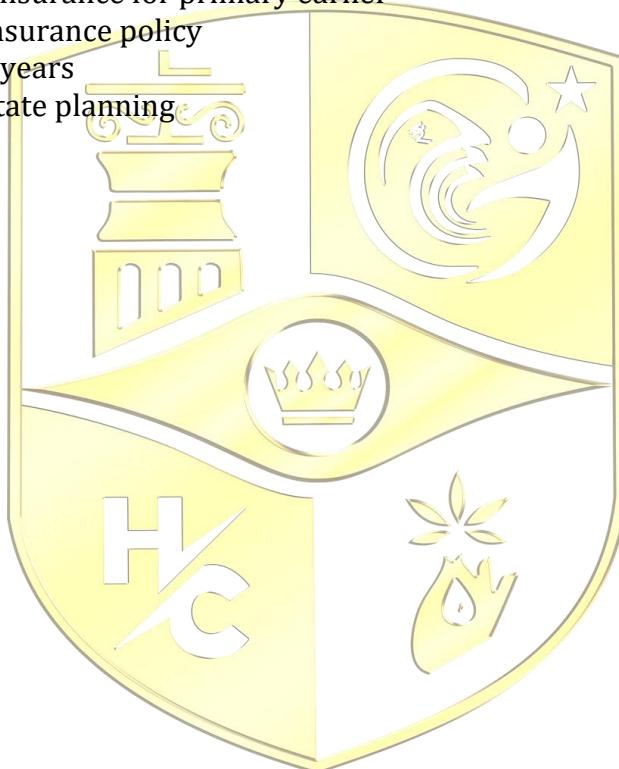
| Cover Type             | Recommended Amount (₹) |
|------------------------|------------------------|
| Critical Illness Cover | 25,00,000              |
| PA Disability Cover    | 50,00,000              |

These covers provide financial support against income disruption due to serious illness or accidental disability.

---

## 8.7 Insurance Action Plan Summary

- Purchase additional term insurance for primary earner
- Add super top-up health insurance policy
- Review policies every 2-3 years
- Align nominations with estate planning



## SECTION 9

### INVESTMENT PLANNING

#### 9. INVESTMENT PLANNING

##### 9.1 Investment Philosophy & Asset Allocation

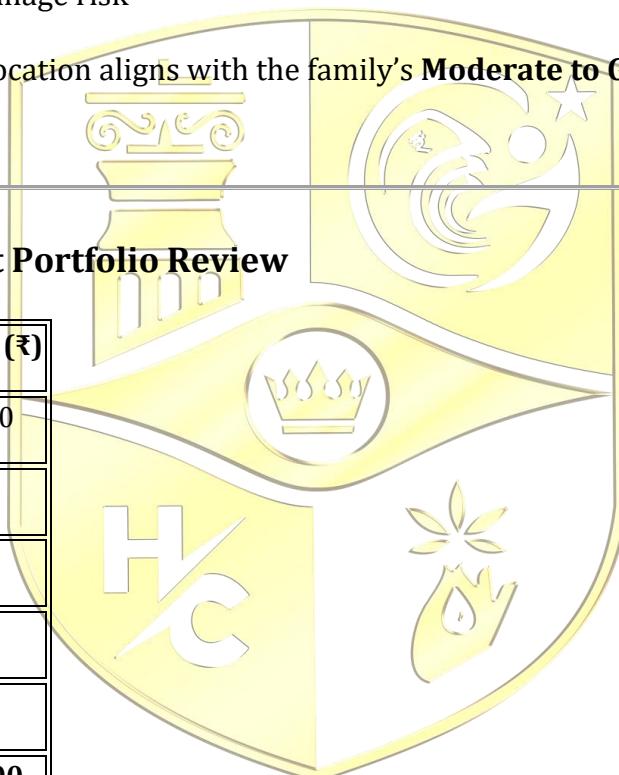
The family's investment strategy is built on the following principles:

- Goal-based investing rather than return chasing
- Asset allocation as the primary driver of returns
- Discipline through systematic investing
- Diversification across asset classes
- Periodic rebalancing to manage risk

The recommended asset allocation aligns with the family's **Moderate to Growth-Oriented** risk profile.

##### 9.2 Existing Investment Portfolio Review

| Investment Type          | Amount (₹)       |
|--------------------------|------------------|
| Equity Mutual Funds      | 10,00,000        |
| Debt Mutual Funds        | 3,00,000         |
| EPF & PPF                | 6,00,000         |
| Direct Equity Shares     | 2,00,000         |
| Fixed Deposits           | 4,00,000         |
| <b>Total Investments</b> | <b>25,00,000</b> |



##### Observations:

- Equity exposure is moderate but fragmented
- Debt investments are conservative
- Portfolio lacks goal tagging and rebalancing discipline

