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EDITOR'S NOTE

DEAR READERS!

Financial Planning: Enabling India's Growth Story, One Household at a Time

India stands at an important juncture in its economic journey.

Our country has demonstrated remarkable resilience and continues to be amongst the fastest-growing major economies of the world. India's growth momentum has remained strong despite a challenging global environment, while the Economic Survey 2025–26 highlights the country's ambition to push the growth frontier through investment, infrastructure, productivity, financial intermediation, innovation and human capital development. (India Budget)

India's economic transformation is creating new opportunities for millions of households. Rising incomes, expanding formal employment, entrepreneurship, greater access to financial products, increasing participation in capital markets and the rapid adoption of digital financial services are changing the way Indians earn, save, borrow, invest and plan for their future.

The financial lives of Indian households are therefore becoming more complex.

At the same time, the growing availability of financial products has created a different challenge: more choice does not necessarily mean better financial decisions.

Global economic uncertainty, technological disruption, changing employment patterns, longevity, evolving family structures, climate-related risks and the rapid emergence of artificial intelligence will all influence the financial decisions individuals make.

Technology will undoubtedly transform the way financial planning is delivered. Artificial intelligence and digital tools can improve data analysis, financial modelling, client communication and operational efficiency. But

technology cannot replace the human dimensions of financial planning—understanding a client's aspirations, behaviour, fears and priorities; helping families make difficult trade-offs; and providing perspective when markets or circumstances become uncertain.

The future financial planner will therefore need to combine technical competence with empathy, ethics, communication and behavioural understanding.

For all of us involved in financial planning, the opportunity before us is therefore much larger than growing our individual practices.

We have an opportunity to contribute to a financially more resilient India.

If the coming decades are to witness sustained economic growth, rising household incomes and greater wealth creation, financial planning can help ensure that this prosperity is converted into financial security, financial independence and better quality of life for Indian families.

That is perhaps the larger purpose of our profession.

India's growth story will be measured not only by the size of its economy, but also by the financial well-being of its people.

And financial planners have an important role to play in shaping that story.

I hope this edition provides you with ideas, insights and perspectives that will help you serve your clients better and, in doing so, contribute to the continued evolution of the financial planning profession in India.

Happy reading.

Alok Kumar, CFP



DEAR READERS!

As we move through a rapidly changing financial landscape, the role of a financial planner is evolving in ways that are both exciting and deeply consequential. Technology, changing aspirations, global opportunities and new family structures are reshaping the financial decisions that individuals and families make. Yet, at the heart of every financial decision lies something that technology alone cannot replace—human context, empathy, trust and professional judgment.

This edition of the journal brings together perspectives that reflect this evolving reality.

From exploring how Artificial Intelligence can strengthen—not replace—the CFP® professional, to navigating the complexities of funding overseas education in an era of currency risk, the articles in this edition demonstrate how financial planning is becoming increasingly relevant to the real-life decisions of Indian families.

Retirement planning, too, deserves to move beyond conventional templates. The idea of “Indianizing retirement” reminds us that retirement aspirations, family structures, longevity and financial behaviours in India have their own unique context. Similarly, estate documentation is emerging as an important yet often overlooked dimension of comprehensive financial planning. Sometimes, the most

important financial conversations are also the ones we postpone—the letter we never write, the documents we never complete, or the wishes we never articulate.

The practical cash-flow models featured in this edition reinforce another important principle: financial planning is not about percentages alone; it is about priorities, people and purpose. It is about understanding what matters most to a family and creating a financial roadmap that enables them to live those priorities with greater confidence.

As professionals, this is the opportunity before us—to move beyond being product experts or transaction facilitators and become trusted partners in people’s financial lives. The CFP® certification represents this commitment to comprehensive, ethical and client-centric financial planning, and CFP professionals have an important role to play in shaping a more financially confident India.

As we look ahead, World Financial Planning Day (WFPD) will once again provide an important opportunity for the global financial planning community to come together and amplify the message that financial planning is for everyone. It is a moment to take the conversation beyond awareness and inspire more individuals and families to take that first meaningful step towards a financially well-planned future.

I invite you to explore this edition, reflect on the perspectives shared by our contributors, and most importantly, consider how we can continue to make professional financial planning more accessible, relevant and impactful for every Indian.

The future of financial planning is not just about managing money better. It is about helping people live better—with greater clarity, confidence and purpose.

Warm regards,
Ramesh Vishwanathan
CEO, FPSB India

ABOUT THE JOURNAL

The purpose of the Journal of Financial Planning in India is to expand the knowledge base of CERTIFIED FINANCIAL PLANNER professionals and those interested in the profession. Future contributions will span a variety of areas including industry interviews, viewpoint columns, insightful articles and peer-reviewed technical papers. We wish to provide content that is interesting, original and, most importantly, beneficial to CFP professionals and their work on behalf of their clients.

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HUMAN PLUS MACHINE: HOW AI IS STRENGTHENING — NOT REPLACING — THE CFP PROFESSION



Niti Guhathakur, CFP

Introduction

For much of the past decade, discussion of artificial intelligence in financial services has been framed as a contest between software and the human advisor. That framing no longer matches what is happening inside CFP professionals' practices. "The future is not human versus machine. It's human plus machine," CFP Board COO K. Dane Snowden told nearly 1,500 attendees at a 2025 industry webinar on AI's role in financial planning (CFP Board, 2025a) — a turnout that signals how quickly this has become a mainstream practice question rather than a niche one. A 2025 CFP Board practitioner survey found that adoption of AI-assisted planning tools among CFP professionals grew more than 40% year over year, with better-prepared clients and reduced administrative workload cited as the leading benefits — not, notably, replaced judgment or reduced headcount of advisors themselves (CFP Board, 2025b).

The seven-step financial planning process that anchors CFP practice — understanding the client's circumstances, identifying goals, analyzing alternatives, developing recommendations, presenting them, implementing them, and monitoring progress — has not changed. What has changed is how much of the mechanical work inside each step can now be handled by software, freeing the planner for the parts of the job that remain irreducibly human. This article walks through that shift step by step, drawing on tools already in production use across the industry.

Where AI Is Already at Work

Understanding the client's circumstances. Before any planning can happen, the advisor needs an accurate, complete picture of the client's documents and accounts — traditionally a matter of hours of manual data entry. Tools such as Holistiplan now read a client's tax return and surface planning opportunities in under a minute, while FP Alpha scans wills,



trusts, and insurance policies across more than a dozen planning disciplines to flag gaps. Kristal's Diagnostic Report applies the same logic to custodian statements, parsing filings from multiple banks, reconciling them against the statements' own totals, and tagging every resulting figure with its source — cutting a roughly four-hour manual transcription process down to minutes, with the RM reviewing anything the system estimated before a client sees it.

Identifying and selecting goals. Once the facts are in hand, the client and planner need a shared, quantified sense of priorities. Platforms like RightCapital and eMoney Advisor offer goal-tracking modules that visualize trade-offs between competing objectives, while Conquest Planning's Strategic Advice Manager models multiple goals side by side against available resources. Kristal's Goal-Based Target Return Calculator takes client inputs — age, savings rate, planned major expenses — and converts them into a target rate of return in real time, giving the advisor a quantified starting point for what is often the most values-laden conversation in the entire process.

Analyzing the client's current course of action and alternatives. This is where AI's speed advantage is most visible: running dozens of scenario comparisons that would once have consumed an afternoon. RightCapital and eMoney's CoPlanner generate and compare alternative projections; portfolio-analytics tools like Kwanti and VRGL stress-test a client's current holdings against proposed alternatives on performance, risk, fees, and taxes. Kristal's PAL (Portfolio Architecture Lab) searches roughly 2,500 covered assets for an allocation that targets a chosen return, benchmarking the result against the client's existing book on CAGR, Sharpe ratio, and drawdown — output in five to ten minutes rather than a day.

Developing recommendations. Turning analysis into a specific recommendation is still, by design, a human decision — but AI increasingly drafts the first pass. Conquest Planning's SAM breaks a complex, multi-step decision (for example, which account type to fund next) into a guided sequence; Holistiplan surfaces specific, actionable tax-planning opportunities directly from return data. In PAL's Customize stage, Buy/Reduce/Hold suggestions land in a full editor where the advisor adjusts amounts and builds alternative scenarios before anything is finalized — the software proposes, the advisor decides.

Presenting recommendations. A recommendation only matters if the client understands and trusts it, and this is where the profession has been most careful to keep AI drafting on a short leash. Pulse360 turns raw meeting notes into client-ready reports; asset-management platforms increasingly use natural-language commentary engines to explain portfolio performance in plain language. Kristal's PAL and Diagnostic Report both generate a full draft – ten and nineteen sections respectively – that the advisor edits, word by word, before export. In every case examined for this article, the presentation layer requires sign-off from a licensed professional before a client sees it.

Implementing recommendations. Once a plan is agreed, execution still runs through the advisor and the client – no tool surveyed here places a trade autonomously. What AI does contribute is a smoother handoff: CRM platforms like Wealthbox trigger implementation workflows automatically once a recommendation is approved, and Jump AI converts a meeting's agreed next steps directly into tracked tasks. This is arguably the step where the profession has drawn its firmest current line between automation and judgment, and for good reason – implementation is where fiduciary responsibility is most concretely exercised.

Monitoring progress and updating. A plan is only useful if it gets revisited, and this is traditionally where manual processes lapse. Orion's Denali AI and Nitrogen provide continuous portfolio and risk-alignment monitoring across a book of clients; Kristal's Diagnostic Report caches prior runs so a refresh takes seconds rather than the 35–45 minutes of a first pass, and its RM dashboard surfaces every client-side update to a goal or target return automatically. Cheaper monitoring means more frequent monitoring – and more reasons for a planner to be back in front of a client before a small drift becomes a real problem.

