

Wise Advice Case Competition 2017

Case Summary

Mohan planned his finances well for a comfortable and enjoyable life with his wife Swati after retirement. He thought of all the aspects that included expenses, world travel, inflation and made investments in bank fixed deposits and low risk debt-oriented hybrid funds. However, life has its own twist and turns. Unexpected and unfortunate events – expensive medical treatment for Mohan’s mother before she passed away, divorce of their daughter Varsha - have created both emotional and financial strain in Mohan and Swati’s smooth life.

We feel privileged to be appointed as an adviser to this family. The appropriateness of our advice will determine whether Mohan and Swati’s financial affairs are put back on smooth track and we are able to make positive difference in their lives. We understand our responsibility well and have carefully evaluated the whole situation. Our advice needs to consider the following important points.

1. Emotional impact due to Varsha’s divorce and anxiety about her independence in the future.
2. Financial uncertainty due to increased expenses
3. Stress in the family due to conflicting solutions towards the future, e.g., buy a house for Varsha or not, what assets to use for purchase, how much risk to take.
4. Uncertainty about investments return potential due to recent appreciation and high valuation of the market (as the index is at all time high levels)

Our Approach

Based on the above considerations, our approach and advice will focus on the following:

1. Current financial status since retirement
2. Reskilling options for Varsha to increase her chances of employability in short period of time
3. Cash Flow Scenarios of Mohan and Swati to evaluate feasibility of available options and help them decide the future course of action
4. Separate cash flow scenario(s) for Varsha and her son Rohan to alleviate Mohan and Swati’s anxiety about her future
5. Adequate Life Insurance for Varsha
6. Health Insurance for Mohan, Swati, Varsha and Rohan
7. Corpus for Emergency expenses for the family
8. Market Outlook for the next 3-5 years
9. Asset Allocation and Investment Plan that has low risk
10. Estate and Succession Planning for Mohan and Swati
11. Summary

Our Solution and Advice

We understand that making Varsha independent is a top priority for Mohan and Swati. They are in a predicament right now to secure their goals and we need to address that. We sincerely believe that they have done an excellent job of planning and providing for their retirement years.

The unforeseen events and circumstances have posed risk to their current planning. We will provide them with the assurance that we will be able to overcome the temporary setback with their determination and our expertise.

1. Current Financial Status

We will first review Mohan and Swati's current financial status. This helps create a baseline and prepare them for a discussion with an open mind. They have created a comfortable lifestyle with purchase of a decent size flat and low-risk investment corpus of 2 Cr financial assets. Though they have planned a travel vacation every year, we think that they would have taken maximum two vacations in the last three years due to the illness of Mohan's mother. Hence their total gains on the debt-oriented portfolio of 1 Cr would be around 34 lakhs in three years (26 lakhs spent on mother's illness, 8 lakhs used in two trips). The annualized return works out to be approximately 10.5% on the mutual fund investments. The Fixed Deposit investment of 1 Cr has been earning a pre-tax return of 8% and providing cash inflow for household expenses.

Mohan and Swati's past inflow-outflow summary based on the data provided is given below. Tax rate of 10% in the second slab (Rs. 2,50,000 – Rs. 5,00,000) is based on past financial year. Planning for future years is done with 5% in this slab as per the latest tax amendment.

Inflow	
Superannuation	₹3,00,000
FD Interest (8%)	₹8,00,000
Total Inflow	₹11,00,000
Outflow	
Tax	₹1,59,650
Expenses	₹9,00,000
Total Outflow	₹10,59,650
Net Cash Flow	₹40,350

We will reiterate to them that the changes required for future planning are:

1. Expense increase from Rs. 75,000 per month to Rs. 1,00,000 per month
2. Renewal of current Fixed Deposits at a lower rate of 6.5%

Mohan and Swati are also considering purchase of a flat for Rs. 60 lakhs near their current residence. Swati believes that Varsha will feel more independent if she has a separate home in her name. Mohan is concerned that this is additional strain on their finances and not sure if they should pursue this idea. We will help them resolve this conundrum with our advice.

2. Training and Reskilling options for Varsha

Since Varsha's well-being and settlement is a priority, we need to address this concern of Mohan and Swati upfront.

It is important that Varsha looks at employment options and starts work at the earliest. She has been a software engineer and working professional before her marriage. Though the IT industry is going through some turmoil due to Visa restrictions and Artificial Intelligence challenges, we believe these are short-term in nature. Both Pune and Bangalore have had tremendous growth in the IT industry. Entrepreneurship and startups are flourishing in India.

If Varsha goes through some training and reskilling programs then she would be able to find a decent job. There will be initial cost which we have factored in the financial plan. We will present to Mohan and Swati some options. Presently, technologies related to databases, data mining and data

analytics are in demand. We have compiled some training options in current technologies for Varsha with salary ranges offered for these skills.

Option 1 – MS SQL Training and Certification

Salary Offered - Rs. 3.5 lakhs – Rs. 4.5 lakhs (<2 years' work experience)

Training – Online

- Udemy.com
- Microsoft.com

Certification that may be done with the cost

- MCSA: SQL 2016 (Rs. 28,800)
 - 761 - 4,800
 - 762 - 4,800
 - 764 - 4,800
 - 765 - 4,800
 - 767 - 4,800
 - 768 - 4,800
- MCSA: SQL Server 2012/2014 (Rs. 28,800)
 - 70-461 - 4,800
 - 70-462 - 4,800
 - 70-463 - 4,800

Option 2 – Hadoop Training and Certification for Big Data

Salary Offered - Rs. 3.5 lakhs (<2 years' work experience), Rs. 4 lakhs – 6 lakhs (>2 years' work experience)

Training

- Edureka - Big Data Hadoop Certification Training - Rs. 19,995 (with certification)
- Simplilearn.com – Big Data Hadoop Architect – Rs. 44,999 (with Masters certification)
- Cognitiveclass.ai - Free

Certification that may be done with the cost

- Cloudera.com (Cloudera Certified Associate (CCA)) - Rs. 19,000
- Hortonworks.com - HDP CERTIFIED DEVELOPER - Rs. 16,500

Option 3 – Android Developer Exam

Salary Offered - < 2.5 lakhs (<2 years), 3 - 6 lakhs (>2 years)

Training

- Udacity.com - ₹13,000/month (4 months)

Certification that may be done with the cost

- Google Developer Certification (Udacity.com) - Rs. 10,500

There are some training options which are in latest upcoming technologies. Enough information is not available about salary since these are latest trends:

- Machine Learning
 - Edureka - Machine Learning with Mahout Certification Training - Rs. 8,899 (with certification)
- AI & Deep Learning
 - Edureka - AI & Deep Learning with TensorFlow Certification Training - Rs. 15,000 (with certification)

3. Cash Flow Scenarios – Mohan and Swati

After addressing the training aspect for Varsha, we will provide Mohan and Swati with three scenarios to assist them in taking a decision on purchasing a flat for Varsha.