### 9.3 Asset Allocation - Current vs Ideal

| Asset Class  | Current (%) | Ideal (%)   |
|--------------|-------------|-------------|
| Equity       | 48%         | 65%         |
| Debt         | 40%         | 30%         |
| Cash         | 12%         | 5%          |
| <b>Total</b> | <b>100%</b> | <b>100%</b> |

### 9.4 Product Suitability Analysis

| Goal Type         | Suitable Asset Class |
|-------------------|----------------------|
| Short-Term Goals  | Debt & Cash          |
| Medium-Term Goals | Hybrid & Balanced    |
| Long-Term Goals   | Equity-Oriented      |

Product selection will prioritize:

- Low-cost, diversified mutual funds
- Tax-efficient investment avenues
- Products aligned with investment horizon

### 9.5 Recommended Investment Strategy

- Increase equity allocation gradually through SIPs
- Consolidate overlapping mutual fund schemes
- Use debt funds and EPF for stability
- Avoid frequent portfolio churn
- Review and rebalance annually

### 9.6 SIP & Lump Sum Investment Planning

| Investment Mode                  | Monthly Amount (₹) |
|----------------------------------|--------------------|
| Equity SIPs                      | 30,000             |
| Debt Investments                 | 10,000             |
| <b>Total Monthly Investments</b> | <b>40,000</b>      |

“The balance surplus is allocated towards emergency fund creation, insurance premiums, and short-term goals.”

## SECTION 10

### GOAL ACHIEVEMENT – SIP FUNDING & STEP-UP STRATEGY (RECONCILED)

#### 10. GOAL ACHIEVEMENT – SIP FUNDING & STEP-UP STRATEGY

This section explains **how each financial goal will be funded in a realistic manner**, keeping the family's **current monthly surplus of ₹50,000** as the primary constraint.

Instead of overcommitting in the initial years, the plan follows a **phased SIP implementation with annual step-ups**, aligned with expected income growth and reduction in liabilities.

##### 10.1 Monthly Surplus Available for Investments

| Particulars                      | Amount (₹)    |
|----------------------------------|---------------|
| Monthly Income                   | 1,90,000      |
| Monthly Expenses                 | 1,40,000      |
| <b>Monthly Surplus Available</b> | <b>50,000</b> |



This surplus forms the **maximum monthly SIP limit in Year 1**.

##### 10.2 Year 1 – Goal-Wise SIP Allocation (Within ₹50,000)

###### Initial SIP Allocation (Year 1)

| Goal                              | Monthly SIP (₹) |
|-----------------------------------|-----------------|
| Child Education – Aarav           | 12,000          |
| Child Education – Anaya           | 14,000          |
| Child Marriage                    | 8,000           |
| Home Upgrade / Purchase           | 9,000           |
| Long-Term Wealth Creation         | 7,000           |
| <b>Total Monthly SIP (Year 1)</b> | <b>50,000</b>   |

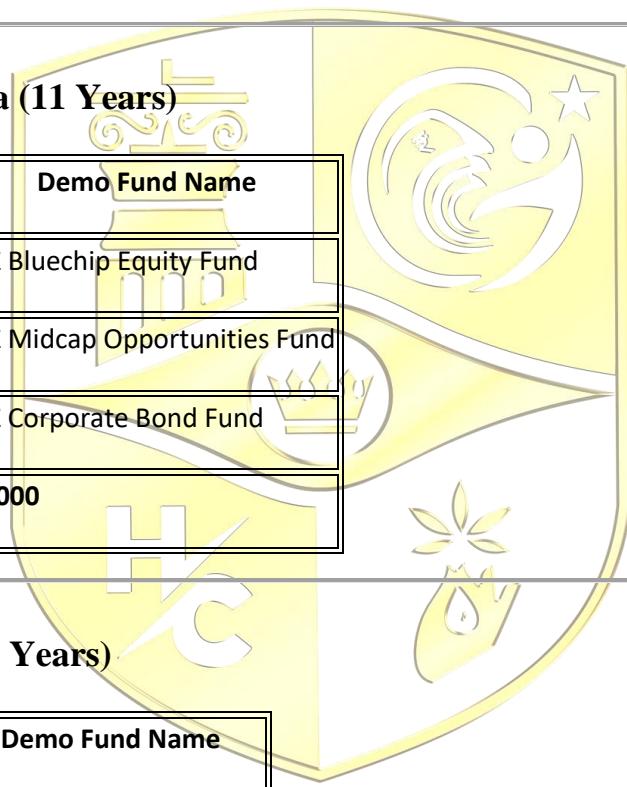
- ✓ Fully matches surplus
- ✓ No dependency on future assumptions
- ✓ Immediately implementable

## 10.3 SIP Fund Mapping – Demo Fund Names (Illustrative Only)

### Child Education – Aarav (8 Years)

| SIP Amount (₹) | Asset Class | Demo Fund Name               |
|----------------|-------------|------------------------------|
| 7,000          | Equity      | XYZ Large Cap Growth Fund    |
| 3,000          | Equity      | XYZ Flexi Cap Fund           |
| 2,000          | Debt        | XYZ Short Duration Debt Fund |
| <b>Total</b>   |             | <b>12,000</b>                |