Table 1. AI's role across the seven-step financial planning process

Step	What AI now handles	Representative tools
1. Understanding circumstances	Reading and reconciling documents/statements	Holistiplan, FP Alpha, Kristal Diagnostic Report
2. Identifying goals	Quantifying goals and trade-offs	RightCapital, eMoney Advisor, Conquest Planning, Kristal GTC
3. Analyzing alternatives	Running and comparing scenarios	eMoney CoPlanner, Kwanti, VRGL, Kristal PAL
4. Developing recommendations	Drafting a first-pass proposal	Conquest Planning SAM, Holistiplan, Kristal PAL
5. Presenting recommendations	Drafting client-facing narrative	Pulse360, Kristal PAL / Diagnostic Report
6. Implementing recommendations	Triggering workflow, not execution	Wealthbox, Jump AI
7. Monitoring and updating	Continuous, low-cost re-checks	Orion Denali AI, Nitrogen, Kristal Diagnostic Report

Guardrails: Why the Fiduciary Duty Doesn't Change

None of this shifts where responsibility sits. The CFP Board has been explicit that using AI does not change a certificant's fiduciary duty to the client (CFP Board, 2025c), and its newly formed AI Working Group and Generative AI Ethics Guide exist specifically to keep pace with tools that are moving faster than formal guidance typically does. Every tool referenced in this article describes itself, in its own documentation, as decision-support rather than automated advice – a distinction with real teeth, since it means a human professional reviews the output before a client acts on it. That review step is not a compliance afterthought; across the products examined here, it is the feature the rest of the tool is built around. AI estimates are flagged as estimates until reviewed; recommendations are editable rather than final; and nothing described in this article places a trade or signs a document without a licensed person in the loop.

Practice Implications

For the practicing CFP professional, the near-term implication is less about which specific tool to adopt and more about where in the seven-step process time is currently being lost to manual work. A planner spending hours transcribing statements or building scenario comparisons by hand is spending exactly the time that document-intelligence and scenario-modelling tools are built to reclaim – time that shows up, if reinvested well, as more frequent client contact and deeper goals conversations rather than as headcount reduction. The evidence so far bears this out: firms adopting these tools report administrative time dropping from hours to minutes, not fewer client relationships per advisor. The planners best positioned for the next several years are likely to be the ones who treat AI adoption as a practice-management decision now, rather than a defensive one made later.

Conclusion

The tools surveyed here are, without exception, good at the mechanical: reading a document, running a projection, drafting a paragraph. None of them can sit across from a client and translate a number into what it means for that client's family, and none of them carry the fiduciary duty a CFP professional is bound to. That is precisely why the profession's own regulator has settled on "human plus machine" rather than "human versus machine" as the frame for what's happening. For CFP professionals, the practical takeaway is straightforward: the advisors who benefit most from this shift will be the ones who let AI clear the desk, so they have more room for the part of the job only a person can do.

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A DECISION FRAMEWORK FOR FUNDING OVERSEAS EDUCATION UNDER CURRENCY RISK



Srinath Hareendran, CFP

Executive Summary:

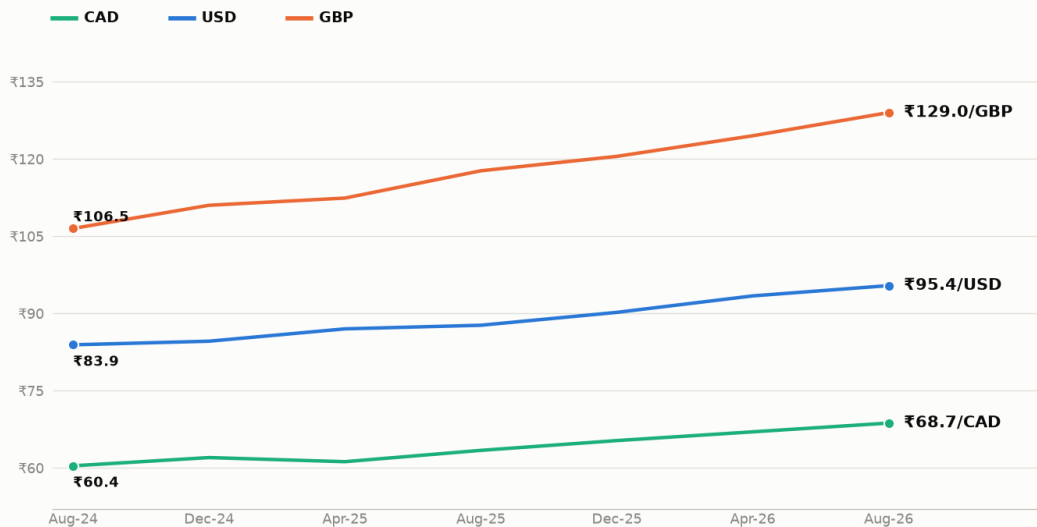
Roughly 6.26 lakh Indian students left for higher studies abroad in 2025, mostly to US, Canada, UK, Australia, and Germany. The rupee has fallen nearly between 14 to 20% over the last 2-year period, adding ₹5–8 lakh to a typical postgraduate program before tuition even rises. Most of us already help clients think through education loans, SIP's, and NRI deposits when this comes up on a case-by-case basis. This article offers another thought through three funding levers (i.e.) education loans, rupee-cost SIPs, and NRE/FCNR accounts for families with real foreign-currency income brought together in one framework built around three questions: how much time is there, does the family earn foreign currency, and which tax regime are they on also with a five-point checklist for our conversation around planning this.

Why This Conversation Is More Urgent Now

The rupee has fallen roughly 14% against the dollar and the Canadian dollar, and more than 21% against the pound, over the two years shown in Exhibit 1 — this isn't just a dollar problem, and this has made overseas study plans harder to budget for across every major destination. Take a typical two-year postgraduate program budgeted at ₹50–60 lakh: currency movement alone can make it roughly ₹5–7 lakh more expensive, with tuition and living costs unchanged (Business Today, 2026). For programs costing ₹35–70 lakh a year more broadly, that kind of swing can add ₹4–8 lakh a year, purely from the exchange rate fluctuations (Business Today, 2026). Stretch that over a three- or four-year undergraduate program in US, UK or Canada — and even a modest currency swing adds up to a much bigger number by the time the family actually sends the money.

USD/INR, GBP/INR, and CAD/INR monthly average, August 2024 – August 2026

The Rupee's Two-Year Slide Against Three Currencies



Source: Compiled from RBI reference rate and public FX market monthly averages, 2024–2026. Figures for recent 2026 months are provisional.

*Exhibit 1: USD/INR, GBP/INR, and CAD/INR monthly average, August 2024–August 2026.
Compiled from RBI reference rate*

What this means for us

If an education plan is built around a rupee savings target and a general inflation assumption, it's missing a key variable that has moved the goalpost by several lakh rupees in just two years. Currency risk deserves its own line in the plan and not a footnote inside a broader inflation buffer.

The Three Funding Levers

- Education loans
- Rupee-cost systematic investment plans (SIPs)
- NRE/FCNR structuring

Education loans

Section 80E lets a taxpayer deduct the entire interest paid on an education loan in a year — there's no upper limit, unlike the ₹1.5 lakh cap under Section 80C. The deduction runs for up to eight years from when repayment starts, or until the interest is fully paid off, whichever comes first. It applies to loans taken for the taxpayer's own education, or for a spouse, child, or legal ward, from a bank, NBFC, or approved charitable institution — and it covers courses abroad just as much as courses in India. The one catch to watch for: this deduction only exists under the old tax regime. A client who has moved to the new regime under Section 115BAC loses it entirely (Tax Garden, 2026). As of 2026, interest rates run roughly 9–13% at public sector banks, 10–15% at private banks, and 11–16% through NBFCs — study-abroad loans sometimes cost a bit more because of the currency and loan-size risk involved (Bajaj Finserv, 2026).

Rupee-cost systematic investment plans (SIPs)

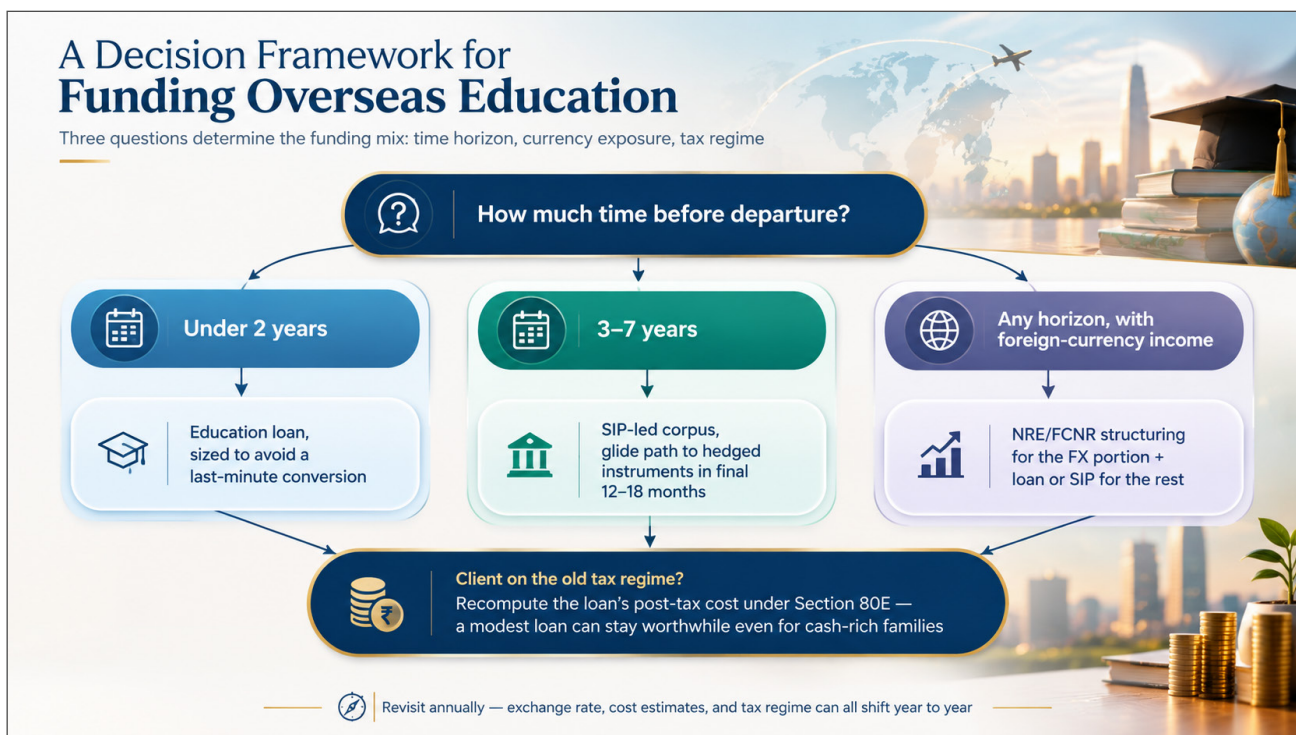
When there's enough time — usually three years or more — a disciplined SIP lets a family build the corpus gradually, averaging out both market ups and downs and, indirectly, currency swings, since the money only gets converted when it's actually sent, not all at once today. It's the cheapest of the three levers in pure cost terms. But on its own, it leaves the family fully exposed to whatever the exchange rate happens to be on the day of conversion — unless a hedging step is added closer to that date.

