HOW 12 LAC YEALRY INCOME CAN BE SYSTEMATICALLY PLANNED FOR 10 DIFF. GOALS

	ASSUMING 3 PERSONS --> HUSBAND + WIFE + CHILD		
1	WITHDRAWALS DURING THE YEAR FOR HOUSEHOLD EXP	20000 X 12 MONTHS	2,40,000
2	PPF OF OWN		1,50,000
3	PPF OF SPOUSE		1,50,000
4	LIC + TERM INSURANCE FOR FAMILY		50,000
5	MEDICLAIM FOR FAMILY		20,000
7	CHILD - SCHOOL FEES & OTHER EXP OF CHILD		1,00,000
8	HOME LOAN REPAYMENT	20000X 12 MONTHS	2,40,000
9	INVESTMENT IN MUTUL FUND / SHARES		1,00,000
10	SHOPPING / FOOD / ENTERTAINMENT / TAXES / vacations		1,50,000
	TOTAL SPENDINGS		12,00,000

NOW LET'S FIND OUT , HOW THIS 4 LAC SAVINGS (150000 PPF OF OWN + 150000 PPF OF SPOUSE & 100000 INVESTMENT IN MUTUAL FUND) , CAN MAKE YOU SUPER RICH of 5.05 crore wealth

HOW SAVING 4 LAC A YEAR can help you make Rs. 5 crore in 30 years - A COMPLETE FINANCIAL PLANNING GUIDE

When we are earning , It is necesssary to go for Financial planning for future . Atleast for family . FINANCIAL PLANNING incudes three basic objectives to achieve . 1. LIFE & HEALTH RISK COVER 2. TAX SAVING 3. WEALTH CREATION

Don't mix " Insurance " " Tax saving " and & "Wealth creation " into one

For Life & Health risk cover - Buy Insurance

Buy Term Insurance or Traditional plans to cover risk of life. Even Mediclaim is also necessary.

In this era , where everything is uncertain about Life & Health., Its necessary to cover risk of Life. Buy proper Life insurance (atleast 1 crore term) product so your family will nvr be in need of money when you are not there. Even it is important to buy a good mediclaim to atleast meet any health problem arise anytime. Alteast 5 lac Cover is miniumum . When we are serious about car insurance why not be serious about our own life & health. I am not calclulating here any benefit you will receive from Life insourance policy and Mediclaim as it is not for Investment or Tax saving or wealth creation. . but it is imp for your LIFE

for Tax Saving

Go for PPF. Max 150000 for 30 years . For own & for Spouse (It will be 2 cycle of 15 years FOR 2 PERSONS) . Check below what you get.

For wealth Creation

Buy MF. Atleast of RS. 100000 . Check below what you will get

TABLE SHOWING MATURITY AMOUNT FOR YOUR YEARLY 4 LAC INVESTMENT (I.E 3 LAC IN PPF & 1 LAC IN MUTUAL FUND)

where to Invest	what Amt p.a.	Term	what you will get	OTHER BENEFITS	SEE NOTES	SEGMENTS
PPF-first 15 year cycle	150000 X 2 PERSONS	15 YEARS	you will get 7463322 and it will be invested into MF	TAX FREE INTEREST & 80C DEDUCTION	NOTE -1	PPF
PPF-Second cycle of 15 year	150000 X 2 PERSONS	15 YEARS	66,52,916	TAX FREE INTEREST & 80C DEDUCTION	NOTE-3	
Reinvesting the PPF amount of firstly matured cycle at end of 15 year i.e Rs. 74.63 lac invested into Mutual Funds		15 years	2,83,25,903	TAX FREE DIVIDEND & GROWTH	NOTE-4	Mutual Funds
Mutual Funds	100000 for 1 person	30 YEARS	1,55,87,700	TAX FREE DIVIDEND & GROWTH	NOTE - 2 & 4	
total investment of 30 years in PPF	1,20,00,000	you will get	5,05,66,519			

For interst rates & Growth rates , I have assumed here downward fall as table below.

