Smart Finance – Product Requirement Document

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PROBLEM STATEMENT

Personal finance management in India remains a deeply underserved area. Despite a growing middle class and rising digital adoption, the vast majority of Indian earners — salaried professionals, freelancers, and young adults — lack accessible, personalized tools to manage their money intelligently.

Core Pain Points

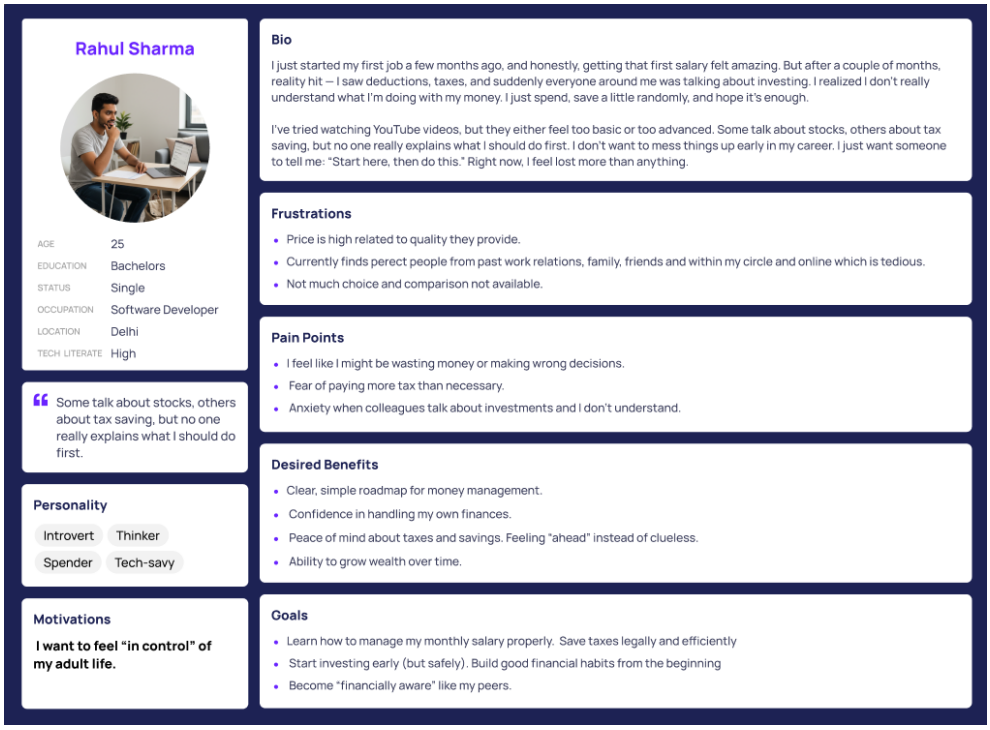
- No unified financial view: Users track income, expenses, savings, and investments across multiple apps (Zerodha, Groww, bank apps) without a consolidated picture.
- Jargon-heavy financial tools: Existing platforms like Wealth Management portals use complex financial terminology, making them inaccessible to first-time investors.
- No actionable guidance: Generic apps give data but no personalized next steps — users don't know *what to do*.
- Tax planning is reactive: Most Indians realize tax-saving opportunities only in March, missing out on year-round optimization.
- Retirement planning blind spot: Very few individuals under 35 actively plan for retirement due to perceived complexity.
- Insurance gap: A majority of Indian salaried workers are significantly underinsured relative to their income (ideally 10–12× annual income), with no awareness of their actual gap.
- No structured financial planning: Investments are random, untracked, not goal-based, this results in lack of confidence in doing the right thing.
- Trust & Credibility Issues: Sceptical about influencers, advisors, hidden commissions. User confused *who should I trust*.

TARGET USER

Target Users	Target Users
Young Professionals (22–35)	First-time earners who need foundational guidance on savings, SIPs, and emergency funds.
Mid-Career Professionals (35–50)	Users optimizing wealth, managing taxes, and planning for retirement.
Freelancers / Self-Employed	Irregular income earners needing flexible budgeting tools.