NRE/FCNR structuring

For families who genuinely earn or hold money in foreign currency — an NRI parent, a client with RSUs or ESOPs from a foreign employer, rental income abroad, or regular remittances from relatives overseas — it's worth keeping education savings in an FCNR (B) deposit. That keeps the money in the original foreign currency instead of rupees, which removes currency risk for that portion of the plan entirely, rather than just averaging it out. FCNR (B) interest is also tax-free in India, a nice bonus for clients who qualify. The catch: This only works for money the family can genuinely earn or hold in foreign currency. It's not a substitute for rupee savings that still need to be converted when the time comes.

A Decision Framework

The more useful way to think about these three levers isn't as competing choices, but as ingredients to weight differently for each client, based on three things: how much time is left before departure, whether the family earns any foreign currency, and which tax regime they're on. The diagram below shows how that weighting shifts at a glance; the table underneath sets out the reasoning for each path, including the tax-regime question that applies across all three.



Client Profile	Primary Lever(s)	Why
Under 2 years to departure, no foreign-currency income	Education loan, sized to minimise last-minute lump-sum conversion	There's little time left for an SIP to average anything out. A loan avoids converting the family's rupee savings in one lump sum at whatever rate happens to be live that day.
3–7 years to departure, no foreign-currency income	SIP-led, with a glide path into hedged/foreign-currency instruments in the final 12–18 months	Rupee-cost averaging smooths out market and timing risk while there's still time. Shifting to hedged instruments near the end limits how exposed the family is right before the money is needed.
Any horizon, genuine foreign-currency income or assets available	NRE/FCNR structuring for the foreign-currency portion, supplemented by loan or SIP for the balance	Removes currency risk outright for the part of the plan that can sit in foreign currency, instead of just averaging through it.
Old tax regime, any horizon	Loan utilisation becomes more attractive even for families who could pay in cash	The uncapped Section 80E deduction meaningfully lowers the real, after-tax cost of borrowing – enough to make a loan worth considering even for cash-rich families.

The tax-regime row is worth calling out because it's easy to miss: two families with the same income, savings, and time horizon can end up needing genuinely different strategies, just because one is on the old regime and the other

on the new one. And this isn't a one-time check – clients do switch regimes between years, so it's worth revisiting each time.

Let us understand this with an illustrative example

Take a client planning for their child's two-year postgraduate program, five years out, currently costed at ₹55 lakh – a number that will likely climb further with tuition inflation and the kind of currency movement we've just discussed. A blended strategy here might put roughly 60% of the target corpus into a rupee-cost SIP, run over the full five years and shifted into hedged or foreign-currency instruments in the last 12–18 months before departure. The remaining 40% comes from an education loan, drawn down as fees actually come due.

If this client is on the old tax regime, in the 30% tax bracket, and the loan carries a 10% annual interest rate, the Section 80E deduction brings the real, after-tax cost of that loan down to roughly 7% a year (author's calculation, based on the deduction rules and interest-rate ranges cited above; actual figures will vary with the client's exact slab, cess, and lender rate). That's a very different number from the 10% printed on the sanction letter – and it's the number that should actually drive the loan-versus-cash-versus-SIP conversation with the client.

A Five-Point Checklist

Start with the client's time horizon and whether they earn any foreign currency, before picking a mix of levers — the same target corpus needs a different strategy at two years than it does at seven.

Always check which tax regime the client is on, and recalculate the real, after-tax cost of any education loan under Section 80E — this benefit disappears completely under the new regime.

Plan a glide path, not a single fixed strategy — SIP-heavy early on, shifting toward hedged or foreign-currency instruments as departure gets closer, so the family isn't forced into one bad conversion at the last minute.

Don't assume cash-rich clients on the old regime should self-fund entirely — a modest loan can be tax-efficient on its own merits, thanks to the uncapped Section 80E deduction, whether or not the family actually needs the liquidity.

Revisit the plan every year. A corpus target set two years ago, at a very different exchange rate, needs to be checked against today's rate and cost estimates — a routine inflation bump isn't enough.

Conclusion

Funding overseas education has always come down to a loan-versus-savings decision. What's changed is that currency risk is now big enough, and unpredictable enough, to deserve the same explicit attention we already give to market risk and tax-regime choice. A framework that ties the loan/SIP/hedge mix to time horizon, foreign-currency income, and tax regime turns a conversation that's usually improvised client by client into something repeatable and defensible — and gives the client a real reason to trust the number behind the plan.

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WHY INDIA NEEDS TO INDIANIZE RETIREMENT: INTRODUCING THE DESI RETIREMENT PLAN



Suraj Kaeley, CFP

After more than three decades in Indian financial services, across asset management, insurance and distribution, I sat down a few years ago to do something I had helped so many others to do: plan my own retirement. What I discovered was uncomfortable. Every framework I reached for, every calculator, every rule of thumb, had been built for a retiree who does not exist in India.

The models we use every day were designed for a Western retiree: an individual or a couple, financially responsible for no one but themselves, whose children became independent at twenty-two, whose parents are provided for by state pensions and social security, and whose retirement is a clean break, a date on which work ends and leisure begins.

That retiree is not our client.

Our client supports ageing parents whose medical costs rise every year. Our client funds children through postgraduate education,

weddings and often the down payment on a first home. Our client carries obligations to an extended family, obligations that are rarely written down but always honoured. Our client's retirement is not a finish line; it is a long journey travelled with a circle of dependents.

When we import Western retirement mathematics into this reality, the numbers fail quietly. A plan built on "How much do you spend each month?" can look perfectly healthy on paper and collapse in year fifteen, because the question itself was wrong.

This conviction is what led me to write The Desi Retirement Plan, and it is the argument I want to place before the financial planning community: India does not need better versions of imported retirement tools. It needs a retirement framework of its own.

What Makes Desi Retirement Different

Four realities separate the Indian retiree from the textbook retiree, and each one has direct consequences for how we plan.

The first is the family circle. The correct opening question of an Indian retirement plan is not “How much do I spend?” but “Who depends on me financially, now and in the future?” When clients answer that question honestly, naming the spouse who may outlive them by a decade, the parents whose support needs will grow, the children who will reach independence later than any previous generation, and the relatives for whom they are the unstated safety net, the required corpus routinely grows by fifty to one hundred per cent. That is not a rounding error; it is a different plan altogether.

The second is double longevity. An educated urban Indian with access to good healthcare should plan to live to ninety or beyond, which means a retirement of thirty to thirty-five years rather than twenty. But there is a second longevity most plans ignore: when our client retires at sixty, their parents are eighty or eighty-five, and may live another ten to fifteen years with steadily intensifying care needs. The client is thus squeezed at precisely the moment their own earning capacity has ended.

The third is inflation as Indians actually experience it. Headline inflation of five to six per cent conceals the categories that dominate a desi retirement: healthcare inflating at seven to eight per cent, higher education at eight to ten per cent, weddings and social obligations faster still. A monthly expense of ₹50,000 becomes about ₹2.16 lakh in thirty years at five per cent inflation, but ₹3.8 lakh at seven per cent. A one or two percentage point error in this single assumption is the difference between a plan that holds and one that runs dry at eighty.

The fourth is the limits of health insurance. Between room-rent caps, consumables, co-payments and the vast universe of outpatient expenses that hospitalisation policies never touch, Indian families routinely discover that insurance covers only a fraction of the true cost of ill health, particularly the recurring monthly cost of caring for elderly parents. Healthcare in a desi plan is not a line item; it is a family

system cost that must be provided for in layers: insurance, a dedicated healthcare fund, and immediate liquidity.

A Framework in Six Sections

The Desi Retirement Plan responds to these realities with a structured, workbook-style framework organised around six sections. Each addresses a distinct dimension of retirement, and together they form a complete picture, not merely of a client’s finances, but of their life in retirement.

Section 1, People and Promises, begins where every desi plan must: naming everyone in the client’s core circle and making explicit the promises, stated and unstated, that have been made to each of them. A plan that leaves out even one dependent will look healthy on paper and fail in practice.

Section 2, Lifestyle and Risks, converts that circle into numbers: the true cost of the client’s retirement lifestyle, the lumpy commitments such as education and weddings, provisioning for medical emergencies, and the corrosive effect of realistic, category-weighted inflation on all of it.

Section 3, Income Sources and Retirement Corpus, maps everything that will fund this life: pensions, rental income, annuities, deposits and the investment corpus, and quantifies the income gap, the portion of annual expenses that fixed income sources will not cover and the corpus must.

Section 4, Retirement Preparedness, distils the entire exercise into a single number, the Annual Withdrawal Rate, and asks the only question that finally matters: will the money last? It is followed by five concrete strategies to improve preparedness for those whose number is not yet where it should be.

Section 5, Optimising the Investment Portfolio, addresses how the corpus should be positioned: honest identification of behavioural biases, genuine diversification rather than a collection of products, real post-tax and post-inflation return arithmetic, liquidity matched to life stage, and a portfolio stress-tested against the eventualities of a thirty-five-year retirement.

Section 6, Passing on the Legacy, confronts the section most clients defer: wills, nominations, consolidated documentation and the family conversations that ensure a lifetime of careful accumulation does not dissolve into probate, paperwork and conflict.