In all the scenarios, following assumptions are made

- Varsha will go through a training and skilling program during 2017 and start work in 2018. The cost of training is taken as Rs. 1 lakh during 2017.
- Mohan and Swati will be monetarily supporting Varsha and Rohan for 3 years hence their increased expense of 1 lakhs will be taken until 2019.
- Premium of Rs. 50,000 for medical insurance of Rs. 10 lakh is added in the expense.
- Income considered is post-tax. Taxes are taken at current rates for all years.
- Expenses are inflated by 6% every year.
- Real estate is assumed to grow at 8% rate every year

All cash flows are shown in lakhs and captured until Mohan is 85. A scenario is considered feasible if Financial Assets remain positive till the end.

Scenario 1	Mohan and Swati do not buy a new house for Varsha. They travel every year up to the age of 75 as planned earlier.
Scenario 2	Mohan and Swati buy a new house for Varsha through FD/MF and they put their current 3-bedroom house on Reverse Mortgage. They travel every year up to the age of 75 as planned earlier.
Scenario 3	Mohan and Swati do not buy a new house for Varsha instead they rent a flat. They travel every alternate year up to the age of 75.

Scenario 1 – Mohan and Swati do not buy a new house for Varsha. They travel every year up to the age of 75 as planned earlier

This scenario does not change anything for Mohan and Swati except that they will be supporting Varsha in reskilling and her household expenses for the next 3 years. We have not changed their asset allocation and investments in this scenario. The rationale is to establish a baseline of feasibility as per their earlier planning but with some added expenses. Since they have a comfort level with their current plan, this eases Mohan and Swati into the discussion and makes them amenable to required changes.

The Fixed Deposit income is considered in Income every year. Even though past return on the Mutual Funds is higher, the remaining Financial Assets (Hybrid Mutual Funds) are assumed to grow at 8% rate every year. This is because the past 3 years have seen higher market increase. The long-term return on hybrid funds is expected to be lower. The tables below provide details on Income, Expenses and tax computation for this scenario.

Annual Income from Superannuation	₹3,00,000
Annual interest income from FD.	₹6,50,000
Total Income	₹9,50,000

Deductions	
Income Taxes till 79 years of age	₹96,820
Income Taxes for 80 years of age and above	₹86,520
Other Deductions (if any)	₹0
NET POST TAX INCOME till 79 years of age	₹8,53,180
NET POST TAX INCOME for 80 years of age & Above	₹8,63,480

ANNUAL EXPENSES SCHEDULE	Mohan
House Hold Expenses	12,00,000
Insurance Expenses - Health + Term	50,000
TOTAL ANNUAL EXPENSES	₹12,50,000

TAX COMPUTATION SCHEDULE	Mohan
Gross Total income	₹9,50,000
Less: HRA exemption	₹0
Less: Conveyance Expenses	
Less: Medical Reimbursements	
Less: Professional Tax	
Less: Home Loan Interest Deduction	
Less: Deductions 80 C - ELSS / SCSS / PF	
Less: Deductions 80 D - Health Insurance	-₹30,000
Taxable Income	₹9,20,000
Tax Payable at and above the age of 80 years	₹86,520
Tax Payable upto the age of 79 years	₹96,820

Year	Income	Household Expenses	Annual Travel	Real Estate Inflow	Goal Outflows	Real Estate Outflow	Net Savings	Fin Assets	Real Estate	Liabilities	Net Worth
2017	8.5	12.5			1.0		-5.0	200.0	189.0	-	389.0
2018	8.5	13.3	5.0				-9.8	201.5	220.4		422.0
2019	8.5	14.0	5.4		Cost of Varsha's reskilling		-10.9	198.8	238.1		436.8
2020	8.5	11.3	5.7				-8.5	198.2	257.1		455.3
2021	8.5	12.2	6.0				-9.7	196.4	277.7		474.1
2022	8.5	13.0	6.4				-10.8	193.3	299.9		493.2
2023	8.5	13.7	6.8		Monetary support to Varsha is stopped from here on		-12.0	188.8	323.9		512.7
2024	8.5	14.6	7.2				-13.2	182.7	349.8		532.5
2025	8.5	15.4	7.6				-14.5	174.8	377.8		552.6
2026	8.5	16.4	8.0				-15.9	164.9	408.0		573.0
2027	8.5	17.3	8.5				-17.3	152.8	440.7		593.5
2028	8.5	18.4	9.0				-18.9	138.1	475.9		614.1
2029	8.5	19.5	9.6				-20.5	120.7	514.0		634.7
2030	3.0	20.6					-17.6	110.2	555.1		665.4
2031	3.0	21.9					-18.9	98.0	599.5		697.5
2032	3.0	23.2			Fixed Deposit Income is removed as total assets are just above 1 Cr. We will do reallocation of assets		-20.2	83.7	647.5		731.2
2033	3.0	24.6					-21.6	67.1	699.3		766.4
2034	3.0	26.1					-23.1	48.1	755.2		803.3
2035	3.0	27.6					-24.6	26.3	815.7		842.0
2036	3.0	29.3					-26.3	1.6	880.9		882.5
2037	3.0	31.0					-28.0	-26.3	951.4		925.0
2038	3.0	32.9					-29.9	-57.8	1,027.5		969.7
2039	3.0	34.9					-31.9	-93.2	1,109.7		1,016.5
2040											

Figure 1

The Financial Assets become negative in the last three years as per the Cash Flow in Figure 1 above. We did some more analysis here and if we change the travel plans to every alternate year then this scenario is feasible. The modified cash flow is given below in Figure 2.