MATURITY AMOUNT At end of 30th year = 5.05 crore

Aussmuptions

1. Investment of 1.5 lac in both . i/e in own & spouse. We assumed 3 lac investment in PPF & 1 Lac investment in mutaul fund. Oner can invest more in Mutual fund if possible

2. PPF rates assumed to decrease at 0.10% every year

3. Mutual fund Groeth rates assumed to be at 11.50 & then decreasing at 0.10% every year

4. This working is helpful for young couple who is nearly of 30 age. That's how 30 year cycle is worked out.

5. One may argue that why not investing more in Mutaul fund and why not less in PPF. We assueme that One would use its full limit of Rs. 150000 for 80C purpose . Tha's why , 1.50 lac is being kept ofr PPF. . However, One may change this distribution

WORKING NOTES FOR THE PURPOSE OF PPF & MUTUAL FUND

YEAR 1 TO YEAR 15 ======>		PPF INVESTMENT EVERY YEAR for own & spouse	INTEREST RATES FOR PPF	NOTE - 1 PPF BALANCE	MF INVESTMENT EVERY YEAR	GROWTH RATES FOR MF	NOTE - 2 MF BALANCE
AGE	YR	FIRST CYCLE OF 15 YEARS I.E 1ST YEAR TO 15TH YEAR					
31	1	3,00,000	7.80	3,00,000	1,00,000	11.50	1,00,000
32	2	3,00,000	7.70	6,23,100	1,00,000	11.40	2,11,400
33	3	3,00,000	7.60	9,70,456	1,00,000	11.30	3,35,288
34	4	3,00,000	7.50	13,43,240	1,00,000	11.20	4,72,840
35	5	3,00,000	7.40	17,42,640	1,00,000	11.10	6,25,326
36	6	3,00,000	7.30	21,69,852	1,00,000	11.00	7,94,112
37	7	3,00,000	7.20	26,26,082	1,00,000	10.90	9,80,670
38	8	3,00,000	7.10	31,12,533	1,00,000	10.80	11,86,582
39	9	3,00,000	7.00	36,30,411	1,00,000	10.70	14,13,546
40	10	3,00,000	6.90	41,80,909	1,00,000	10.60	16,63,382
41	11	3,00,000	6.80	47,65,211	1,00,000	10.50	19,38,037
42	12	3,00,000	6.70	53,84,480	1,00,000	10.40	22,39,593
43	13	3,00,000	6.60	60,39,856	1,00,000	10.30	25,70,271
44	14	3,00,000	6.50	67,32,446	1,00,000	10.20	29,32,439
45	15	3,00,000	6.40	74,63,323	1,00,000	10.10	33,28,616
				This 74.63 lac is invested into MF			This 33.28 lac is invested into MF

AT THE END OF 15TH YEAR , PPF MATURITY AMOUNT 74.63 LAC INVESTED IN MUTUAL FUNDS , SO investing 100000 (16th year contribution)+ 3328616 (Mutual fund closing balance at end of 15th Year)+7463323 (PPF maturity amount at end of 15th year) in Mutual Funds

YEAR 16 TO YEAR 30 ======>		PPF INVESTMENT EVERY YEAR for own & spouse	INTEREST RATES FOR PPF	NOTE- 3 PPF BALANCE	MF INVESTMENT EVERY YEAR	GROWTH RATES FOR MF	NOTE - 4 MF BALANCE
AGE	YR	SECOND CYCLE OF 15 YEARS I.E 16TH YEAR TO 30TH YEAR					
46	16	3,00,000	6.30	3,00,000	1,00,000	10.00	1,19,71,132
47	17	3,00,000	6.20	6,18,600	1,00,000	9.90	1,32,56,274
48	18	3,00,000	6.10	9,56,335	1,00,000	9.80	1,46,55,389
49	19	3,00,000	6.00	13,13,715	1,00,000	9.70	1,61,76,962
50	20	3,00,000	5.90	16,91,224	1,00,000	9.60	1,78,29,950
51	21	3,00,000	5.80	20,89,315	1,00,000	9.50	1,96,23,795
52	22	3,00,000	5.70	25,08,406	1,00,000	9.40	2,15,68,432
53	23	3,00,000	5.60	29,48,876	1,00,000	9.30	2,36,74,296
54	24	3,00,000	5.50	34,11,065	1,00,000	9.20	2,59,52,332
55	25	3,00,000	5.40	38,95,262	1,00,000	9.10	2,84,13,994
56	26	3,00,000	5.30	44,01,711	1,00,000	9.00	3,10,71,253
57	27	3,00,000	5.20	49,30,600	1,00,000	8.90	3,39,36,595
58	28	3,00,000	5.10	54,82,061	1,00,000	8.80	3,70,23,015
59	29	3,00,000	5.00	60,56,164	1,00,000	8.70	4,03,44,018
60	30	3,00,000	4.90	66,52,916	1,00,000	8.60	4,39,13,603
					TOTAL AMOUNT MATURED		**5,05,66,519**

if you invest 5.05 CR in Fixed deposit , then for your retirement you will get Monthly income of (assume 5% rate after 30 years)   ₹   2,10,694
which is enough to survive

With Total investment of 30 years in PPF & MF	₹ 1,20,00,000	You will get	₹ 5,05,66,519

which is 4 times of your original investment

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