Sections one to four build on each other and cannot be skipped. Section five is the most technically demanding; section six is the most emotionally demanding. For practitioners, the sequence itself is the point: it forces the human questions before the product questions, which is the reverse of how most retirement conversations in India currently run.

One Number: The Annual Withdrawal Rate

At the heart of the framework sits a deliberately simple metric. The Annual Withdrawal Rate, or AWR, is the percentage of the retirement corpus a client withdraws in the first year of retirement to cover the income gap:

$$\text{AWR} = (\text{Income Gap} \div \text{Retirement Corpus}) \times 100$$

The intellectual ancestry is Western: William Bengen's research in the 1990s, which showed that a retiree drawing four per cent annually from a diversified portfolio could expect it to last thirty years through most market conditions, the origin of the famous "4% Rule".

But India is not America.

Our inflation runs higher, our markets behave differently, and our family structures carry obligations that Western models never priced in. The 4% Rule is a useful starting point, not a finished answer. Calibrated for Indian assumptions, inflation of five to six per cent, balanced portfolio returns of eight to ten per cent, and a time horizon of thirty-five to forty years, the AWR resolves into three ranges, summarised in Table 1.

AWR Range	Zone	What It Means	Planning Priorities
Below 3%	The Legacy Builder	The corpus will likely outlast the retiree by decades and can support the next generation. Market downturns pose no material threat; family can be supported generously without compromising security.	Preserve, don't chase returns. Diversify across asset classes and geographies; avoid concentrated bets and unfamiliar products; increase spending on oneself; begin tax-efficient wealth transfer planning.
3% – 5%	The Gold Standard	The sweet spot of desi retirement. The corpus can weather crashes, absorb unexpected expenses and sustain the lifestyle across three to four decades – comfortable without being careless. (At 4%–5%, still safe, but with a thinner margin.)	Balanced allocation (≈50–55% debt, 35–40% equity, 5–10% precious metals); 2–3 years' expenses in liquid instruments; systematic rebalancing; tax-efficient withdrawal sequencing; guard against lifestyle creep and panic-selling.
5% – 6%	Warning Zone: course correction	Managing, but only just. Corrections are uncomfortable rather than catastrophic – and far cheaper now than after five more years of compounding depletion.	Trim discretionary spending 10–15%, especially in downturns; consider part-time or consulting income in early retirement; defer major purchases and large family commitments.
6% – 8%	Warning Zone: serious action	The corpus is depleting at a dangerous pace; each year of delay makes the required adjustment harder.	Cut expenses now, not eventually; return to work if physically possible; consider downsizing the home; hold honest family conversations about what support is and isn't possible.
Above 8%	Warning Zone: restructuring	The plan as it stands is not sustainable. This is a moment for structural decisions about how and where the client lives, and what they earn.	Return to substantial work if possible; consider relocating to a lower-cost (Tier 2/3) city; sell non-income-generating assets; evaluate living with adult children honestly.

Table 1: AWR ranges and their implications for retirement (assumptions: inflation 4–5% p.a., balanced portfolio returns 8–10% p.a., horizon 35–40 years)

The AWR corrects a deeply embedded client instinct: the belief that a larger corpus means a better retirement. Consider two individuals. A holds a corpus of ₹5 crore and withdraws ₹35 lakh a year, an AWR of seven per cent. B holds ₹2 crore and withdraws ₹7 lakh, an AWR of three and a half per cent. Most clients, and candidly many advisors, instinctively assume A is better placed. In truth, A is in the warning zone, eroding capital through every downturn with limited ability to recover, while B can invest patiently and let compounding work for decades. Corpus size is not the measure of retirement readiness. AWR is.

Equally important, the AWR converts retirement planning from a one-time projection into an annual discipline. A client should not have to wait until the final years of life to learn whether the plan worked. Recomputed each year, the AWR functions as a dashboard warning light: drifting upward, it signals course correction while correction is still cheap; stable or falling, it grants the client something financial plans rarely deliver, peace of mind grounded in arithmetic.

What This Means for the Profession

For CFP professionals, the practical implications are threefold.

First, our discovery conversations must be Indianized before our spreadsheets are: the family circle, the unstated promises, the parents' healthcare trajectory and the children's true timeline to independence belong in the fact-find as prominently as income and assets.

Second, our assumptions need domestic calibration, on inflation, on longevity, and on the sequence of family obligations that arrive in the middle of retirement rather than before it.

Third, we need simple, honest instruments of communication. Clients do not retain Monte Carlo output; they retain one number and what it means. The AWR, reviewed annually, gives the client ownership of their own preparedness and gives the planner a standing reason for a meaningful annual conversation.

Retirement is the conversation India is not yet having. We discuss the accumulation of wealth endlessly and its decumulation almost never, even as the first large generation of corpus-holding, joint-family-supporting Indian professionals approaches sixty. They will not be served well by frameworks written for a retiree who lives an ocean away and supports no one. They deserve a plan built for the lives they actually lead, one that starts with people and promises, ends with legacy, and is steered, year after year, by one honest number. That is what the Desi Retirement Plan attempts to offer, and it is a project to which this profession, more than any other, can give life.

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THE UNOPENED DRAWER: WHY ESTATE DOCUMENTATION IS THE PROFESSION'S NEXT FRONTIER



Surjita Dharmapuri Suresh, CFP

There is a drawer in almost every Indian home. A steel almirah, a fat folder with a brittle rubber band, a bank locker opened twice a decade. Inside it lives a lifetime's work, folded into paper.

Consider a man we will call Mr. Rao. Over four decades he built a quiet fortress around his family: postal certificates, two LIC policies, a clutch of SIPs, a demat account rarely checked, some gold, and a small plot of land whose papers sat wrapped in plastic inside the almirah. His family grew up safe in the shade of it. His wife knew "there are some policies." His son knew "Papa has some land somewhere." His daughter, abroad, knew a bit of what the mother had informed about. The nominee names on his policies hadn't been updated in twenty years — some still named a late relative, some named no one. There was no list, no map, and no Will.

When Mr. Rao passed, the money was never the problem - it was there, abundantly. What was missing was the map. His widow sat on the floor of her bedroom surrounded by papers she didn't understand. His son took leave from work to travel between bank branches and insurance offices with a death certificate and a desperate hope. A demat account no one could access because no one knew it existed. A plot of land frozen for years while succession remained unclear and siblings began, gently at first, to disagree.

Mr. Rao is not a real person, but every advisor reading this has met him — in a client, a relative, a neighbour's family. He spent forty years building a fortress to protect his family. In the end, the fortress had no door they could open.

A Family Story, Repeated at National Scale

Mr. Rao's drawer is not an isolated case of poor planning. It is, in aggregate, a measurable national phenomenon - and the numbers reveal just how much wealth in India is currently undiscoverable by the families who own it.

- **Unclaimed bank deposits:** As of June 30, 2026, banks had transferred ₹86,917 crore in unclaimed balances to the RBI's Depositor Education and Awareness (DEA) Fund - accounts inoperative for ten years or term deposits left unclaimed past maturity.
- **Unclaimed insurance:** As of March 31, 2024, ₹20,062 crore sat unclaimed with insurers across India, according to IRDAI's Annual Report for FY24.
- **Unclaimed mutual fund holdings:** Total unclaimed dividend and redemption amounts in mutual funds stood at ₹3,811 crore as of March 31, 2026, per SEBI's Annual Report 2025-26.
- **Government response:** A nationwide campaign across 748 districts (October 2025 – February 2026) succeeded in restituting ₹5,777 crore across 22.95 lakh claims – a fraction of the total pool, and proof that most unclaimed wealth is recoverable once someone knows to look for it.

Taken together, these figures – drawn from RBI, IRDAI, and SEBI disclosures – put well over ₹110,790 crore in identified, dormant household wealth sitting across India's banks, insurers, and mutual funds alone. This does not even count unclaimed shares and dividends under the IEPF, physical gold, or unregistered property – categories with no single authoritative national figure, but which every practising planner will recognise from their own client files.

Why This Belongs in the Planning Conversation

It is tempting to file this under "legal" or "estate administration" and move on. But the unclaimed-asset numbers above are not failures of law. They are failures of documentation, communication, and follow-through - the very domain a financial planner already occupies.

A client who diligently builds a diversified portfolio, pays every premium on time, and reviews asset allocation annually can still leave behind a Mr. Rao-style drawer, simply because no one ever asked the second question: does your family know this exists, and can they find it without you?

Nomination updates, consolidated asset registers, and succession planning are not adjacent to financial planning – they are the part of the plan that determines whether everything else a client built actually reaches the people it was built for. A portfolio that cannot be located or transferred efficiently has, for practical purposes, failed at the one job it was meant to do.

The Planner's Role: From Portfolio Manager to Information Custodian

CFP professionals are uniquely positioned to close this gap, for three reasons.

First, we already have the full picture: across most client relationships, the planner is the only person who has visibility into every account, policy, and holding, scattered though they may be. Second, we already have the trust: clients accept uncomfortable conversations about money and mortality from their planner that they would resist from a lawyer they've met once. Third, we already have the review cadence: an annual or semi-annual portfolio review is the natural, low-friction moment to also ask, "if something happened to you tomorrow, could your family find all of this?"

This reframes documentation and succession readiness as a core deliverable of financial planning, not an optional add-on referred elsewhere and then forgotten. It is also a meaningful differentiator: in a market where investment advice is increasingly commoditised, the ability to ensure a client's wealth is actually transferable is a service few competitors are systematically offering.

A Working Framework for the Client Conversation

The following four steps can be folded into an existing review meeting, with no additional infrastructure required to begin:

1. **Build the asset map.** A single document listing every account, policy, folio, demat holding, bond, and property - what exists and where, not necessarily the amounts. This sits alongside, not instead of, the client's financial plan.
2. **Audit nominations.** Make a nomination check a standing item in every annual review. Outdated nominees are one of the single largest contributors to the unclaimed-asset figures cited above, and the fix typically takes minutes per account.
3. **Prompt the Will conversation.** Planners are not drafting Wills, but raising the topic, and referring clients to qualified legal counsel for execution, should be a documented part of the planning process – not left to chance.
4. **Confirm disclosure to at least one trusted person.** A perfect record nobody else knows about is, functionally, no record at all. Part of the planner's job is to confirm – gently, without demanding the details be shared with the planner – that the client has told a spouse or adult child that the map exists and how to access it.