### Child Education – Anaya (11 Years)



| SIP Amount (₹) | Asset Class | Demo Fund Name                |
|----------------|-------------|-------------------------------|
| 8,000          | Equity      | XYZ Bluechip Equity Fund      |
| 4,000          | Equity      | XYZ Midcap Opportunities Fund |
| 2,000          | Debt        | XYZ Corporate Bond Fund       |
| <b>Total</b>   |             | <b>14,000</b>                 |

### Child Marriage Goal (15 Years)

| SIP Amount (₹) | Asset Class | Demo Fund Name           |
|----------------|-------------|--------------------------|
| 5,000          | Equity      | XYZ Multicap Equity Fund |
| 2,000          | Equity      | XYZ Value Discovery Fund |
| 1,000          | Debt        | XYZ Dynamic Bond Fund    |
| <b>Total</b>   |             | <b>8,000</b>             |

## Home Upgrade / Purchase Goal (10 Years)

| SIP Amount (₹) | Asset Class | Demo Fund Name                 |
|----------------|-------------|--------------------------------|
| 4,000          | Equity      | XYZ Equity Advantage Fund      |
| 2,000          | Equity      | XYZ Low Volatility Equity Fund |
| 3,000          | Debt        | XYZ Banking & PSU Debt Fund    |
| <b>Total</b>   |             | <b>9,000</b>                   |

## Long-Term Wealth Creation (18 Years)

| SIP Amount (₹) | Asset Class | Demo Fund Name               |
|----------------|-------------|------------------------------|
| 4,000          | Equity      | XYZ Index Fund – Nifty 50    |
| 2,000          | Equity      | XYZ Emerging Leaders Fund    |
| 1,000          | Hybrid      | XYZ Conservative Hybrid Fund |
| <b>Total</b>   |             | <b>7,000</b>                 |

### 10.4 Annual SIP Step-Up Strategy (Critical for Goal Completion)

To bridge future goal gaps without straining current cash flow, the following **step-up strategy** is adopted:

| Parameter              | Assumption                        |
|------------------------|-----------------------------------|
| Annual SIP Step-Up     | 10%                               |
| Expected Salary Growth | 8–10%                             |
| EMI Reduction          | Personal loan closure in ~2 years |

### Illustrative Impact of Step-Up

| Year    | Monthly SIP (₹) |
|---------|-----------------|
| Year 1  | 50,000          |
| Year 5  | ~73,000         |
| Year 10 | ~1,18,000       |

| Year    | Monthly SIP (₹) |
|---------|-----------------|
| Year 15 | ~1,90,000       |

This gradual increase enables **full goal funding**, including retirement, without over-commitment in early years.

## CONSOLIDATED MONTHLY SIP SUMMARY

| Goal   | Monthly SIP – Year 1 (₹) |
|--|--------------------------|
| Child Education – Aarav                      | 12,000                   |
| Child Education – Anaya                      | 14,000                   |
| Child Marriage                               | 8,000                    |
| Home Upgrade / Purchase                      | 9,000                    |
| Long-Term Wealth Creation                    | 7,000                    |
| <b>Total Monthly SIP Commitment (Year 1)</b> | <b>50,000</b>            |

### Note:

This consolidated SIP commitment is aligned with the family's current monthly surplus and is expected to increase over time through annual SIP step-ups.

### 10.5 Risk Management & Review Rules

- Equity exposure will reduce as goals approach
- SIP allocation will be reviewed annually
- Rebalancing will be done if deviation exceeds  $\pm 5\%$
- Step-up may be paused during adverse life events

### Important Disclosure

All SIP amounts, fund names, and returns used in this section are **illustrative** and for **demonstration purposes only**. Actual investment recommendations will depend on prevailing market conditions and individual suitability.

### Important Implementation Notes

- SIPs should be **goal-tagged**, not fund-tagged
- Asset allocation must be **reviewed annually**
- Equity exposure should reduce as goals approach
- SIP step-up of **8-10% annually** is recommended

### Goal Planning Summary:

- Child education and retirement remain highest priorities
- Long-term goals are equity-driven
- SIP-based approach reduces market timing risk

## SECTION 11

### RETIREMENT PLANNING

#### 11. RETIREMENT PLANNING

##### 11.1 Retirement Age & Lifestyle Assumptions

| Particulars                | Details  |
|----------------------------|----------|
| Primary Earner Current Age | 40 Years |
| Retirement Age Assumed     | 60 Years |
| Years to Retirement        | 20 Years |
| Life Expectancy Assumed    | 85 Years |
| Retirement Period          | 25 Years |

##### 11.2 Post-Retirement Expense Estimation

| Particulars                        | Amount (₹) |
|------------------------------------|------------|
| Current Monthly Household Expenses | 1,40,000   |
| Inflation Assumed                  | 6%         |
| Monthly Expenses at Retirement     | 4,48,000   |
| Annual Retirement Expenses         | 53,76,000  |

