

TRIAL BALANCE			
Balance	DURING PERIOD		BALANCE
	DEBIT	CREDIT	
901.00		0	98
0	989,532.96		59
817.00	582,300.00		
700.00	0	300,000	
5,000.00	0	0	
0,000.00	0	0	
5,050.00	490,000.00		
0,000.00	60,350.00		
0	150,000.00	0	
7,660.00	2,026,740.00		
34,606.88	16,270,321.04		
0	658,000.00		
50,833.84	300,000		
35,242.70	17,000		
72,070.02			
25,000.00			
25,546.00			1,567,
25,645.00			251
53,695.00			8
0			9
132,156.00			
0			
232,154.00			2,



ABHISHEK AGARWAL

# Financial Fitness Report

## The Big Picture

Over 930 banks and lending institutions in India submit your credit payment performance data to Credit Information Companies commonly known as Credit Bureaus. CIBIL, the largest credit bureau in India was established in 2000 and has grown in size from 3 million records to 290 million consumer records over the last decade. CIBIL assigns you a score, a number between 300 and 900, also known as credit score that helps lenders decide how creditworthy you are – the higher the score, the lower the risk. Because majority of the banks use credit scores, keeping your score as high as possible is vitally important.

## What's so good about good credit?

Good credit health gets you lower interest rates, better deals on your loans and more so that you can live a financially rich life! Let's be a little more specific –

Want to get a new credit card or increase limit on your existing card? Want to borrow for a house, a car, a TV or just about anything? Banks and other lenders look to see how well are you doing on your credit health before approving you for a new loan or a credit card or increasing your existing credit line.

## What's in the Financial Fitness Report?

**Creditworthiness:** Do you know that every credit payment you make or don't make leaves behind a financial footprint and this reflects in your Credit Report? Your five credit behaviors that make up your financial footprints are explained to you in an easy to understand A-F grading system.

**Borrowing Power:** Your borrowing power is the amount of debt banks or lending institutions believe you can responsibly afford to borrow. Besides empowering you with your loan eligibility, we also inform you about key money ratios that go behind evaluation of your loan application.

**Savings Potential:** Our goal is for you to save more. We find you the best and the most optimal way for you to get rid of your debt faster so that you save thousands on your interest payments.

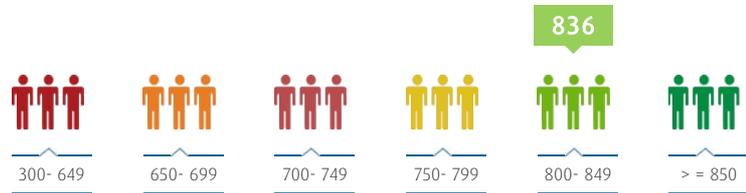
Financial Fitness Report was born out of a simple realization that most people tend to overlook the importance of managing their credit and loans when it comes to building wealth. So, we decided to walk the extra mile to help you achieve your financial goals. We help you understand your credit profile and take steps that create positive financial footprints so that you get the loans you apply for, save money on loans and credit cards and live a rich life.

## Credit Score



### Congratulations!

Your Credit Score is 836, which means you are doing **Great!**



## What makes your Credit Score?

### Credit Repayment History

How consistently you make payments on time



**Credit Utilization**  
The ratio of what you owe to the amount of credit available

### Credit Age

How long you have been using credit



**Credit Mix**  
Your outstanding credit accounts including credit cards, instalment loans, home loans and others

### Credit Enquiries

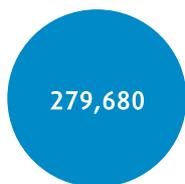
Enquiries that creditors have made about you



## Your Savings Potential



Debt Free Age



Total Interest Pending



New Debt Free Age



New Interest Pending

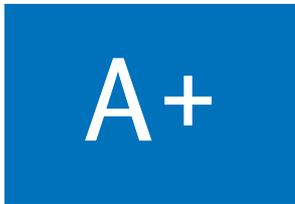
### Total Savings: 108,065

Current Scenario: If you kept on paying your EMIs as such then you will be debt free by the time you are 43 years old and you would have paid an addition of 2.79 lacs in interest on all your loans.

Our calculations show that if you can afford, you should add 5% of your residual income (income left after making your existing EMI obligations) towards your EMI payments. This can save you up to 1.1 lacs on interest payments and you will be debt free 4 years earlier.

Note: Recent RBI regulations have abolished pre-payment penalty on home loans. There can however be pre-payment charges on other loans. So, you should check with your respective lenders on pre-payment penalties and save the residual amount to make a lump-sum payment to clear off your debt.

## Credit Repayment History: A+



### Congratulations!

You have done well in this category. Your past payment performance makes up the biggest chunk of your credit score. You have made on time payments on your loan and credit card obligations in recent past and hence are earning almost all of the available score points in this category.

## Credit Utilization: A



### Congratulations!

You have done well in this category. Credit utilization refers to how much of your available credit you use on a monthly basis. It is defined as your total credit card balances divided by your total credit card limits. Generally, speaking the higher your credit utilization, the lower your credit score. Keep your utilization less than 10% to continue earning the most points in this category.

