

Fin resolutions for new fiscal

Vishal Dhawan

While January may be the most popular time to make resolutions on the personal front, April tends to be a good time to resolve to have a healthy financial life. This is the time of the year when a large number of people refocus, after a very hectic quarter. It is also an opportune time for us to embark on our financial planning for the year ahead. So let's look at which financial resolutions you should take in this new financial year.

Reset your financial goals: Be realistic about how much time and money it will take to accomplish each goal. Remember an estimate that is too low could disappoint you in future.

Invest in yourself: Remember that your career and your profession is the driver of your wealth creation. Ensure that you are investing in yourself – financially, physically, mentally and spiritually.

Tax law changes need to be factored in: Keep taxes in mind while building your investment portfolio. However, investments must not be solely guided by their tax benefits. For example, the newly introduced tax benefit for investing in the NPS or higher limits for deductions on medical insurance can be taken advantage of.

Start tax planning early: Start your tax planning from

the beginning of the financial year so that you have enough time to evaluate different tax savings instruments and avoid the hustle bustle of last minute solutions.

Check if your insurance cover is adequate: It is important to evaluate whether your life and health cover is adequate for yourself and for your family, and review whether the policies you had bought, continue to be appropriate.

Top up your emergency fund: In case you have overspent or had to take a hit due to higher taxes than anticipated, you may have a lower than ideal contingency fund.

TO-DO LIST

Keep aside at least three months income for an emergency fund can help you and your family if anything unexpected happens.

Ensure that you are keeping your loans for the right reasons: It is critical to evaluate that the interest you will pay on your loan in the long term is less than the earning on your investments, else consider prepaying.

Review your progress: Monitor your financial portfolio every six months on a specific date written in your diary or calendar. When you achieve a goal, celebrate! Then set yourself a new goal.

*The writer is founder;
Plan Ahead Wealth Advisors*