None of this requires new technology or a new product. It requires planners to treat “can my family find this” as seriously as “will this beat inflation” – and to document that the conversation happened, the same way we document risk profiling or goal-setting.

Closing the Door, Properly

India's ₹110,790-crore pool of unclaimed deposits, insurance, and mutual fund holdings is, at its core, a collection of Mr. Rao's drawers - fortresses built with discipline and love, left without doors their families could open. Regulators are responding with portals, awareness drives, and incentive schemes. But by the time a family is searching a UDGAM or Bima Bharosa portal for a parent's forgotten account, the planning has already failed.

The earlier, better intervention sits with us – in the review meetings we are already having, with clients who already trust us. Building the fortress was never the hard part for our clients. Our job, increasingly, is to make sure we hand them the key to the door as well.

Sources: Press Information Bureau, Government of India (Ministry of Finance, as on August 2026 (latest available)); Reserve Bank of India.

This article reflects general principles of financial planning and is not legal advice; clients should consult a CFP professional and qualified legal counsel for Will-drafting and succession matters.

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THE LETTER WE DON'T WRITE



Amit Gopal Kallianpur, CFP®

The Letter We Don't Write

A shareholder who owns a rounding error of a company receives a letter from its chairman every year. A client who has told us what she earns, what she owes, and what she fears receives a portfolio review. After a year of scoring 150 chairmen's letters, four habits worth borrowing, and one uncomfortable question.

Consider two investors.

The first owns a few hundred shares of a large-cap Indian company. A rounding error on the register of shareholders for the blue-chip. He has never met anyone who works there, nor attended any AGMs to see or understand what the management wants to do or achieve. He may sell on Monday morning and never think about the business again.

Yet every year, as part of the Annual Report, that man receives a letter from the chairman of that company, accounting for the year that was and setting out what comes in the following year.

The second is your client. She has told you what she earns and what she owes. She has told you about the loan she took for her brother, which she has not yet mentioned to her husband. She has told you which parent's illness is likely to cost the most, and roughly when. She sat across from you and said out loud the number she is frightened of.

She cannot unsay any of it. Unlike the shareholder, she cannot exit the relationship on Monday morning without unwinding a decade of decisions. And all she gets is a portfolio review and the occasional forwarded article.

The people who trust us most are the people we write to least. I did not notice that until I had spent a year reading other people's letters.

The standard I am going to hold us to is not mine, either. It is one word, already sitting in the code of ethics that every CFP® professional signed, and I will come back to it.

What a year of reading taught me

Over the past year I have read, scored and marked with a red pen around 150 Chairman's Letters to Shareholders, three years deep across the Nifty 50 and now working through the fifty below it, using a candor framework adapted for India from the American analyst L.J. Rittenhouse.

The method has a harder edge than word-counting sounds. In early 2001, with Enron near \$60 and in its sixth straight year as America's most innovative company, she ran its shareholder letter through her candor analysis and found it drenched: superlatives where figures belonged, jargon where explanations belonged. Eight months later the stock was worth sixty cents. The accounts had been audited. Famously, catastrophically audited. The letter carried the tell months ahead. By her firm's own account the same analysis flagged HealthSouth, BP, MF Global and AIG before their reckonings.

Her own gold standard, throughout, was Buffett.

She has a name for the language that occupies the space where information should be. FOG, for fact-deficient obfuscating generalities. It is the same species of language we have all learned to hate on LinkedIn, the sort that gets turned into a meme within a day. In an annual report it simply wears a better suit. Once you can name it you cannot stop seeing it, and not only in the places you expect.

Because we write it too. "Staying invested for the long term." "Volatility is the price of returns." "Your

portfolio is aligned to your goals." Every one is true. None of them carries any information. The test Rittenhouse applies to a chairman works on us without modification: could this sentence appear in a letter from any planner, to any client, in any year? If yes, it is wallpaper, and the client can feel that even if they cannot name it.

The rest of the machinery matters less than what it found. The more useful half of a year's reading is not the failures anyway. It is the handful of letters that were genuinely good, and what they had in common.

There were four habits. Every one of them transfers intact to a letter from a planner to a client, and I would like us to borrow all four.

Habit one: the mistakes are counted

In his 2024 letter, written at the age of 94 and his last as chief executive, Warren Buffett did something that ought to be famous. He ran a candor audit on himself, and published the result:

"During the 2019-23 period, I have used the words 'mistake' or 'error' 16 times in my letters to you. Many other huge companies have never used either word over that span."

Sixteen times in five years. Against never.

That single comparison dismantles the usual excuse. Those companies did not make fewer mistakes than Berkshire over five years. They did not write the word down. Buffett's description of what fills the space instead is four words long: "happy talk and pictures."

He has been writing these letters for six decades, and no rule compels a single word of them. In 1985, closing the textile business Berkshire was named after, he wrote the sentence almost no chairman will write about himself: "I should be faulted for not quitting sooner."

In 1989, under a heading that reads Mistakes of the First Twenty-five Years, he opened with buying Berkshire itself. The founding act of the greatest compounding machine in financial history, entered as an error.

Our profession quotes Buffett constantly, and almost always on investing. Compounding, patience, circle of competence, be fearful when others are greedy. We have borrowed all of it and left behind the one practice that is entirely within his control, and ours. He cannot decide what the market does. He decides what he writes down about himself, and he has made that decision the same way every year for six decades. If he is the investor we hold up as the standard, his letters are the part of him easiest to copy, and the part we have quietly declined to.

All of which is American, and easy to hold at a distance. So here is one from Mumbai, last month.

Rajeev Thakkar of PPFAS Mutual Fund wrote to unitholders on 4 August 2026, into a stretch of underperformance and sustained public criticism. He owned it. Then he did the rarer thing and volunteered a worse one, unprompted:

"I have managed a much larger underperformance in the year 2007 on a PMS AUM base of slightly over ₹100 crores."

Nobody had asked him about 2007. It was nineteen years old, on a book that would be a rounding error against what he runs today, and time had quietly retired it. He put it back on the record anyway.

In the same note he named a miss in the present tense, while it was still running: "We have missed out on the upside" in chips and memory.

He could have written "we remained selective", which is longer, softer and says nothing. He wrote missed.

That word is rare from anyone who runs money for a living, and the reason is not mysterious. People pay a manager because they believe he will catch what they would have missed themselves. Writing the word down concedes that this time he did not.

Rare is not a figure of speech here. Of the five things the framework marks a letter on, the one it marks hardest is whether management names something that went wrong. Across the fifty largest companies, over three years of letters, the average score on that measure was 5.5 out of 20, and seven companies scored nothing at all. On putting figures in the letter, three-quarters scored well.

That gap is not an accident. Reprinting a number that already sits in the audited accounts costs a chairman nothing. Naming a mistake costs him something.

Indian chairmen will give you numbers all day. They will not tell you what did not work.

A question for every planner reading this, myself included. It takes about four seconds.

In the last five years, how many times have we used the word "mistake" in writing to a client?

Buffett managed sixteen. The comparison group managed zero. I suspect most of us planners are closer to the comparison group, and I know that at least I am.

Habit two: last year's promise is revisited

The good letters have a memory.

If last year's letter said something with a number or a date attached, this year's letter reports against it. Delivered, missed or abandoned. Whichever of the three it was, the letter says so. The weak letters move on, and the reader is expected not to notice.

A chairman who quietly drops last year's target has told you exactly what next year's is worth.

One of the letters I scored shows what the absence looks like. In 2025 a top hundred company announced a memorandum of understanding with a state government and a proposed investment running into thousands of crores over the following ten years. The next year's letter does not return to it. Not to report progress, not to revise the number, not to explain a delay. That letter contains no rupee figure anywhere in it.

The company goes unnamed here, because the habit is the point rather than the culprit.

A promise only counts when someone can check it.

Now turn it around.

What did you tell a client last year that had a number or a date attached to it? A savings rate, a target corpus, a review you promised before March, or a decision you said you would come back to. Find it, and report against it in writing, whether or not it went the way you said it would. If you cannot find anything from last year with a number in it, that is a finding in itself.

And most of what we promise is not a target at all. It is small and conversational. I will check the nomination on that folio. I will send you the comparison before Friday. I will look at the cover again after your appraisal.

Trust is built out of those, delivered, one at a time, and a letter is where they stop being things the two of you

half remember.

Habit three: luck is separated from skill

This is the habit that costs the most to practise, and the one that matters most in a rising market. It asks the writer to separate the weather from the seamanship.

A weak letter reports a record year in a year when the entire sector had a record year, and lets the reader infer that management was brilliant. A good letter says: prices rose, we benefited, and here is separately what we actually did.

Eternal, the company formerly called Zomato, does this about as well as any Indian letter I have read. Its shareholders' letter for the quarter to March 2026 reports adjusted revenue up 186 per cent year on year, and then, without pausing for breath:

"though like-for-like growth was 64% YoY (the difference reflects the accounting shift to inventory ownership in quick commerce, where revenue now includes the full value of goods sold rather than just marketplace commission)."

In plain terms, Blinkit stopped running a marketplace and started holding its own stock, so sales once booked as commission are now booked at the full value of the goods. Same activity, far larger number.

186% was the flattering figure and the company was entitled to it. It deflated its own headline in the same sentence, inside a bracket, before anybody else could.

Now turn it around.

In a strong market, how much of your client's return came from your advice, incidental or otherwise, and how much would they have earned by doing very little? There is an approximate answer. Almost nobody writes it down.

I am not suggesting our contribution is small. The asset allocation, the rebalancing that felt wrong at the time, the protection that was in place before anyone needed it, and above all

the client who wanted out in March and did not: these are the whole job, and some of them are worth more than any fund selection.

But a year in which the market did most of the work is a year worth saying so. The alternative is a slow, silent transfer of credit. A client who is allowed to believe that a bull market was your skill will draw exactly the wrong conclusion when the market turns, and the conclusion will be about you.