##### 11.3 Inflation & Longevity Considerations

Retirement planning considers the dual risks of:

- **Inflation Risk** – Rising cost of living over time
- **Longevity Risk** – Risk of outliving savings

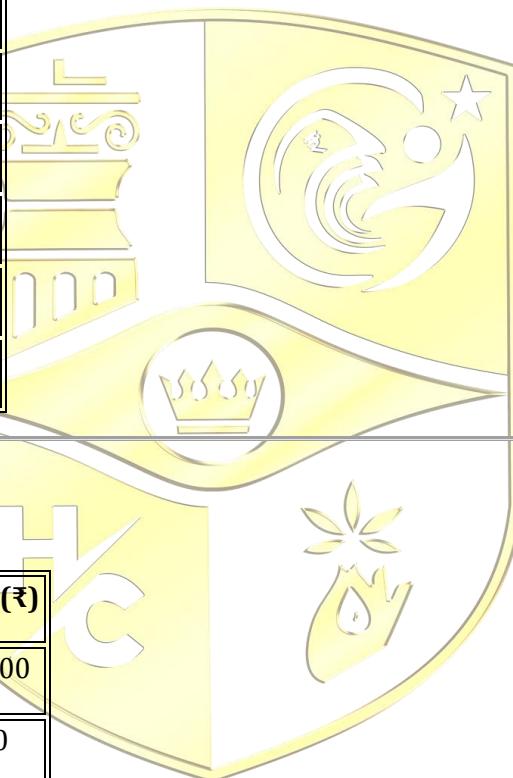
A conservative planning approach is adopted to ensure financial independence throughout retirement.

## 11.4 Retirement Corpus Calculation

| Particulars                       | Amount (₹)         |
|-----------------------------------|--------------------|
| Annual Retirement Expenses        | 53,76,000          |
| Retirement Duration               | 25 Years           |
| Post-Retirement Return Assumed    | 6%                 |
| <b>Required Retirement Corpus</b> | <b>8,90,00,000</b> |

## 11.5 Existing Retirement Assets Review

| Investment Source            | Amount (₹)       |
|------------------------------|------------------|
| EPF                          | 4,50,000         |
| PPF                          | 1,50,000         |
| NPS                          | 2,00,000         |
| Retirement Mutual Funds      | 3,00,000         |
| <b>Total Existing Corpus</b> | <b>11,00,000</b> |



## 11.6 Retirement Gap Analysis

| Particulars                  | Amount (₹)         |
|------------------------------|--------------------|
| Required Retirement Corpus   | 8,90,00,000        |
| Existing Retirement Corpus   | 11,00,000          |
| <b>Retirement Corpus Gap</b> | <b>8,79,00,000</b> |

## 11.7 Retirement Investment Strategy

- Increase retirement-focused equity allocation
- Maximize EPF, PPF, and NPS contributions
- Allocate long-term SIPs specifically for retirement
- Gradually reduce risk 5–7 years before retirement
- Review retirement plan annually

“The retirement gap is expected to be funded through long-term SIPs with annual step-ups and salary growth.”

## SECTION 12

### TAX PLANNING

#### 12. TAX PLANNING

##### 12.1 Current Tax Structure Overview

Both earning members fall under the **individual income tax category** and have income primarily from salary and investments.

| Particulars         | Amit Sharma (₹) | Neha Sharma (₹) |
|---------------------|-----------------|-----------------|
| Gross Annual Income | 18,00,000       | 9,00,000        |
| Nature of Income    | Salary          | Salary          |

##### 12.2 Old Regime vs New Regime Analysis

| Particulars             | Old Regime (₹) | New Regime (₹) |
|-------------------------|----------------|----------------|
| Gross Income            | 18,00,000      | 18,00,000      |
| Deductions & Exemptions | 3,50,000       | Nil            |
| Taxable Income          | 14,50,000      | 18,00,000      |
| Approx. Tax Liability   | 2,45,000       | 2,70,000       |

##### Observation:

The **old tax regime** is currently more beneficial due to higher deductions.