USER PERSONA

1. **Rahul Sharma**



2. **Neha Verma**



PROPOSED SOLUTION

Smart Finance is a comprehensive, AI-powered personal finance dashboard purpose-built for Indian users. It provides a unified interface to understand, plan, and act on their finances — backed by a conversational AI advisor that speaks their financial language.

Solution Pillars

1. Personalized Dashboard: A single view of income, expenses, savings, investments, and insurance with a calculated Financial Health Score (0–100).
2. AI Financial Advisor: A GPT-4o-mini-powered conversational advisor that gives context-aware, India-specific financial advice including tax regimes, SIP recommendations, and insurance nudges.
3. Goal-Based Planning: Users define goals (emergency fund, house, car, education, travel) and track progress visually in real-time.
4. Financial Calculators: SIP, SWP, and Retirement Planning calculators with inflation-adjusted projections and interactive charts.
5. Financial Education: Module-based educational content covering budgeting frameworks (50/30/20), investment instruments, tax-saving instruments, and spending reduction strategies.
6. PDF Report Export: A high-fidelity, shareable financial report exportable in one click.

FEATURE LIST

#	Feature	Module	Description	Tech Used
1	Onboarding Flow	Onboarding	Step-by-step chatbot-style questionnaire capturing data from user.	React state, localStorage
2	Financial Health Score	Dashboard	A composite 0–100 score calculated.	Rule-based scoring logic
3	Smart Insight Card	Dashboard	Dynamic color-coded insight based on the user's most critical financials.	generateFinancialInsight()
4	Next Move CTA	Dashboard	A prioritized, action-oriented card that tells the user exactly what to do.	Backend /api/next-action
5	50/30/20 Rule Analysis Chart	Dashboard	Bar chart comparing the ideal 50/30/20 budget allocation vs. the user's actual allocation.	Recharts BarChart
6	Monthly Overview Chart	Dashboard	Bar chart of income vs. expenses vs. savings for the current month.	Recharts BarChart
7	Emergency Fund Tracker	Dashboard	Progress bar showing months of expenses covered.	Derived calculation
8	AI Smart Insights Panel	Dashboard	Three AI-generated, concise financial insights.	OpenAI GPT-4o-mini
9	AI Advisor Chat	AI Advisor	Persistent, session-aware conversational AI advisor using GPT-4o-mini.	OpenAI API, sessionId
10	Structured Financial Tables in Chat	AI Advisor	AI responses include formatted tables rendered inline.	AdvisorChat.tsx renderer
11	Quick-Start Prompts	AI Advisor	Pre-built topic buttons to guide users to relevant advice quickly.	Prompt chips UI
12	Personal Finance Education	Personal Finance	Educational content on budgeting frameworks	Static content page

			(50/30/20), net worth, cash flow, emergency funds.	
13	Savings Management	Savings	Guide to savings accounts, FDs, liquid funds, and emergency fund strategies with calculators.	SavingsManagement.tsx
14	Tax Calculator	Tax	Old vs New Tax Regime comparison, tax-saving, interactive tax liability calculator.	TaxCalculator.tsx
15	Goal Planning Module	Goals	Multi-goal creation and tracking with milestone planning.	GoalPlanning.tsx
16	SIP/SWP Calculator	SIP/SWP	Calculates future value of monthly SIP investments and suitable monthly withdrawal plan.	SipSwpCalculator.tsx

FEATURE PRIORITIZATION

1. MoSCoW Framework

MUST HAVE

- Personalized financial onboarding
- Tax calculation engine
- SIP/SWP calculator
- AI Advisor (predefined + custom queries)
- Basic financial insights (tax saving, investment suggestions)

SHOULD HAVE

- Goal-based planning (house, car, retirement)
- Risk profiling (questionnaire-based)
- Portfolio suggestions (basic allocation)
- Progress tracking dashboard
- Save user session (basic identity)

COULD HAVE

- Gamification (badges, levels, streaks)
- Learning modules (Finance for Students)
- Scenario simulation (what-if planning)
- Notification/reminders (SIP, tax deadlines)

WON’T HAVE

- Direct investment execution (no brokerage integration)
- Real-time stock trading
- Complex derivatives / advanced finance tools