Year	Income	Household Expenses	Annual Travel	Real Estate Inflow	Goal Outflows	Real Estate Outflow	Net Savings	Fin Assets	Real Estate	Liabilities	Net Worth
								200.0	189.0	-	389.0
2017	8.5	12.5			1.0		-5.0	203.0	204.1		407.2
2018	8.5	13.3	5.0				-9.8	201.5	220.4		422.0
2019	8.5	14.0					-5.5	204.1	238.1		442.2
2020	8.5	11.3	5.7				-8.5	204.0	257.1		461.1
2021	8.5	12.2					-3.7	208.6	277.7		486.3
2022	8.5	13.0	6.4				-10.8	206.5	299.9		506.4
2023	8.5	13.7					-5.2	209.8	323.9		533.7
2024	8.5	14.6	7.2				-13.2	205.4	349.8		555.3
2025	8.5	15.4					-6.9	207.0	377.8		584.8
2026	8.5	16.4	8.0				-15.9	199.7	408.0		607.7
2027	8.5	17.3					-8.8	198.8	440.7		639.5
2028	8.5	18.4	9.0				-18.9	187.9	475.9		663.8
2029	8.5	19.5					-10.9	183.9	514.0		697.9
2030	3.0	20.6					-17.6	177.3	555.1		732.5
2031	3.0	21.9					-18.9	169.1	599.5		768.6
2032	3.0	23.2					-20.2	159.0	647.5		806.5
2033	3.0	24.6					-21.6	147.0	699.3		846.3
2034	3.0	26.1					-23.1	132.7	755.2		888.0
2035	3.0	27.6					-24.6	116.1	815.7		931.7
2036	3.0	29.3					-26.3	96.8	880.9		977.7
2037	3.0	31.0					-28.0	74.5	951.4		1,025.9
2038	3.0	32.9					-29.9	49.1	1,027.5		1,076.6
2039	3.0	34.9					-31.9	20.1	1,109.7		1,129.9
2040											

Figure 2

This scenario achieves Mohan's goals as planned earlier with reskilling of Varsha. However, travel is in alternate years instead of every year and there is no separate home for Varsha.

Scenario 2 – Mohan and Swati buy a new house for Varsha through FD/MF and they put their current 3-bedroom house on Reverse Mortgage. They travel every year up to the age of 75 as planned earlier.

The next scenario that we will present considers buying Rs 60 lakhs flat for Varsha, which has become available in the same vicinity. This is very important from Swati's perspective.

We will advise on the following changes from Scenario 1 to optimize the planning

- New Asset Allocation and Investments Mix
 - Fixed Deposits and Hybrid Mutual Funds are replaced with pure Liquid, Debt and Equity Mutual Funds.
 - The rationale is that Fixed Deposits as compared to debt funds, yield a lower post tax return with similar level of risk. Debt funds if held for a period of over 3 years, provide indexation benefit to investors earning almost 2% over an FD return.
 - In Scenario 1, Mohan and Swati's expected post-tax return on the portfolio is 6.6%.
 - With the proposed changes, their expected post-tax return will be 8.5% without taking much additional risk. This is the rate assumed in the Cash Flow scenario.
 - We will mention to them that our advisory approach has always been to manage risk well so we are confident that the change will not increase their risk but will have the potential to boost returns by almost 2%.
- Annual Income
 - Fixed Deposit income is discontinued from 2018 due to the new Asset Allocation.
 - Annual amount of Rs. 3 lakhs from Superannuation will be non-taxable from next year as they will not cross the taxable income limit of Rs. 3 lakhs.
 - Income stream from Reverse Mortgage on their existing 3-bedroom flat is added. See below for more details on Reverse Mortgage Lending
- Reverse Mortgage Lending (RML)

- Since Mohan and Swati will buy another flat for Varsha in this scenario, we have looked at an option of supplementing their income with Reverse Mortgage on their current home
- Banks typically lend 80% of the current value of the house which in their case has been considered as 1.89 Cr (8% annual increase for 3 years from 1.5 Cr).
- We have considered a payment period of 12 years because banks may have limit on the maximum payment per month to be Rs. 50,000. The annual interest rate is taken as 12%.
- Based on this the amount that they may expect per month is Rs. 45,000. See below for the calculation.

Lending Amount – 1.51 Cr (80% of 1.89 Cr)

Tenor – 12 years

Monthly Payout – $151 \times 311 = \text{Rs. } 46,961$

Amount Considered – Rs. 45,000

Computation Table for Rs. 1 lakh lending

Tenor (yrs)	10	11	12	13	14	15	16	17	18	19	20
Monthly Installment (Rs.)	432	365	311	267	229	198	172	150	130	114	100

- We are adding corresponding amount at an interest rate of 12% per annum in the liability.
- Mohan and Swati are not obligated to pay back the amount to the RML provider unless they want to retain the house.
- In case, they do not pay the RML provider the amount then their house will be sold after both their time. The loan amount shall be recovered from the proceeds and the difference will be paid to the successor, in this case Varsha.
- The resources section provides for more information on Reverse Mortgage Lending.
- Systematic Withdrawal Plan (SWP)
 - The regular income from Fixed Deposits can easily be simulated with Systematic Withdrawal Plan (SWP). This is tax-efficient as compared to Fixed Deposits. As shown in the cash flow scenario, Mohan and Swati will need to withdraw a certain amount every year from their portfolio. This may be done from a liquid fund marked for this purpose through SWP. The resources section provides an article on SWP and its tax efficiency.

The tables below provide details on Income, Asset Allocation for this scenario. Expenses and outflows remain the same as earlier

Annual Income from Superannuation	₹3,00,000
Reverse Mortgage Lending Income	₹5,40,000
Total Income	₹8,40,000

Total Corpus at the beginning of 2017	₹ 2,00,00,000
Expenses Deficit in 2017 (See Scenario 1)	-₹ 5,00,000
Flat Purchase for Varsha (Scenario 2)	-₹ 60,00,000
Available Corpus	₹ 1,35,00,000

Income 2017 (post tax) - 8.5 lakhs
Expenses 2017 (including reskilling) - 13.5 lakhs
Deficit - 5 lakhs

New Asset Allocation	Liquid	Debt	Equity
Amount	₹ 5,00,000	₹ 91,00,000	₹ 39,00,000
Proportion	3.7%	67.4%	28.9%
Post Tax Returns	5.0%	8.0%	10.0%