##### 12.3 Available Deductions & Exemptions

| Section                 | Description              | Amount (₹)      |
|-------------------------|--------------------------|-----------------|
| 80C                     | EPF, PPF, ELSS           | 1,50,000        |
| 80D                     | Health Insurance Premium | 50,000          |
| 24(b)                   | Home Loan Interest       | 2,00,000        |
| <b>Total Deductions</b> |                          | <b>4,00,000</b> |

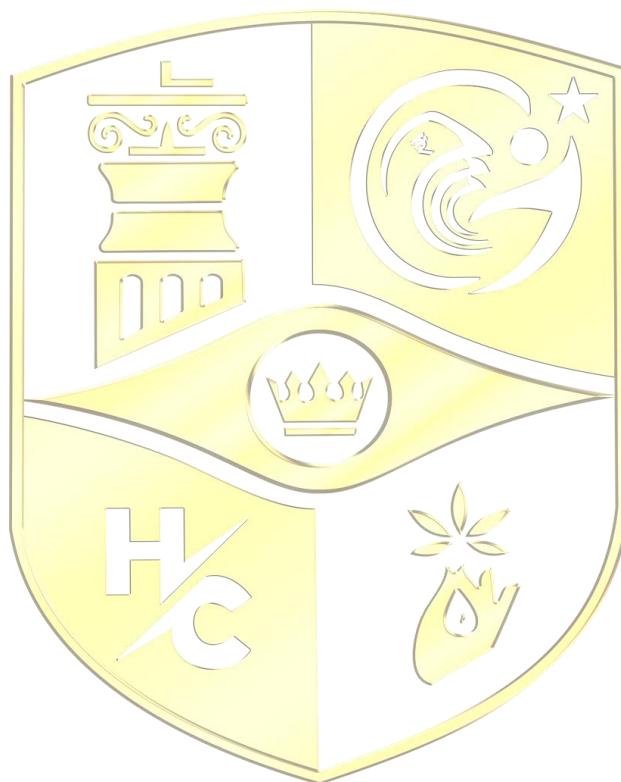
## 12.4 Tax-Efficient Investment Recommendations

- Maximize Section 80C through EPF, PPF, and ELSS
- Use NPS (Section 80CCD(1B)) for additional ₹50,000 deduction
- Structure investments to optimize capital gains taxation
- Avoid frequent churning to reduce short-term tax impact

---

## 12.5 Advance Tax & Compliance Notes

- Review tax position mid-year
- Avoid interest under Sections 234B and 234C
- Maintain proper documentation of investments
- File returns within prescribed timelines



## SECTION 13

### LOAN & LIABILITY MANAGEMENT

#### 13. LOAN & LIABILITY MANAGEMENT

##### 13.1 Existing Loan Summary

| Loan Type     | Outstanding (₹)  | Interest Rate | EMI (₹)       |
|---------------|------------------|---------------|---------------|
| Home Loan     | 28,00,000        | 8.75%         | 16,000        |
| Vehicle Loan  | 4,00,000         | 9.50%         | 3,000         |
| Personal Loan | 1,50,000         | 12.50%        | 3,000         |
| <b>Total</b>  | <b>33,50,000</b> |               | <b>22,000</b> |

##### 13.2 Home Loan Analysis

- Loan tenure remaining: 15 years
- Interest rate is competitive
- Eligible for tax benefit under Section 24(b)
- EMI is within acceptable limits

##### Recommendation:

Continue the home loan while periodically reviewing interest rates for refinancing opportunities.

##### 13.3 Personal & Vehicle Loan Analysis

| Loan Type     | Recommendation           |
|---------------|--------------------------|
| Personal Loan | Prepay on priority       |
| Vehicle Loan  | Continue as per schedule |

High-interest personal loans should be cleared early to reduce interest burden.

##### 13.4 EMI Burden Assessment

| Particulars       | Amount (₹) |
|-------------------|------------|
| Total Monthly EMI | 22,000     |

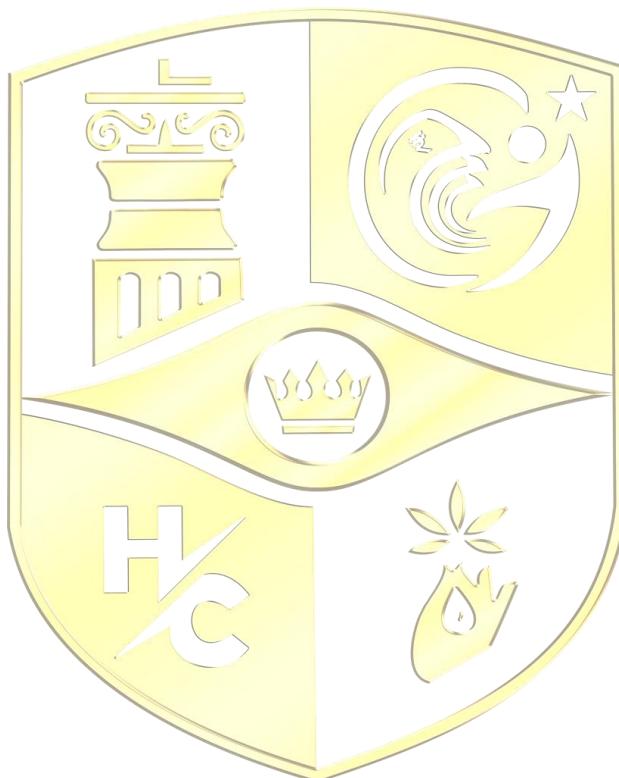
| Particulars         | Amount (₹) |
|---------------------|------------|
| Monthly Income      | 1,90,000   |
| EMI to Income Ratio | 13%        |

An EMI ratio below 30% indicates **healthy debt management**.