Separating the weather from the seamanship in a good year is how you keep your credibility for a bad one.

Habit four: the transition is named

A change at the top is the thing a reader most needs explained, and the thing a letter can most easily leave out. The signature changes, the title beneath it changes, and the page carries on as though nothing had happened. The announcement went out as a filing, months ago, and the letter treats that as sufficient.

Sun Pharma needed one sentence:

"During the year, we implemented a planned leadership transition, with Kirti Ganorkar taking over as Managing Director while I continue as Executive Chairman."

Named person, named role, stated plainly. That is the entire habit.

Now the version that applies to us, and it is the one most of us would rather not answer.

If you stopped practising tomorrow, has your client ever been told in writing what happens to their plan?

Not a continuity policy filed somewhere in the office. A named person, a named arrangement, in a document the client holds. Because a client did not buy a process. They chose a person, usually after one particular conversation, which

makes the arrangement after that person the largest unmanaged risk in the whole plan and the one thing almost nobody puts in writing.

A chairman who will not name his own succession is telling shareholders that the institution is him. A planner who will not name it is saying the same thing to a family, and a family is far less able to absorb it than a shareholder who can sell on Monday morning.

One letter, or four hundred?

Here the parallel breaks.

A chairman writes one letter. Every shareholder owns the same instrument for the same reason, and only the number of shares differs. One document serves all of them, and Buffett proves how well it can.

Our position is the opposite, because the service itself is bespoke. Two clients of the same age and income can hold entirely different portfolios for entirely different reasons, and a sentence that is true for one is wrong for the other. A single letter to everybody would have to strip out the part that makes it worth reading.

So the letter runs in two layers.

A common letter that everybody receives. The year as it was. What the market did and what we did. One recommendation that did not work, and what changed because of it. The return and inflation assumptions the firm plans on, and whether either of them moved this year, those being the quietest numbers in a plan and the ones a household is least likely to be told have changed. Who takes over if you cannot. None of that is client-specific, all of it is the uncomfortable part, and you can write it once.

A personalised page for the clients where the planning relationship is deep. In most practices that is far smaller than the client list. The hundred or so households whose plans carry real complexity, and whose trust is the trust at issue here. That page carries the one number nobody else can give them.

The personalised layer is the one that gets skipped, every time, because it costs an evening per client rather than an evening in total. It is also the one they keep.

The number only you can give them

Here is where a planner's letter can do something a chairman's cannot.

Your client already receives a statement. The Consolidated Account Statement tells her what she holds, what it is worth, and what was paid in commission. That ground is covered, and repeating it adds nothing.

What no statement anywhere tells her is whether it is enough.

That is the number only you can produce, and it is the closest thing our profession has to revenue against target:

"The plan needs ₹62 lakh by 2034 for Aditi's education. You are at ₹19 lakh. On the assumptions we agreed, you should have been at ₹23 lakh by now. The main reason is that the monthly investment averaged ₹61,000 against the ₹75,000 the plan assumed. Continuing at this rate means either starting two years later or finding about ₹9,000 more a month from here."

Four sentences, none of them available to her from any statement, app or factsheet in existence. All four are uncomfortable. That is what makes them worth writing down, and note what the last one does: it converts a shortfall into a decision she can actually make.

What you may and may not put in writing

The most common objection I hear to any of this is compliance, and it deserves a straight answer rather than a shrug. The answer differs by registration, so take yours.

If you are a registered investment adviser, the regulation is already ahead of you. SEBI requires an adviser to keep, among other records, the "rationale for arriving at investment advice, duly signed and dated". Not the advice. The reasoning behind it. Every RIA is therefore already compelled to write down, sign and date the thinking an annual letter would report on. It exists. It is on file. The client has simply never seen it. Nor does anything in the adviser regulations stop you saying a recommendation went wrong, and the code of conduct requires advice to have weighed "available alternatives", which assumes that kind of comparative judgement.

Three things separate out.

Owning your judgement is not the same as criticising a product. This one is for distributors. AMFI's code is explicit that we avoid negative statements about any AMC or scheme. So an annual letter is not the place to write that a fund house let you down. But it is entirely the place to write "I recommended this. My reasoning was X. X turned out to be wrong, and here is what I have changed." The first is off-limits. The second is the thing being asked for, and it is about you, not them.

Reporting is not projecting. The distributor's code is equally clear about not indicating or assuring returns. Reporting actual progress against an assumption previously agreed with the client is a statement of fact about the past. Saying what the portfolio will deliver is not. The letter reports; it does not promise.

Disclosure is not confession. Since December 2024 an adviser has been required to tell clients “the extent of use of Artificial Intelligence tools in providing investment advice”. Most of us now use these tools somewhere. An annual letter is the natural place to say where, and volunteering it reads as confidence rather than apology.

And some of this stops being optional. The Digital Personal Data Protection Act, 2023, with its rules notified in November 2025, makes anyone holding client information a Data Fiduciary, whatever their registration. Notice of what is held and why, consent, retention limits, the client’s right to correction and erasure, and breach reporting all take effect in May 2027. Read that against the opening of this article. The loan she has not mentioned to her husband is personal data, held by you, and she will shortly have a statutory right to be told what you have and why you still have it. A planner already in the habit of writing to clients about what they know and what they hold will find 2027 a much easier year.

Within those lines there is a great deal a planner can say. What no code requires is the letter itself. Every input to one is compulsory: the signed rationale, the periodic risk review, the suitability assessment, the track record. Showing any of it to the person it is about is not.

We already agreed to this

There is a sentence in FPSB’s Financial Planner Code of Ethics and Professional Responsibility that I had read before without reading it.

Principle 2, Integrity:

“Integrity requires honesty and candor in all professional matters.”

Candor. It is in the code, in that word, and every one of us accepted it to earn the marks.

Principle 6, Competence, asks for “the wisdom to recognize one’s own limitations”. Principle 8, Diligence, asks for “fulfilling professional commitments in a timely and thorough manner”.

Read together, these describe a habit: say the true thing, admit what you got wrong, and go back to what you promised. The annual letter is where that habit becomes visible, dated and capable of being checked.

We did not need a new standard. We needed somewhere to put the one we have.

How to start

Seven paragraphs. One evening a year for the common letter, with item three written client by client for the names on your personalised list.

1. **The year as it was**, not as you would like it remembered. Two or three sentences on markets and on what changed in the client’s own life.
2. **What did not work**. One recommendation, what you thought at the time, why you were wrong, what you changed. First person.
3. **Progress against the goal**, in rupees, including the gap and what closing it costs.
4. **Last year revisited**. If you committed to something with a number or a date, report against it. If this is your first letter, make one commitment now so next year has something to measure.
5. **What was you and what was the market**, said plainly.
6. **Who takes over if you cannot**. One sentence, with a name in it. Repeat it every year, and update it when it changes.
7. **What you do not know**. Every good letter I read contained something the writer admitted they could not predict. Every bad one was uniformly confident.

An opening line, if you want it:

"This is the first of these I have written, and I should start with the thing that did not go to plan this year."

I have spent a year holding chairmen to a standard of written candour, and most of them fell some way short of it. It would be a poor result if that ended with a scorecard for other people and no change in my own practice.

So my first client letter goes out before this financial year closes. It will not be very good. It will be dated, and somewhere in it the word "mistake" will appear at least once, which puts me one ahead of where I started and fifteen behind a ninety-four-year-old.

The man with a few hundred shares gets one every year, from a company that has never met him.

Our clients told us everything. They can wait a little less long than that.

Author's note and disclosures

The author. Amit Gopal Kallianpur is the author of *Read the Letter: The India Candor Scorecard* and has a commercial interest in that book. He is also a CFP® professional and Chief Financial Coach at Finamana Personal Financial Services, Mumbai, and an AMFI-registered mutual fund distributor.

Conflicts. The author's family is invested in PPFAS Mutual Fund schemes and his practice distributes them, so he earns commission when clients invest in them. Praise of Mr Thakkar's note is therefore not disinterested and should be weighed accordingly.

Method, and its limits. The scores cited here come from a single rater, the author, applying a five-part candor framework to chairmen's letters across three years. They are structured

judgement rather than measurement, and another careful reader would mark individual letters differently. The framework adapts L.J. Rittenhouse's methodology, described in *Investing Between the Lines*. This work is not affiliated with or endorsed by Rittenhouse Rankings.

Sources. Every quotation is verbatim from a public document and can be checked at source: Berkshire Hathaway's shareholder letters of 1985, 1989 and 2024; Rajeiv Thakkar's note to unitholders of 4 August 2026; Eternal Limited's shareholders' letter for the quarter ended 31 March 2026; Sun Pharma's annual report for 2025-26; and FPSB's Financial Planner Code of Ethics and Professional Responsibility. The company whose abandoned commitment is described in habit two is left unnamed deliberately; both letters are public and the scoring can be reproduced.

Not advice. This article is educational and does not constitute investment advice, nor a recommendation regarding any security or scheme. References to Berkshire Hathaway, PPFAS Mutual Fund, Eternal and Sun Pharma illustrate disclosure practice in shareholder and unitholder communication; they assess how each entity writes, not any of them as an investment. What an individual planner may communicate depends on their registration, the FPSB Code of Ethics and applicable SEBI and AMFI requirements, and remains their own responsibility.

Regulatory references are to the SEBI (Investment Advisers) Regulations, 2013 as amended to 25 November 2025; the SEBI Master Circular for Investment Advisers dated 27 June 2025; AMFI's Guidelines and Norms for Intermediaries; and the Digital Personal Data Protection Act, 2023 read with the Digital Personal Data Protection Rules, 2025. DPDP commencement is phased, and the dates should be checked against the notification before any compliance decision is taken.

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PRIORITY BEFORE PERCENTAGE: TWELVE PRACTICE-BASED CASH-FLOW MODELS FOR INDIAN FAMILIES



Taresh Bhatia, CFP

There is a sentence I have heard repeatedly from families across different income levels: "My salary is reasonably good, but I still do not know where the money goes."

Sometimes the monthly income is ₹60,000. Sometimes it is ₹1.5 lakh, and sometimes it is ₹3 lakh or more. The numbers, lifestyles and responsibilities change, yet the frustration sounds much the same.