Expected Portfolio Return on this Asset Allocation	8.5%
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Year	Mohan Income	Household Expenses	Annual Travel	Real Estate Outflow	Goal Outflows	Net Savings	FA - Consolidated View	Real Estate	Liabilities	Net Worth
2017	8.5	12.5		60.0	1.0	-65.0	135.0	189.0	-	189.0
2018	8.4	13.3	5.0			-9.9	136.6	220.4	5.8	339.2
2019	8.4	14.0	5.4			-11.0	137.2	238.1	12.2	351.3
2020	8.4	11.3	5.7		RML Payout Starts	-8.6	140.3	257.1	19.5	363.1
2021	8.4	12.0	6.0			-9.6	142.6	277.7	27.5	378.0
2022	8.4	12.7	6.4			-10.7	144.0	299.9	36.6	392.8
2023	8.4	13.5	6.8		Monetary support to Varsha is stopped from here on	-11.8	144.5	323.9	46.8	407.4
2024	8.4	14.3	7.2			-13.0	143.7	349.8	58.2	421.6
2025	8.4	15.1	7.6			-14.3	141.6	377.8	70.9	435.4
2026	8.4	16.1	8.0			-15.7	137.9	408.0	85.2	448.5
2027	8.4	17.0	8.5		RML Payout Ends	-17.1	132.5	440.7	101.2	460.8
2028	8.4	18.0	9.0			-18.7	125.1	475.9	119.1	472.0
2029	8.4	19.1	9.6			-20.3	115.4	514.0	139.1	481.9
2030	3.0	20.3				-17.3	107.9	555.1	155.8	490.3
2031	3.0	21.5				-18.5	98.6	599.5	174.5	507.3
2032	3.0	22.8				-19.8	87.3	647.5	195.4	523.7
2033	3.0	24.1				-21.1	73.5	699.3	218.9	539.3
2034	3.0	25.6				-22.6	57.2	755.2	245.2	554.0
2035	3.0	27.1				-24.1	38.0	815.7	274.6	567.3
2036	3.0	28.7				-25.7	15.4	880.9	307.5	579.0
2037	3.0	30.5				-27.5	-10.7	951.4	344.4	588.8
2038	3.0	32.3				-29.3	-40.9	1,027.5	385.8	596.2
2039	3.0	34.2				-31.2	-75.6	1,109.7	432.0	600.8
2040										602.0

Figure 3

The Financial Assets become negative in the last three years as per the Cash Flow in Figure 3 above. We did some more analysis here and if we change the travel plans to every alternate year then this scenario is feasible. The modified cash flow is given below in Figure 4.

Year	Mohan Income	Household Expenses	Annual Travel	Real Estate Outflow	Goal Outflows	Net Savings	FA - Consolidated View	Real Estate	Liabilities	Net Worth
2017	8.5	12.5		60.0	1.0	-65.0	135.0	189.0	-	189.0
2018	8.4	13.3	5.0			-9.9	136.6	220.4	5.8	339.2
2019	8.4	14.0				-5.6	142.6	238.1	12.2	351.3
2020	8.4	11.3	5.7		RML Payout Starts	-8.6	146.1	257.1	19.5	368.4
2021	8.4	12.0				-3.6	154.9	277.7	27.5	383.8
2022	8.4	12.7	6.4			-10.7	157.4	299.9	36.6	405.1
2023	8.4	13.5			Monetary support to Varsha is stopped from here on	-5.1	165.7	323.9	46.8	420.7
2024	8.4	14.3	7.2			-13.0	166.8	349.8	58.2	442.9
2025	8.4	15.1				-6.7	174.2	377.8	70.9	458.4
2026	8.4	16.1	8.0			-15.7	173.3	408.0	85.2	481.1
2027	8.4	17.0			RML Payout Ends	-8.6	179.4	440.7	101.2	496.2
2028	8.4	18.0	9.0			-18.7	176.0	475.9	119.1	518.9
2029	8.4	19.1				-10.7	180.2	514.0	139.1	532.9
2030	3.0	20.3				-17.3	178.3	555.1	155.8	555.1
2031	3.0	21.5				-18.5	175.0	599.5	174.5	577.6
2032	3.0	22.8				-19.8	170.1	647.5	195.4	600.0
2033	3.0	24.1				-21.1	163.4	699.3	218.9	622.1
2034	3.0	25.6				-22.6	154.7	755.2	245.2	643.8
2035	3.0	27.1				-24.1	143.7	815.7	274.6	664.8
2036	3.0	28.7				-25.7	130.2	880.9	307.5	684.8
2037	3.0	30.5				-27.5	113.8	951.4	344.4	703.6
2038	3.0	32.3				-29.3	94.2	1,027.5	385.8	720.8
2039	3.0	34.2				-31.2	70.9	1,109.7	432.0	735.9
2040										748.6

Figure 4

This scenario achieves most of Mohan and Swati's aspirations except for two constraints which are:

- Travel is in alternate years instead of every year
- Current home ownership is diluted

We have not considered a scenario where the current house is sold. Mohan and Swati will need to move into a smaller house. They will still need to buy a flat for Varsha. The change may be too much to handle and this may have a negative effect. Besides, any sale may take 6-9 months for completion and can be stressful especially when financial crunch is there. We do not want to sell in distress.

We believe the Reverse Mortgage provides Mohan and Swati an option to continue to stay in the current place till the end of their life. There is no compromise on their current lifestyle which they have painstakingly built.

Scenario 3 – Mohan and Swati do not buy a new house for Varsha instead they rent a flat. They travel every alternate year up to the age of 75.

We have tried to find a scenario that does not require purchase of a new flat but at the same time addresses Swati's concern about Varsha's independence. This scenario considers renting a one-bedroom flat for Varsha and Rohan in the same vicinity. Mohan and Swati will support their daughter on the rental till the ownership of their current flat transfers to her after their time.

We will advise on the following changes from Scenario 2.

- Rental Expense
 - Assuming a rental yield of 2% (prevalent in India), one bed-room flat with current value of Rs. 60 lakhs will fetch a rent of 1.2 lakhs per year. This is inflated at 6% every year along with other expenses.
- New Asset Allocation and Investments Mix
 - The Asset Allocation and Investments Mix is same as Scenario 2 but will be done on the corpus of Rs. 195 lakhs
- Annual Income
 - There is no income stream from Reverse Mortgage Lending (RML) so the annual income will be Rs. 3 lakhs from Superannuation. This will be non-taxable as mentioned in Scenario 2.

The tables below provide details on Income, Expenses and Asset Allocation for this scenario.