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### 13.5 Prepayment vs Investment Evaluation

- Prepay high-interest loans first
- Balance between loan prepayment and long-term investing
- Avoid aggressive prepayment that affects liquidity



## SECTION 14

### ESTATE PLANNING OVERVIEW

#### 14. ESTATE PLANNING OVERVIEW

##### 14.1 Importance of Estate Planning

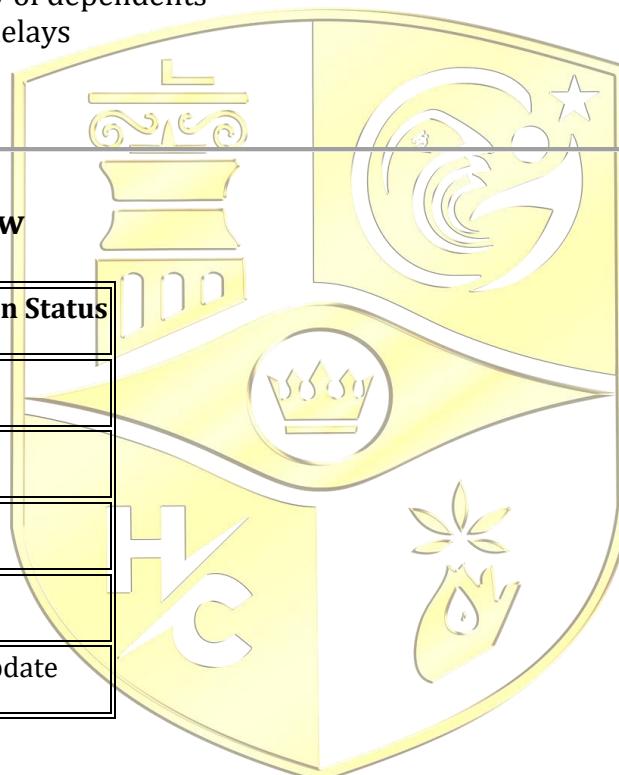
Estate planning ensures that the family's assets are **transferred smoothly and legally** to the intended beneficiaries in the event of death or incapacity.

Proper estate planning helps in:

- Avoiding legal disputes
- Ensuring financial security of dependents
- Reducing administrative delays
- Preserving family wealth

##### 14.2 Nomination Review

| Asset Type         | Nomination Status |
|--------------------|-------------------|
| Bank Accounts      | Available         |
| Mutual Funds       | Available         |
| EPF / PPF          | Available         |
| Insurance Policies | Available         |
| Demat Account      | Pending Update    |



##### Recommendation:

Update nominations regularly and ensure consistency across all financial assets.

##### 14.3 Will Planning Guidance

| Particulars          | Status |
|----------------------|--------|
| Will Prepared        | No     |
| Legal Guardian Named | No     |
| Executor Appointed   | No     |

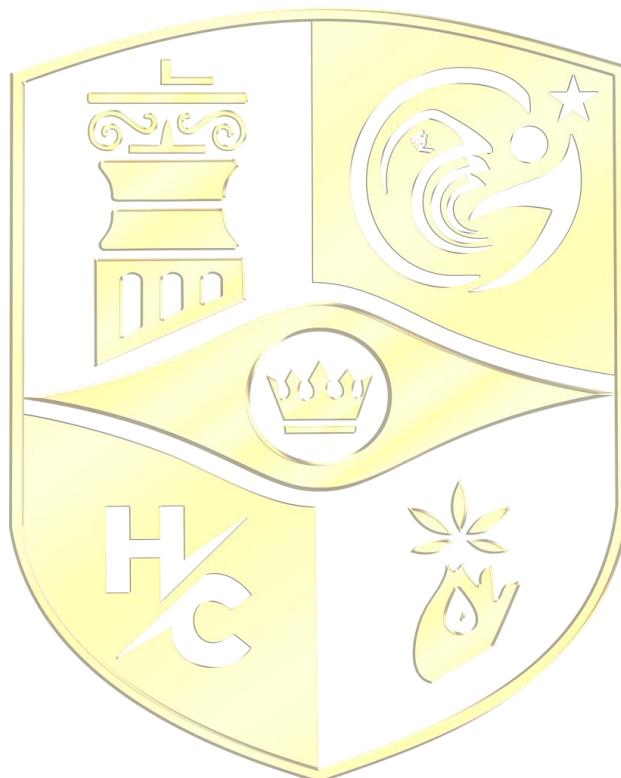
##### Recommendation:

- Prepare a legally valid **written Will**
- Clearly mention guardianship for minor children
- Appoint a trusted executor
- Review Will every 3–5 years or upon major life events

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## 14.4 Family Protection Considerations

- Maintain updated records of all assets and liabilities
- Share information with spouse or trusted family member
- Store documents securely but accessibly
- Align estate planning with insurance and investment planning