In reality, the salary arrives with several claims already attached to it. Part may belong to the home loan, groceries, school fees or support for parents. Another part may need to fund an insurance premium due later in the year, an emergency reserve, retirement or another future goal. The amount genuinely available for discretionary spending is what remains after these claims have been recognised.

This distinction has become central to the way I discuss cash flow with families. It has also made me cautious about beginning every household conversation with a standard percentage rule.

The 50:30:20 approach, for example, can be a useful educational reference point. Its simplicity helps people begin. The difficulty arises when a reference point becomes a rigid prescription.

A young professional living with parents, with no housing liability and few dependants, does not have the same financial capacity as a couple servicing a home loan, educating two children, supporting ageing parents and preparing for substantial annual expenses. Their incomes may even be identical. Their capacity to save and invest is not.



My working principle is therefore that the formula should adapt to the family. The family should not be forced to adapt to the formula.

The twelve models discussed in this article grew from recurring situations I have encountered in practice. They are intended to help planners identify a cash-flow problem, explain it in language a family can understand, and translate the discussion into a workable monthly routine.

Model 1: Salary-to-Freedom Flow™

The Salary-to-Freedom Flow provides the broad structure within which the other models sit. Its sequence is:

Salary > Run > Reserve > Protect > Prepare > Prosper > Live

The value of this model lies in the order, not in a prescribed percentage for each part.

A family must first be able to run its present financial life. Housing, food, utilities, education, transportation and routine family responsibilities are real commitments. A financial plan becomes fragile when it assumes an unrealistically low cost of living merely to produce an attractive investment figure.

The household then needs to reserve. This is the liquidity that allows the plan to survive an interruption in income, an unexpected repair, a job transition or another short-term financial shock.

Without an adequate reserve, the family may have to use a credit card, take a personal loan or liquidate a long-term investment at an unsuitable time. A reserve gives the rest of the financial plan time to work.

The next requirement is to protect. A major health event, disability or premature death can undo years of careful accumulation. Appropriate risk management therefore serves a different purpose from investment. Its primary role is not to build wealth but to help prevent a serious event from destroying the household's financial structure.

The nature and amount of protection must be assessed according to the family's circumstances rather than selected from a generic checklist.

Then comes prepare, which is one of the most neglected parts of household cash flow.

An annual insurance premium is not an emergency. Annual school fees are not an emergency. A festival, a planned holiday or a known maintenance expense does not become an emergency merely because it does not occur every month.

These expenses may be irregular, but many of them are foreseeable.

If a family expects approximately ₹1,20,000 of such expenditure during the year, providing about ₹10,000 each month can make the annual burden easier to absorb. The actual amount will vary from one family to another. The principle is to fund predictable expenses predictably.

Only after these layers have been considered do we reach prosper, the systematic allocation towards retirement, education, future goals and long-term wealth creation. Ideally, these allocations should not depend entirely on what happens to remain at the end of the month.

Finally, the family must be able to live. Travel, meals out, hobbies, celebrations and experiences are legitimate uses of money. I do not want a financial plan to make clients feel guilty about every discretionary rupee. I want them to enjoy the present without unknowingly spending the money required to protect their future.

The Salary-to-Freedom Flow is therefore an order-of-priority framework. It helps the planner establish what the income must accomplish before discussing what percentage should go where.

Model 2: Five Money Envelopes™

Long before budgeting applications and online dashboards became available, many Indian households separated money into physical envelopes. Rent went into one envelope, school expenses into another and household costs into a third.

The method was simple, but it achieved something valuable: money received a purpose before it was spent.

I adapt that logic into five practical categories:

Household | Future | Safety | Upcoming Expenses | Life

The **Household** envelope covers the routine cost of running the family.

The **Future** envelope holds allocations for long-term objectives.

The **Safety** envelope covers emergency liquidity and, where appropriate, the cost of financial protection.

The **Upcoming Expenses** envelope provides for irregular but foreseeable commitments.

The **Life** envelope covers discretionary expenditure and enjoyment.

The model does not require five separate bank accounts. For some families, separate accounts may make the categories easier to respect. Others may use automated transfers, investment mandates, sinking funds or clearly defined accounting categories within one system. The structure should be no more complicated than the client needs.

The behavioural value lies in separating financial purposes early in the income cycle. If all the money remains in one visible balance, the family must repeatedly decide whether each transaction is affordable. Clear compartments reduce this ambiguity.

They can also help a planner convert a technically sound recommendation into behaviour that the client can maintain.

The envelope method should not be applied mechanically. Excessive fragmentation can make household finances more difficult to monitor. The objective is to make the main claims on income visible, not to create an account for every minor expense.

Model 3: Salary Is Not Spending Money™

This model addresses the false sense of liquidity that can arise on salary day.

The account may show ₹1,00,000, but that does not mean the family has ₹1,00,000 available for consumption. If ₹75,000 already has legitimate claims attached to it through household responsibilities, reserves, protection needs, predictable expenses and long-term allocations, the actual discretionary capacity may be closer to ₹25,000.

Nothing has been taken away from the client. The planning exercise has simply stopped describing committed money as available money.

The calculation is straightforward. Begin with the salary credited. Identify the essential and already accepted claims on it. Provide for known future costs. The amount that remains is what can be spent without displacing a more important purpose.

The difficult part is not the arithmetic. It is agreeing on which commitments are genuine, which are adjustable and which have previously been ignored.

This conversation is particularly useful with clients who earn reasonably well but feel financially constrained within days of being paid. Their first assumption may be that they need a higher income. Sometimes they do. In other cases, the more immediate problem is classification.

When the full account balance is treated as spendable, the family receives a misleading signal at the very moment when its monthly choices begin.

Model 4: Increment Capture Rule™

A salary increment is one of the most useful financial-planning events in a client's year, yet it is often treated only as an employment event.

Suppose monthly income rises from ₹1,00,000 to ₹1,15,000. The additional ₹15,000 creates genuine financial capacity. Within a few months, however, the higher income can begin to feel normal.

A vehicle upgrade, more frequent dining out, a new subscription or another EMI may absorb the increase before the client has consciously decided what the increment should accomplish.

None of these choices is automatically wrong. The problem is allowing the entire increment to become lifestyle by default.

The Increment Capture Rule asks the client to decide what to do with the increase before the new salary becomes psychologically familiar.

One part might strengthen retirement or another long-term goal. Another might complete the emergency reserve, fund a known annual expense or reduce expensive debt. The balance can then be used to improve the client's present lifestyle.

I deliberately avoid prescribing one percentage. A client with inadequate liquidity and costly debt needs a different allocation from a client whose financial foundations are already strong.

What matters is that income growth should strengthen the future as well as the present.

Salary revisions, promotions and major career changes can therefore become formal financial-planning review points. It is usually easier to direct part of a new increment before it is absorbed than to reverse established lifestyle commitments later.

The planner's intervention may be brief, but its effect can compound for years.

Model 5: Controlled Lifestyle Expansion™

Lifestyle inflation is often discussed as if every improvement in living standards represents a failure of discipline. That view is neither realistic nor fair.

People work hard partly because they want a better life. Greater comfort, travel, a better home and occasional expensive purchases may all be reasonable uses of income. The planning question is whether the expansion is affordable, intentional and controlled.

The first test concerns fixed commitments.

EMI eligibility should not be confused with affordability. A lender decides whether it is willing to lend under its own criteria. That calculation may not fully reflect the family's dependent parents, future education expenses, retirement requirements, career uncertainty, existing liabilities or lack of adequate liquidity.

Bank eligibility answers a lending question. Financial planning asks what the new commitment will do to the household's wider flexibility.

The second test is time. For a significant non-essential upgrade, a cooling-off period can help distinguish a persistent preference from a momentary impulse.

The purpose is not to delay every enjoyable purchase. It is to give larger decisions enough time to be considered alongside their opportunity cost.

The third test is sequencing. When income rises, the client first decides how much of the additional capacity should strengthen financial foundations and long-term goals. Lifestyle can then expand within the remaining capacity.

This approach avoids moralising about expenditure. The conversation becomes one of sustainability and conscious trade-offs.

A lifestyle decision becomes particularly risky when it converts a temporary improvement in income into a permanent monthly obligation. The family should test not only whether it can make the first payment, but also whether it could comfortably continue the commitment if income growth slowed or another responsibility emerged.

Model 6: Ten-Day Salary Leak Test™

When a client says that the salary begins to feel inadequate by the tenth day of the month, I do not always begin by reconstructing an entire year of expenditure.

Sometimes the first ten days reveal enough to begin a useful conversation.

Under the Ten-Day Salary Leak Test, discretionary UPI and card transactions during that period are reviewed and broadly classified as:

Need | Convenience | Lifestyle | Impulse

These categories are not moral labels. A convenience expense may be worth paying, and a lifestyle expense may bring genuine enjoyment. The objective is to show the client what pattern the transactions create when viewed together.

The individual amounts usually look harmless. ₹180 does not appear significant. Neither does ₹299, ₹499 or ₹750.

The client may expect the exercise to reveal one dramatic financial mistake. Instead, it may reveal a collection of ordinary transactions that have become material in aggregate. I describe this pattern as the **micro-spending blind spot**.

Digital payments have greatly improved convenience in India. At the same time, they can reduce the pause that accompanies handing over physical cash.

The problem is seldom one cup of coffee, one cab ride or one food-delivery order. It is the

cumulative effect of frequent decisions that never feel large enough to examine individually.

A short diagnostic period is less intimidating than asking a client to record every expense for several months. It can make a pattern visible quickly.

It also prevents the planner from assuming that small transactions are the problem before examining the evidence. If the first ten days reveal little discretionary leakage, attention should move to fixed commitments, annual costs, debt servicing or inadequate income instead of forcing a preferred explanation onto the client.

Model 7: Four-Week Spending Boundary™

Monthly budgets can fail because the feedback arrives too late.

Suppose a family has allocated ₹20,000 for flexible spending during the month. If ₹12,000 has already been spent by the end of the first week, the monthly limit has not technically been crossed. However, the remaining three weeks are already under pressure.