Annual Income from Superannuation	₹3,00,000
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ANNUAL EXPENSES SCHEDULE	On Flat Rent
House Hold Expenses	12,00,000
Insurance Expenses - Health + Term	50,000
Rent for Varsha	1,20,000
TOTAL ANNUAL EXPENSES	₹13,70,000

Total Corpus at the beginning of 2017	₹ 2,00,00,000
Expenses Deficit in 2017 (See Scenario 1)	-₹ 5,00,000
Available Corpus	₹ 1,95,00,000

Income 2017 (post tax) - 8.5 lakhs
 Expenses 2017 (including reskilling) - 13.5 lakhs
 Deficit - 5 lakhs

New Asset Allocation	Liquid	Debt	Equity
Amount	₹ 5,00,000	₹ 1,33,00,000	₹ 57,00,000
Proportion	2.6%	68.2%	29.2%
Post Tax Returns	5.0%	8.0%	10.0%

Expected Portfolio Return on this Asset All	8.5%
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Year	Mohan Income	Household Expenses	Annual Travel	Real Estate Outflow	Goal Outflows	Net Savings	FA - Consolidated View	Real Estate	Liabilities	Net Worth	
2017	8.5	12.5			1.0	-5.0	189.0	195.0	204.1	-	189.0
2018	3.0	14.5	5.0			-16.5	195.1	220.4	-	415.6	
2019	3.0	15.3				-12.3	199.4	238.1	-	437.5	
2020	3.0	12.7	5.7			-15.3	201.0	257.1	-	458.1	
2021	3.0	13.4				-10.4	207.6	277.7	-	485.4	
2022	3.0	14.2	6.4			-17.6	207.7	299.9	-	507.6	
2023	3.0	15.1				-12.1	213.3	323.9	-	537.2	
2024	3.0	16.0	7.2			-20.2	211.2	349.8	-	561.1	
2025	3.0	16.9				-13.9	215.3	377.8	-	593.1	
2026	3.0	18.0	8.0			-23.0	210.5	408.0	-	618.6	
2027	3.0	19.0				-16.0	212.4	440.7	-	653.1	
2028	3.0	20.2	9.0			-26.2	204.2	475.9	-	680.2	
2029	3.0	21.4				-18.4	203.2	514.0	-	717.2	
2030	3.0	22.7				-19.7	200.8	555.1	-	755.9	
2031	3.0	24.0				-21.0	196.8	599.5	-	796.3	
2032	3.0	25.5				-22.5	191.1	647.5	-	838.6	
2033	3.0	27.0				-24.0	183.3	699.3	-	882.6	
2034	3.0	28.6				-25.6	173.2	755.2	-	928.5	
2035	3.0	30.3				-27.3	160.6	815.7	-	976.3	
2036	3.0	32.2				-29.2	145.1	880.9	-	1,026.0	
2037	3.0	34.1				-31.1	126.3	951.4	-	1,077.7	
2038	3.0	36.1				-33.1	103.9	1,027.5	-	1,131.4	
2039	3.0	38.3				-35.3	77.4	1,109.7	-	1,187.2	
2040											

Figure 5

Since the rent of Rs. 1.2 lakh is added in 2018, the total of Rs. 14.5 lakh has the inflated amount of Rs. 12.5 lakhs in 2017.

The scenario is feasible as the financial assets remain positive till the end of the planning year. Though this scenario does not provide a separate flat for Varsha it has following advantages

- Varsha will have the feeling of independence and freedom as she is staying separately. If she does better than the conservative 10% income growth assumed in her plan, she may be able to take care of the rental herself.
- It is possible to defer and buy a separate flat by Varsha later once her immediate career settlement requirements are taken care of and the future becomes more clear
- There will be support to her for Rohan's care as she can continue to stay in the vicinity.
- Ownership of Mohan and Swati's current bigger 3-bedroom flat is not diluted through Reverse Mortgage Lending (RML) and they may pass on the ownership to Varsha after their time. This also takes care of the future need of a bigger home for Varsha.
- Though the travel is every alternate year for Mohan and Swati, the previous two scenarios also become feasible only when the travel plan is changed to alternate years.

We will summarize the three scenarios as given below to help Mohan and Swati take the right decision. We believe this approach handles Mohan and Swati's emotions well, resolves their differences amicably and helps arrive at a common solution.

	1	2	3
New Expenses Planned	✓	✓	✓
New Flat for Varsha	✗	✓	✗
Varsha's Settlement in Career	✓	✓	✓
Varsha's Independence	✗	✓	✓
Travel Every Year till age 75	✗	✗	✗
Travel Alternate Year till age 75	✓	✓	✓
Ownership of the current flat	✓	✗	✓
Investment Risk	Low	Low	Low
Optimized Portfolio	✗	✓	✓
Health Insurance	✓	✓	✓
Overall Feasibility	✓	✓	✓

4. Financial Plan and Cash Flow Scenario – Varsha and Rohan

Mohan and Swati are not only worried about their finances but are also concerned how Varsha will achieve her financial freedom. We will create a basic financial plan for Varsha and Rohan to reassure the family. The financial plan will consider the following

- Household expenses of Rs. 25,000 from 3rd year onwards.
- Schooling expenses for Rohan
- College graduation goal for Rohan
- Term Insurance for a premium of Rs. 5,000 starting from 2018 for Rs. 40 lakhs
- Health Insurance for a premium of Rs. 10,000 starting from 2018 for Rs. 5 lakhs
- All expenses inflated at 6%
- Annual inflow from salary for Varsha considered at 4 lakhs from 2018 after reskilling. Income growth rate assumed at 10%
- Flat value of 60 lakhs not captured in the Net worth as this is never considered for Goals and Expenses Planning.

The tables below provide details on Rohan's goal, initial tax calculation with 80C saving of 1.5 lakhs.