## SECTION 15

### ACTION PLAN & IMPLEMENTATION ROADMAP

#### 15. ACTION PLAN & IMPLEMENTATION ROADMAP

##### 15.1 Immediate Action Items (0-6 Months)

| Action Item                        |
|------------------------------------|
| Purchase additional term insurance |
| Add super top-up health insurance  |
| Start emergency fund SIP           |
| Consolidate existing mutual funds  |
| Update nominations across assets   |

##### 15.2 Medium-Term Action Items (6-24 Months)

| Action Item                    |
|--------------------------------|
| Complete emergency fund corpus |
| Increase equity SIP allocation |
| Begin goal-tagged investments  |
| Prepay personal loan           |
| Initiate Will drafting process |

##### 15.3 Long-Term Action Items (Beyond 24 Months)

| Action Item                    |
|--------------------------------|
| Annual portfolio rebalancing   |
| Periodic insurance review      |
| Retirement corpus enhancement  |
| Estate plan review             |
| Lifestyle inflation management |

## Implementation Note:

Successful financial planning requires **discipline, periodic review, and adaptability**. This roadmap is designed to keep the family aligned with long-term objectives while accommodating life changes.

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## SECTION 16

### PORTRFOIO MONITORING & REVIEW FRAMEWORK

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## 16. PORTFOLIO MONITORING & REVIEW FRAMEWORK

### 16.1 Review Frequency

Regular monitoring ensures that the financial plan remains aligned with goals and market conditions.

| Review Type          | Frequency               |
|----------------------|-------------------------|
| Portfolio Review     | Annually                |
| Goal Progress Review | Annually                |
| Insurance Review     | Every 2–3 Years         |
| Retirement Review    | Annually                |
| Tax Review           | Annually (Before March) |

### 16.2 Events Triggering Portfolio Review

In addition to periodic reviews, the following events require immediate reassessment of the financial plan:

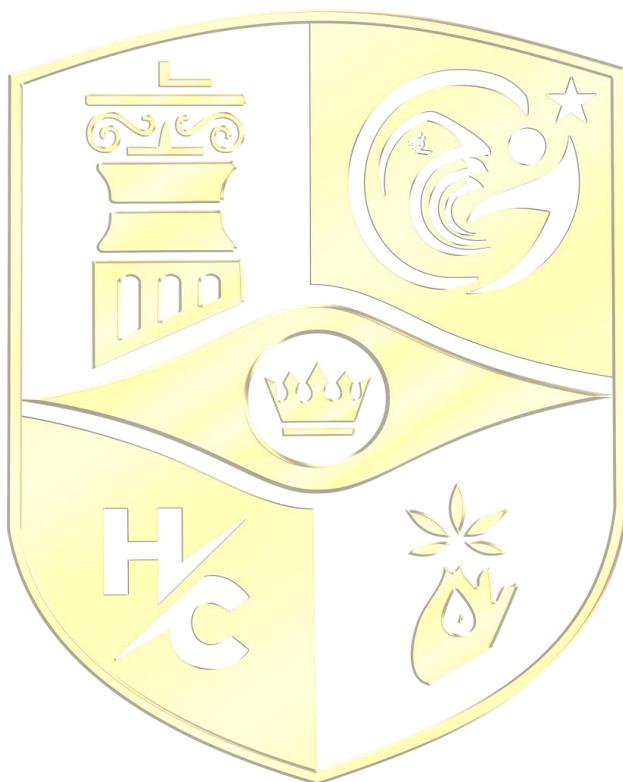
- Change in income or employment status
- Marriage, childbirth, or dependent changes
- Major asset purchase or sale
- Significant market movements
- Health-related emergencies
- Regulatory or tax law changes

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## 16.3 Client-Adviser Communication Process

| Communication Mode    | Purpose                   |
|-----------------------|---------------------------|
| Annual Review Meeting | Comprehensive plan review |
| Email / Reports       | Portfolio updates         |
| Phone / Video Call    | Urgent discussions        |
| Written Action Notes  | Implementation clarity    |

Clear communication ensures transparency, accountability, and disciplined execution of the financial plan.



## SECTION 17

### IMPORTANT ASSUMPTIONS & RISK DISCLOSURES

#### 17. IMPORTANT ASSUMPTIONS & RISK DISCLOSURES

##### 17.1 Market Risk Disclosure

All investments in securities and market-linked instruments are subject to **market risks**, including the possible loss of principal. Past performance of any asset class or investment product **does not guarantee future returns**.

Market movements can be influenced by economic conditions, interest rate changes, geopolitical events, and investor sentiment.

##### 17.2 Product Risk Disclosure

Different financial products carry varying levels of risk:

- Equity-oriented investments are subject to higher volatility
- Debt instruments are subject to interest rate and credit risk
- Mutual funds are subject to market risk
- Insurance products have policy-specific terms and conditions

Clients must understand product features, risks, and suitability before implementation.