The Four-Week Spending Boundary creates shorter feedback cycles.

The ₹20,000 does not necessarily need to be divided into four identical amounts. Real households do not spend evenly every week. A school event, family occasion or travel requirement may make one week legitimately more expensive than another.

The planner and client can allow for that pattern while still establishing weekly reference points.

The purpose is to detect financial drift while the month can still be adjusted. A review on Day 7 gives the household choices. A review on Day 30 may only confirm that the money has gone.

This approach is useful in households where discretionary expenditure is made through numerous small digital payments. A monthly

figure can remain abstract until it is almost exhausted. A weekly boundary is closer to the rhythm in which spending decisions occur.

Model 8: Salary Rescue Plan™

Diagnosing a cash-flow problem is only half the work. The client must also know what to do differently when the next salary arrives.

The Salary Rescue Plan converts the discussion into a monthly operating rhythm.

On or near salary day, essential commitments and agreed long-term allocations are separated or scheduled. Soon afterwards, the provision for predictable annual expenses is transferred to its designated place.

The family then establishes the amount available for discretionary spending instead of relying on the full bank balance as its guide.

Around Day 10, the household reviews its transaction patterns. Near the middle of the month, it checks whether flexible spending remains on course. Before month-end, it looks ahead to known commitments in the next month, such as school fees, insurance premiums, festivals, travel, repairs or family events.

The timing can be adjusted to the household's salary date and billing cycle.

The model also changes the way the family views a month-end surplus. Unspent money does not automatically become permission for additional consumption.

Depending on the client's priorities, it might strengthen a reserve, reduce debt, fund a goal or increase an investment. The choice should be made consciously rather than by habit.

The intended shift is from: **"Where did my salary go?"** to: **"What is my salary building for us?"**

For the planner, this is the point at which an annual financial plan begins to operate within the client's real month.

Model 9: Next Salary Protection Rule™

Credit cards and Buy Now Pay Later arrangements can allow today's lifestyle to acquire a claim on tomorrow's income.

Assume that a salary arrives at the beginning of the month and ₹35,000 must immediately be used to settle the previous month's credit-card bill. The new month appears to have started with fresh income, but part of that income was spent several weeks earlier.

The Next Salary Protection Rule makes this effect visible.

A credit card is a payment facility, not additional income. It can be convenient and useful when the balance is paid in full and the spending fits within the household's plan. The difficulty arises when the card quietly extends the apparent spending capacity of the current month.

For a high-income client who remains chronically short of cash, the question, "How much of your next salary is already committed before it arrives?" may reveal more than the current outstanding balance alone.

The answer should include card bills, EMIs, Buy Now Pay Later obligations and other deductions that will claim the next income cycle.

The rule is not an argument against credit cards. It is a test of whether the family is using credit as a payment mechanism or as an invisible extension of income.

If the next salary repeatedly pays for the previous month, the planner may need to help the client reduce discretionary spending temporarily, address expensive debt where appropriate, and rebuild a cleaner monthly cycle.

Model 10: Bonus Allocation Rule™

A bonus feels different from salary.

Salary usually arrives carrying visible responsibilities. A bonus can feel uncommitted, and the mind quickly identifies attractive uses for it: a holiday, shopping, a gadget or a vehicle upgrade.

There is nothing wrong with enjoying part of a bonus. The Bonus Allocation Rule simply asks the family to examine its financial weaknesses before deciding how much of the temporary income should become lifestyle.

Is the emergency reserve adequate? Is expensive debt outstanding? Is an important goal behind schedule? Are large predictable expenses approaching?

Once these questions have been considered, the household can decide how much of the bonus it can enjoy without guilt.

The distinction between temporary income and permanent expenditure matters. A bonus may be received once, but an EMI created by a bonus-driven purchase may continue every month.

This is especially relevant for executives, professionals and business owners whose variable compensation forms a meaningful part of their annual income.

The allocation need not be identical every year. A client who has completed the emergency reserve and has no costly debt may direct more of a later bonus towards lifestyle or a valued experience.

The rule is a decision sequence, not a fixed split. It prevents the emotional character of the bonus from determining the entire outcome.

Model 11: Indian Family Priority Model™

The Indian Family Priority Model returns to the central proposition of this article.

Instead of beginning with a predetermined split between needs, wants and savings, I first try to understand the order of the client's financial life:

Responsibilities > Resilience > Protection > Predictable Future Costs > Long-Term Wealth Creation > Lifestyle

Percentages become useful after these layers have been understood.

For one family, investing 15% of income may represent substantial progress given its current responsibilities. Another may be able to invest 35% without strain. A third may need to reduce costly debt and establish an emergency reserve before increasing its long-term investments.

The appropriate outcome depends on income, housing costs, children, dependent parents, liabilities, existing assets, insurance, employment stability and life stage.

This model is especially useful when clients arrive feeling guilty because they have failed to meet a popular savings ratio.

The planner's job is not to defend the ratio. It is to understand what is realistically possible today and help the family improve from that position.

Priority before percentage does not mean that ratios are irrelevant. Ratios can help the planner compare, monitor and establish direction once the underlying facts are clear.

Model 12: Life-Stage Case Comparison™

The limitations of percentage-first planning become clear when two households are compared.

Consider a young professional earning ₹60,000 a month, living with parents, carrying no home

loan and supporting few dependants.

A common rule may suggest investing 20%, or ₹12,000. If the client's circumstances comfortably allow an investment of ₹20,000 or ₹25,000, there is little reason to limit long-term accumulation to the generic figure.

The low-responsibility years of a career can provide unusually valuable compounding time. The planner can help the client use that advantage without denying a reasonable present lifestyle.

Now consider a family earning ₹1.50 lakh a month. It pays a home-loan EMI of ₹50,000 and another ₹55,000 towards school expenses, household costs, dependent parents and other essentials.

Approximately ₹1.05 lakh is already substantially committed.

Telling this family to invest 30% does not resolve its financial constraint. It may only create anxiety and a sense of failure.

The family may first need to review its debt, identify adjustable expenses, prepare for annual costs, strengthen liquidity and assess its protection requirements. Its investible surplus can then be increased gradually.

The progression may be slower, but it is more likely to endure.

The comparison demonstrates a basic professional point: identical income does not imply identical financial capacity. A percentage that constructively challenges one client may be unnecessarily conservative for another and completely unrealistic for a third.

Financial planning should give the family a credible path, not a reason to feel that it has failed before the work has even begun.

Conclusion

Financial professionals naturally spend substantial time on asset allocation, investment products, retirement projections, insurance, taxation and goal planning.

These areas matter, but every SIP, retirement contribution and long-term investment must ultimately be funded from household surplus.

The twelve models presented in this article are intended to make recurring household cash-flow problems easier to identify, explain and act upon. Their role is to help the planner establish the order in which income must serve the family before converting that order into percentages, products or automated transactions.

The planner's task is not to impose an attractive ratio on a complex household. It is to help the family bring its financial life into an order that it can understand, sustain and gradually improve.

The most useful shift may therefore be from asking: "How much can we spend this month?" to asking: "What should our money accomplish for us this month?"

Over time, a better question may emerge: "What is our money building for us?"

That is the point at which cash-flow management begins to support financial planning, and financial planning begins to move the family towards greater financial freedom.



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ELEMENTS TO BE INCLUDED FOR SUBMISSION:

- Publication date - Dec 2026.
Article submission date: 15 Nov 2026.
- Publication date - March 2027.
Article submission date: 15 Feb 2027.
- Send to: akumar@fpsb.in
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FP&B INDIA

CPD QUIZ

FOR JOURNAL OF FINANCIAL PLANNING IN INDIA

(SEPTEMBER 2026 EDITION)

WELCOME TO THE CPD QUIZ!

This quiz is 6 questions long, and you need to answer 4 questions correctly to earn 4 CPD points. Your quiz results will be displayed after you complete all the questions.

Current CFP professionals are required to take the CPD Quiz by logging into their MyFPSBLearning portal. Once the Quiz is submitted, CPD points earned shall be reflected directly in the LMS portal of the candidate.

To improve your score in this Quiz, you will be able to take the CPD Quiz up to two times.



GOOD LUCK!

Human Plus Machine: How AI Is Strengthening – Not Replacing – the CFP Profession

1. In the view of the author, the near-term implication in adoption of AI-assisted planning tools is _____

- a. incremental returns for the client
- b. saving time lost in manual work
- c. refining search for most efficient products
- d. efficient review of cash flows

A Decision Framework for Funding Overseas Education Under Currency Risk

2. The author emphasizes that _____ is a major factor which must be considered by the financial planners for their clients seeking education loans in foreign countries.

- a. changes in income tax rules
- b. changes in residency status of the individual seeking loan
- c. changes in depository rates over time
- d. currency inflation risk

Why India Needs to Indianize Retirement: Introducing the Desi Retirement Plan

3. The author is of the firm view that India needs a Desi Retirement Plan to create the most meaningful impact, and the practical implications for a CFP professional is a retirement plan where ____.

- a. instruments of communication are simple, honest
- b. conversations are Indianized
- c. inflation & longevity have a domestic calibration
- d. all of the above

The Unopened Drawer: Why Estate Documentation Is the Profession's Next Frontier

4. Which one of the below is a step proposed by the author, as part of the working framework for the CFP professionals, during their review meetings with the clients on succession planning?

- a. areview asset allocation
- b. converse about money and mortality
- c. prompt the Will conversation
- d. document risk profiling

The Letter We Don't Write

5. The author stresses that there are four habits which must transfer intact to a letter from a planner to a client. Which one of the below is not one of the 4 habits so prescribed by the author?

- a. returns are classified and counted
- b. the mistakes are counted
- c. last year's promise is revisited
- d. luck is separated from skill

Priority Before Percentage: Twelve Practice-Based Cash-Flow Models for Indian Families Problem

6. The twelve models presented in this article are intended to ____

- a. make recurring household cash-flow problems easier to identify, explain and act upon
- b. solve long-term investment options
- c. review debt of client, identify adjustable expenses, prepare for annual costs
- d. help the client reduce discretionary spending temporarily

END OF THE QUIZ

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