Financial Goals	Year of Goal	No of Years to Goal	Financial Goal at Today's	Future Value of the	Net Savings required for Goal	Estimated Monthly Savings
Graduation Goal of Rohan	2032	15	₹ 5,00,000	₹ 11,98,279	₹ 11,98,279	₹ 4,100
Graduation Goal of Rohan	2033	16	₹ 5,00,000	₹ 12,70,176	₹ 12,70,176	₹ 3,936
Graduation Goal of Rohan	2034	17	₹ 5,00,000	₹ 13,46,386	₹ 13,46,386	₹ 3,793
Graduation Goal of Rohan	2035	18	₹ 5,00,000	₹ 14,27,170	₹ 14,27,170	₹ 3,666
Total			₹ 20,00,000	₹ 52,42,011	₹ 52,42,011	₹ 15,495

TAX COMPUTATION SCHEDULE	Varsha
Gross Total income	₹4,00,000
Less: HRA exemption	
Less: Conveyance Expenses	-₹19,200
Less: Medical Reimbursements	-₹15,000
Less: Professional Tax	-₹2,400
Less: Home Loan Interest Deduction	
Less: Deductions 80 C - ELSS / SCSS / PF	-₹1,50,000
Less: Deductions 80 D - Health Insurance	-₹10,000
Taxable Income	₹2,03,400
Tax Payable	₹0

Year	Varsha's Income	Tax Savings (80C Investment)	Household Expenses	Real Estate Inflow	Goal Outflows	Total Savings (incl 80C)	Fin Assets	Real Estate	Liabilities	Net Worth
2017										
2018	4.0	1.5	0.2			3.9	3.9			3.9
2019	4.4	1.5	0.2			4.2	8.4			8.4
2020	4.8	1.5	4.7			0.1	9.2			9.2
2021	5.3	1.5	5.0			0.3	10.3			10.3
2022	5.9	1.5	5.3			0.5	11.7			11.7
2023	6.4	1.5	5.6			0.8	13.5			13.5
2024	7.1	1.5	6.0			1.1	15.8			15.8
2025	7.8	1.5	7.3			0.4	17.5			17.5
2026	8.6	1.5	7.8			0.8	19.8			19.8
2027	9.4	1.5	8.3			1.2	22.7			22.7
2028	10.4	1.5	8.7			1.6	26.2			26.2
2029	11.4	1.5	10.3			1.1	29.6			29.6
2030	12.6	1.5	10.9			1.7	33.8			33.8
2031	13.8	1.5	11.5			2.3	38.9			38.9
2032	15.2	1.5	12.2		12.0	-9.0	33.2			33.2
2033	16.7	1.5	13.0		12.7	-9.0	27.1			27.1
2034	18.4	1.5	13.7		13.5	-8.8	20.6			20.6
2035	20.2	1.5	14.6		14.3	-8.6	13.7			13.7
2036	22.2	1.5	15.4			6.8	21.6			21.6
2037	24.5	1.5	16.4			8.1	31.6			31.6
2038	26.9	1.5	17.4			9.6	43.8			43.8
2039	29.6	1.5	18.4			11.2	58.7			58.7
2040	32.6	1.5	19.5			13.1	76.8			76.8
2041	35.8	1.5	20.7			15.1	98.4			98.4
2042	39.4	1.5	21.9			17.5	124.3			124.3
2043	43.3	1.5	23.2			20.1	155.0			155.0
2044	47.7	1.5	24.6			23.1	191.2			191.2
2045	52.4	1.5	26.1			26.3	233.8			233.8
2046	57.7	1.5	27.7			30.0	283.7			283.7
2047	63.5	1.5	22.0			41.5	349.2			349.2
2048		-	18.6			-18.6	360.3			360.3
2049		-	19.8			-19.8	371.1			371.1
2050		-	21.0			-21.0	381.7			381.7
2051		-	22.2			-22.2	392.0			392.0
2052		-	23.5			-23.5	401.7			401.7
2053		-	25.0			-25.0	410.9			410.9
2054		-	26.5			-26.5	419.4			419.4
2055		-	28.0			-28.0	427.0			427.0
2056		-	29.7			-29.7	433.6			433.6
2057		-	31.5			-31.5	438.9			438.9
2058		-	33.4			-33.4	442.8			442.8
2059		-	35.4			-35.4	445.1			445.1
2060		-	37.5			-37.5	445.4			445.4
2061		-	39.8			-39.8	443.5			443.5
2062		-	42.2			-42.2	439.0			439.0
2063		-	44.7			-44.7	431.6			431.6
2064		-	47.4			-47.4	420.9			420.9
2065		-	50.2			-50.2	406.5			406.5
2066		-	53.2			-53.2	387.8			387.8
2067		-	56.4			-56.4	364.3			364.3
2068		-	59.8			-59.8	335.5			335.5
2069		-	63.4			-63.4	300.6			300.6
2070		-	67.2			-67.2	259.0			259.0
2071		-	71.2			-71.2	209.7			209.7
2072		-	75.5			-75.5	152.0			152.0
2073										

Figure 6

The cash flow scenario is feasible for Varsha and Rohan. We believe that it will only get better if Varsha is motivated to build her career and willing to put in stretch efforts.

5. Life Insurance for Varsha

Once Varsha gets a job (an income of Rs 4 Lakhs at the start), then she could look to take a term insurance in her name. As per the analysis on Insurance, Varsha needs a life cover of Rs. 1.12 Cr. Typically, she can take a term insurance for about 10 times her current salary which will mean a term insurance value of Rs 40 lakhs. For a cover of Rs 40 Lakhs the premium on the term cover could cost Rs 4,000 - Rs. 7,500. We have considered Rs 5,000 premium for term insurance cover in our financial planning for the family.

LIFE INSURANCE FOR VARSHA	Varsha
Current Age	30
Retirement Age	60
Life Expectancy	85
Earning Years	30
Inflation assumed	6%
Rate of return for corpus	8%
Household expenses(Non-Discretionary)	₹ 4,00,000
Spouse's Age	
Spouse Income, if any	
Spouse Retirement Age, if any	
Assumed income growth %	10%
Future value of spouse income	₹ 0
Real rate of return	1.89%
Liabilities outstanding	₹ 0
Goal outflows required	₹ 20,00,000
Expense Outflows	₹ 92,71,307
Retirement Plan(For Spouse)	₹ 0
Corpus Required	₹ 1,12,71,307
Total Insurance Required	₹ 1,12,71,307
Existing Insurance	₹ 0
Additional Insurance Required	₹ 1,12,71,307

Initial Expense - Rs. 3 lakhs Household + Rs. 1 lakh Schooling

Assumed only Graduation goals, which is a high priority needs to be funded.

We would recommend basic cover option for the term insurance without adding for any riders and options like staggered pay-outs etc. The reason being that we would like to keep the premiums low and ensure there is a basic cover for Varsha. Staggered pay out options have low rate of return built in to it and is good only if Varsha is not able to handle any lump sum pay-outs. But we think Varsha is in good health and will over a course of time become independent in managing family's emotional and financial affairs. Thus, we would recommend Varsha to take a term insurance after getting a job for a cover of 10 times her annual salary for approx. Rs 40 Lakhs for 30 years. Subsequently as her salary increases we would recommend her to take term cover of another 35 lakhs. The required term cover for her is Rs 1.12 Crore, but we recommend not to take entire term cover, since the term cover requirements keep reducing with the passage of time and as more assets are created. After some years, Varsha may look to discontinue one of the policies based on the reduced insurance coverage requirement.