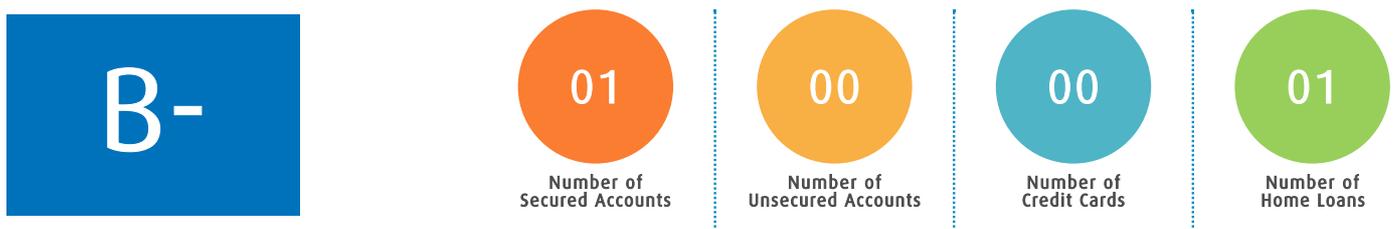
## Credit Age: B



### On your way up!

You have a fairly young credit history. There are two important measurements in this category. The first will assign a birthday to your credit report by looking at the date you opened your oldest account. Your credit profile seems to be more than 4 years old. The second measurement looks at all the accounts on your report, takes the age of each of them and averages them together. In your case the average age of your accounts is nearly around 4 years and 3 months. As time goes on, these will both get better because your existing accounts will not get younger. And you'll eventually reap the rewards for being in the older category.

## Credit Mix: B-



### Be slightly cautious!

You are doing okay in this category but your credit profile is missing a credit card. Studies have shown that individuals with home loans are more stable than the individuals who don't have a home loan. A strong exposure to secured products is always an advantage, but having a proper account mix is key to success in this category. A secured loan is a loan in which the borrower pledges some asset (e.g. car/home/property) as collateral for the loan whereas unsecured debt is debt has no collateral backing.

## Credit Enquiries: B-

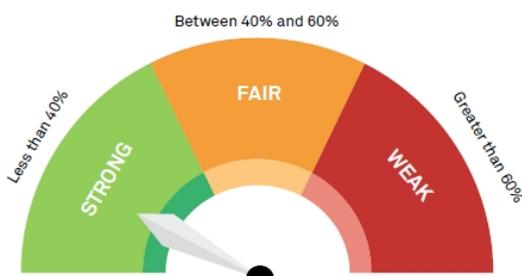


### Be slightly cautious!

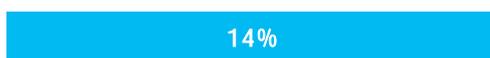
You have enquired for a loan/credit card 4 times in last 2 years and the bad news is that these enquiries are bringing your Cibil Score down. Having a couple of enquiries on your credit report is understandable, but never go overboard in looking for a loan. Banks and other financial institutions look at it as a “Credit hungry” behavior and they hold this behavior against you!

## Your Borrowing Power

### Range for Debt to Income Ratio



### Your Debt to Income Ratio



Your borrowing power is measured by your debt to income ratio. Your debt to income ratio can be a valuable number – some say it is as important as your credit score. It’s exactly what it sounds: the amount of debt you have as compared to your overall income. Banks and other financial institutions use your DTI ratio to evaluate your current debt load and to see how much you can responsibly afford to borrow. The lower the DTI, the more appealing you are to the lenders.

## Your Key Money Ratios

### Mortgage Debt to Income Ratio

Mortgage Debt to Income ratio is the percentage of your monthly income that goes towards your mortgage payments. A general rule of thumb is that you shouldn't be spending more than 35% of your income on your mortgage payments. You are doing extremely well in this category since you have managed to keep your mortgage payments below that 35% threshold.

### Your Mortgage to Income Ratio

14%

### Range for Mortgage to Income Ratio



### Non Mortgage Debt to Income Ratio

Non-mortgage Debt to Income ratio is the percentage of your monthly income that goes towards your non-mortgage debt payments (like say personal loan or credit cards). The ideal ratio is 25 percent which means that your non-mortgage to debt payments should not exceed 25% of your income. You are doing extremely well in this category since you have managed to keep your non-mortgage debt payments below that 25% threshold.

### Your Non-Mortgage Debt to Income Ratio

0%

### Range for Non-Mortgage to Income Ratio



## Exposure to Secured and Unsecured Debt

Out of the total outstanding debt of 4,19,166, your secured exposure is at 100% and your unsecured exposure is at 0%. It is always advisable to keep a tight leash on your unsecured exposure and ensure that no more than 10% of your income is consumed by unsecured debt.

### Total Debt Exposure is:

4,19,166

### Secured debt      Un-secured debt

100%

0%

## Home Loan Eligibility

Banks usually calculate the loan eligibility by applying fixed obligations to Income ratio (FOIR). On the prudent side, many banks restrict FOIR to a maximum of 45-50 percent of your monthly income which means that your fixed outgoing expenses (monthly installments on your existing loans) should not exceed half of your income.

Assumption: Your home loan eligibility is calculated based on your household income, 60% FOIR and at 10.75% APR.

Home Loan eligibility is:

19,53,000

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## Recommendations

- You have done an excellent job in making payments on time.
- Please keep up the good work and ensure timely payments in the future as well!
- Your credit profile seems to be missing a revolving account. It is advisable to get a credit card so as to get diverse mix of accounts.