##### 17.3 Assumption Sensitivity

This financial plan is based on certain assumptions related to:

- Inflation
- Investment returns
- Tax laws
- Life expectancy

Actual outcomes may vary if these assumptions change. Periodic review helps recalibrate strategies to remain aligned with real-world conditions.

## SECTION 18

### CONCLUSION & WAY FORWARD

#### 18. CONCLUSION & WAY FORWARD

This comprehensive financial planning report presents a **structured, goal-oriented, and disciplined roadmap** for achieving long-term financial security and life goals.

The analysis highlights that the family has:

- Stable and diversified income sources
- Manageable liabilities
- Strong long-term financial potential
- Clear life goals requiring structured execution

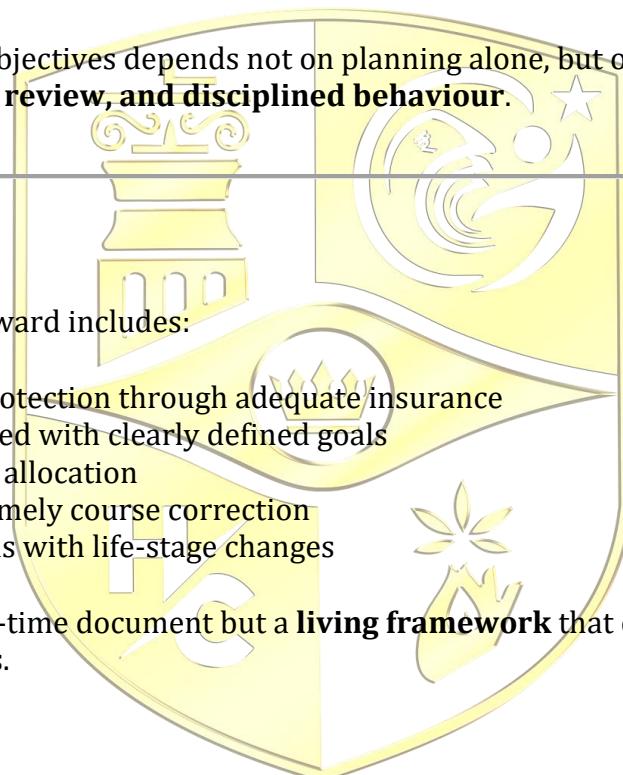
However, achieving these objectives depends not on planning alone, but on **consistent implementation, periodic review, and disciplined behaviour**.

#### Way Forward

The recommended way forward includes:

- Strengthening financial protection through adequate insurance
- Systematic investing aligned with clearly defined goals
- Maintaining optimal asset allocation
- Regular monitoring and timely course correction
- Aligning financial decisions with life-stage changes

A financial plan is not a one-time document but a **living framework** that evolves with time, markets, and personal circumstances.



## SECTION 19

### DISCLAIMER & IMPORTANT NOTES

#### 19. DISCLAIMER & IMPORTANT NOTES

##### 19.1 Purpose of this Sample Financial Plan

This document is a **sample Comprehensive Financial Planning Report** prepared solely for **illustration and educational purposes**. The objective of this report is to help readers understand the **structure, scope, and depth** of a comprehensive financial plan prepared by a SEBI Registered Investment Adviser (RIA).

The data, names, figures, goals, and recommendations mentioned in this report are **hypothetical** and do not pertain to any real individual or family. This report **does not constitute investment advice, tax advice, insurance advice, or legal advice** to any specific person.

##### 19.2 Nature of Demo Data Used

All personal, financial, and goal-related data used in this report are **assumed demo data** created to represent a **typical Indian middle-to-upper-middle-income family of four**, consisting of:

- One earning male member
- One earning spouse
- Two dependent children

The income levels, expenses, assets, liabilities, insurance policies, investments, and goals are **fictional but realistic**, created to demonstrate how a real-life financial plan is constructed and analysed.

Any resemblance to real persons, living or deceased, is purely coincidental.

##### 19.3 Regulatory Disclosure (SEBI RIA)

This sample financial plan is structured in line with the **SEBI (Investment Advisers) Regulations, 2013**, and the fiduciary standards applicable to SEBI Registered Investment Advisers.

A SEBI RIA:

- Acts in a fiduciary capacity
- Provides advice in the best interest of the client
- Does not earn commissions from financial products
- Charges fees directly to clients

This sample report **does not promote or recommend any specific financial product or brand** and avoids any form of commission-based bias.

## 19.4 Limitations of the Report

This sample financial plan has certain inherent limitations, including but not limited to:

- It is based on assumed data and not on actual client information
- Market returns, inflation, and tax laws are subject to change
- Actual investment performance may differ significantly
- Human behaviour, emergencies, and life events cannot be predicted

Readers are advised **not to take financial decisions based on this sample report** and should consult a qualified SEBI Registered Investment Adviser for personalized financial planning.