The typical premiums are as follows given in the table below from couple of Insurance companies. **Kotak e-preferred term plan will be the one that we would suggest and is also a popular term plan in the insurance market.**

Sl.No	Name of Insurance Policy	Policy classification	sub	Tenure of Policy	Sum Insured	Insurance Premium (approx.)
1	HDFC Click to Protect	Basic Life Cover, Immediate Payout		30 Years	40 Lakhs	5,500

2	Kotak e-Preferred Term Plan	Basic, Payout	Immediate	30 Years	40 Lakhs	4,000
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6. Health Insurance for Mohan, Swati, Varsha and Rohan

We recommend the health insurance be taken in 2 parts:

1. One Health Insurance plan which covers Mohan and Swati
2. Another Health Insurance plan which covers Varsha and Rohan

The reason being that Mohan and Swati are Seniors citizens and will therefore increase premiums for Varsha and Rohan if we group them along with Mohan and Swati. While arriving at the health coverage required for family members, we need to look in to their age, standard of living, income expense and savings levels, health condition with ailments if any, cost of increase in medical expenses, ability to pay health insurance premium, ability to manage unexpected large expense.

We would recommend Rs 10 Lakh sum assured health insurance for Mohan and Swati in family floater format. The insurance premium for this policy will be approx. Rs 50,000 and we have planned the same in the household expenses in the family's financial plan. We will also advice Mohan and Swati to disclose their existing ailments if any, to avoid future rejection of claims that may arise due to non-disclosures. With medical costs increasing, Rs 10 Lakh health cover will be a necessity. Mohan had earlier spent Rs 26 lakhs for his mother's hospitalisation. Ideally, we would recommend Mohan to have higher health insurance coverage, but that will increase the cash outflow which could put a strain on family financials. If in case Mohan prefers to add some extra cover, we would recommend him to take a top up cover of another Rs 5 Lakhs with Rs 10 Lakh as deductible in the policy, later when his financial situation stabilises, which will keep the premium outflow at manageable levels.

In parallel, we will recommend Rs 5 Lakh health insurance cover for Varsha and Rohan in a family floater format. Considering Varsha's and Rohan's age, a lesser cover is fine for now. Their probability of getting hospitalised will be less and would also avoid higher outflow of health insurance premium if they seek higher coverage (*unless Varsha's health in not in good shape*). But we will recommend Varsha to increase their health insurance cover to Rs 10 Lakhs or Rs 15 Lakhs though a top policy (*with Rs 5 lakhs as deductible*) in about 3 to 5 years' time frame. The reason being that, increasing the health insurance cover would be easy when Varsha is below 40 years of age and the top up ensures reduced premium outflow for a higher coverage. Insurance companies do not give increased coverage due the higher risk probability after 40 years of age. In 5 years' time, Varsha would have settled down financially to support higher expenses for the family including higher health insurance premiums. The health insurance premium for Rs 5 Lakhs coverage based on quotes provided by insurance companies for Varsha (whose age is assumed to be 30 years) and Rohan (2 years old) will be approx. Rs 10,000.

Sl.No	Name of the person Insured	Name of Insurance Policy	Basic Sum Insured	Insurance Premium (approx.)
1	Mohan and Swati	Apollo Optima Family Restore	10.00 Lakhs	55,000
2	Mohan and Swati	Religare Heath	10.00 Lakhs	49,000
3	Varsha and Rohan	Apollo Optima Family Restore	5.00 Lakhs	10,000
4	Varsha and Rohan	Religare Heath	5.00 Lakhs	9,000

The choice of insurance policy depends on claim settlement ratio, time take to process claims, medical check-ups required at time of enrolment into policy, policy terms and conditions, ailments covered, exclusions periods of ailments in policy, room rent coverage, specific illness coverage etc. We will therefore ideally get in an insurance specialist who will help the family to choose the correct policy and explain the policy terms and conditions clearly. We will also be involved in the process of selection of appropriate insurance policy, so that the family members are not mis-sold incorrect health and term insurance policies.

7. Emergency Corpus for the family

Since the current monthly household expense for the family is 1 lakh, we recommend keeping 5 months of expenses as reserve. Thus, we will maintain Rs. 5 lakhs in Liquid Funds. The same has been considered in the Asset Allocation.

8. Market Outlook for the next 3-5 years

Mohan has been concerned about the rising market since the index has already crossed 30k. We will provide Mohan and Swati with a market outlook for the next 3-5 years to address this concern. A sample market outlook is given below

“Current market levels are on the higher side for the 3-year horizon period until prices revise downwards by a significant margin. Leaving the broad index and looking at specific segments like the small caps and mid-caps can generate higher returns because of sector specific and stock specific factors. The sectors that could benefit in the next 3 years include consumption related sectors like FMCG and Retail, PSU companies. This is due to current low valuation and expected Government stimulus to Infra through PSU’s. Corporate debt restructuring in debt heavy infra companies could make Infra attractive in general. Pharmaceuticals could emerge as a value proposition as the market participants continue to punish such stocks to near 50% levels even though US market sales are way lesser than 50% for the pharmaceutical industry.

Participation in equity through passive decisions may have less effective returns. Specific funds need to be selected in each category keeping in mind their investment philosophy, sector selection, ability to select stocks.

On the debt market side, we feel that short term interest rates could see a 100 basis points decline from the current level. Assuming everything else remains the same, the RBI would have to reduce rates if Inflation goes below their targeted rate. A normal monsoon should ensure stability to the current levels. Moreover, India and Indonesia represent a rare pocket in emerging market space where rating agencies could think of upgrading their views on the Sovereign Ratings.

Low Duration Corporate Bond space and 5-10 Years Maturity G-Sec bonds are likely to outperform keeping in view possible rate cuts and reforms that would help the corporate bond space.”

9. Asset Allocation and Investment Plan that has low risk

Mohan and Swati Assets

Their current allocation to debt is 1.75 Cr (1 Cr FD + 75% of Hybrid Funds of 1 Cr) and to equity is 25 lakhs (25% of Hybrid Funds of 1 Cr). A comparison between the current asset allocation and the proposed allocation in Scenarios 2 and 3 is given below.

	Current	Proposed
Debt	87.5%	70%
Equity	12.5%	30%
Expected Return (post-tax)	6.6%	8.5%

Investing a very small amount in Equity market will not overcome inflation. Though Equity markets may seem risky but if done prudently, investments in Equities will generate inflation-beating returns. Hence, we have increased the allocation to Equities. The risk profile of the Proposed Asset Allocation does not increase significantly and is similar in nature to the Current Allocation. However, the change is expected to boost returns by almost 2%.

As mentioned earlier, Fixed deposits are tax inefficient. Our proposed asset allocation includes an allocation of Rs 5 lakhs to Liquid Funds in the Debt category. The remaining debt amount should be allocated to less interest rate sensitive 2-3 debt mutual funds. The equity allocation of 30% should be equally divided amongst diversified 2 large cap and 2 mid cap mutual funds. Resources section provides information on available mutual funds.

We would suggest the exact fund names once Mohan and Swati make the required planning decisions.

Varsha Assets

When Varsha starts working and saving, we will recommend her asset allocation to start with Debt – 70% and Equity – 30%. This is because initially the ability to take risk is low for Varsha. The initial products will be primarily EPF, ELSS for 80C savings and some debt/equity mutual funds. The mode of investment will be Systematic Investment Plan (SIP).

Over a few years of building the assets, we will recommend the asset allocation to change to Debt – 50% and Equity – 50%. Later, Varsha may even consider investing some amount in Company stocks in the equity allocation with the help of expert advice.

10. Estate and Succession Planning

Estate and Succession planning is an important part of financial planning. This is applicable for all individuals irrespective of their age. We would recommend the following points in relation to this topic:

1. We will check if Mohan and Swati have made their Wills. If not then we will work with them and guide them to make their Wills. Mohan's and Swati's Wills must be prioritised due to their age. We will also subsequently start working with Varsha's Will.
2. The key factors and steps required for their estate planning would be as follows:
 - a. Identify and make a list of their assets and liabilities
 - b. Do an audit of the assets to understand their mode of holding and nominations
 - c. Help them to identify the executors for the execution of the Will after their life time
 - d. Guide them to make decisions and help them put in the Will the percentage of distribution of assets.
 - e. Arrange Witness for the Will execution
 - f. Register the Will (*where possible, not mandatory*) to avoid any issues on validity of Wills later
3. We will also intimate them about the need to review their Wills every few years, since nothing is constant in the Will and the contents keep changing – assets could change, their intentions could change, family could change etc.
4. For Mohan and Swati's Wills, considering their family is small, we would recommend them to make mirror wills for each other, thus giving assets to each other after their life time. However, if Mohan and Swati has different preferences, that should get accommodated as per their wish in their Wills. At the same time, we will also recommend them to build a clause in their Will, where after Mohan and Swati's life time, all the assets will be transferred to Varsha. This will ensure that Mohan and Swati are secure financially for their life time and not having to be dependent on Varsha for their retirement life expenses. They should let their financial advisor or someone they trust, know about the existence of the Will.
5. Varsha should have Testamentary guardian named in her Will or in a separate document. This will ensure that as far as Rohan is a minor, the guardian can open bank accounts and investments accounts using the Testamentary guardian status as specified by Varsha in her Will. We would recommend Varsha not to appoint Mohan or Swati as testamentary guardian since they are senior citizens and would instead request her to choose a trust worthy person to be named as testamentary guardian of a relatively younger age having reasonable experience.

Mode of Operation of Financial and Fixed Assets:

1. We will recommend all fixed and financial assets of Mohan and Swati to be held in joint name. The reasons being as follows:
 - a. If the assets were built out of sources of Mohan, then we will recommend Mohan to be the first holder and Swati to be the second holder. If the assets were built out of sources pertaining to Swati, then we would recommend Swati to be the first holder and Mohan the second holder. This way we will know that first holder owns and pays taxes that arise out income from such assets held by him as the first holder

- b. We will recommend Either or Survivor mode (ERS) in the joint holding. When we do joint holding of investments in ERS mode, it's easy to operate and transfer the assets, both before and after either of the joint holder's life time.
 - c. The joint holder surviving will be operating the assets as an executor for the asset and will not get ownership. The WILL document will precede nominations and joint holdings. However, transmission will be easy.
 - d. The nomination for Mohan's and Swati's assets will be Varsha, wherever possible. So that if Mohan and Swati are not there at same time, the asset can be transmitted easily to Varsha.
2. We will recommend that all fixed and financial assets created by Varsha from her future earnings to be Jointly held with Swati (*as a second holder*), unless Varsha has any specific preference – specially of a person younger in age. The reasons being as follows:
- a. Swati is assumed to be younger by age compared to Mohan
 - b. Rohan will be nominee for all the assets held by Varsha, wherever nomination is possible
 - c. Since Rohan is a minor, we would recommend Varsha not to invest in his name, since there are hurdles while changing the mode of the account and its operation when he turns a major.

11. Summary

Our approach has been to emphasize on the emotional aspect and address Mohan and Swati's concerns. They should not be encumbered by their past actions and need to have an open mind to review all the aspects. Our advice will provide Mohan and Swati with various options to make informed decisions.

It is possible that Mohan may choose to take up a consultancy/part-time assignment that supplements their income. In such a case, more travel than planned in the scenarios, may be feasible. Our preference would be Scenario 3 as it keeps the ownership in the current house intact and provides Varsha the independence. Separate flat may still be purchased for Varsha later in this option.

This plan needs to be followed up with choice of the Scenario by Mohan and Swati, actions on scenario chosen, health insurance, term insurance and estate plan. The plan will need to be reviewed regularly (preferably every year) for updates and changed circumstances.

Please note that we have avoided adding graphs and pictures to keep the solution length appropriate. In the actual presentation to the client, some cash flows and asset allocation graphs may be added for pictorial representation.

Resources

1. Reverse Mortgage Lending (RML) –
<http://emicalculator.net/reverse-mortgage-loan/>
2. Systematic Withdrawal Plan –
<http://wealthforumezine.net/AMCSpeakHDFC310517.html>
3. Mutual Funds Information –
<https://www.valueresearchonline.com/>

Appendix

Please see below for some information considered during Mohan and Swati planning

PERSONAL INFORMATION SCHEDULE	Details
Client Name	Mohan
Age	63
Spouse Name	Swati
Age	
Daughter's Name	Varsha
Age	30
Grandson	Rohan
Age	2

Assumed Varsha got married at 25