2. RICE Scoring

Feature	Reach	Impact	Confidence	Effort	Priority
AI Advisor	High	High	High	Low	Top
Tax Engine	High	High	Medium	Medium	Top
Goal Planning	High	High	Medium	High	Next
Risk Profiling	Medium	High	Medium	Medium	Next
Gamification	Medium	Medium	Low	Medium	Later
Learning Modules	Medium	Medium	High	Medium	Later

USER STORIES

- As a user, I want to calculate my tax, so I can plan savings.
- As a beginner, I want simple explanations, so I can understand finance.
- As a professional, I want goal-based investment guidance, so I can achieve targets.
- As a user, I want personalized advice, not generic content.

FUNCTIONAL REQUIREMENTS

1. Onboarding Engine

Input user data

Output personalized AI-powered dashboard

2. Tax Calculation Engine

Compute tax liabilities, tax calculations compare regimes

Show brake down and optimized results

3. Investment Calculators

SIP Calculator

SWP Calculator

Outputs returns and growth projection

4. AI Advisor System

Predefined queries (7 options + custom input)

Context-aware responses using onboarding data

Categories various personal finance fields.

5. Insights Dashboard

Financial summary of user data in a structured manner

Clean visual UI

6. Goal Planning (Next Phase)

User inputs their desired goal

Outputs monthly investment and suggests strategies

NON-FUNCTIONAL REQUIREMENTS

Performance

- Response time < 2 seconds for calculations
- AI response < 5 seconds

Scalability

- Should support thousands of users (stateless preferred initially)

Usability

- Beginner-friendly UI
- Minimal jargon
- Guided experience (buttons > typing initially)

Reliability

- Accurate financial calculations
- No incorrect tax outputs

Security

- No sensitive data storage (initial MVP)
- Future: authentication & encryption

Compatibility

- Works on:
  - Desktop (primary)
  - Mobile (responsive)

SUCCESS METRICS

1. North Star Metric (NSM)

Action Completion Rate = % of users who complete their AI-recommended "Next Move" (e.g., build emergency fund, fix insurance) within 30 days of discovery.

Why it matters:

This metric ensures users are taking meaningful financial actions and not just browsing. It directly reflects product value and user decision-making.

2. Input Metrics

Metric	Purpose
First Calculation Rate	Measures how many users perform at least one calculation.
Input Completion Rate	Tracks how many users complete the full input flow.
Time to First Action	Measures how quickly users take their first action.
Chat Engagement Rate	Evaluates usage of AI advisor.
Drop-off Rate	Identifies where users leave before completing actions.

3. Engagement Metrics

Metric	Purpose
Average Session Duration	Measures user interest.
Calculations per User	Indicates depth of usage.
Repeat Calculation Rate	Shows active financial exploration.
Feature Adoption Rate	Tracks usage of key features (SIP, SWP, Cha.t)

4. Conversion Metrics

Metric	Purpose
Plan Completion Rate	Tracks users completing full financial flow.
Save/Download Rate	Measures intent to act on financial plans.

5. Guardrail Metrics

Metric	Purpose
Error Rate	Ensures accurate calculations.
Drop-off Rate	Prevents poor UX.
Average Session Duration	Detects confusion-driven usage.
Repeat Usage Rate	Ensures real value, not forced engagement.

USER JOURNEY

Good Journey

STAGE	Discovery (Beginner/Pro)	Quick Onboarding	Dashboard Navigation	Advisor & Calculators	Clarity & Confidence	Return
USER ACTION	Searches for 'investment apps' or 'tax tips', finds many complex options with poor ratings.	Opens app, presented with long, required sign-up forms requesting extensive personal data.	Views cluttered dashboard with overwhelming options, unclear labels, and no guidance.	Selects 'Advisor Chat', gets generic, pre-canned responses. Tries calculators with confusing inputs.	Receives complex, jargon-filled advice. Tax saving options are unclear and seem risky.	Opens app again, encounters errors, data loss, or slow performance. No progress tracking.
THOUGHTS	"This is too hard. Everything looks overwhelming or untrustw Do I really need this?"	"Why does it need all this information? This is taking too long. Is my data safe?"	"Where do I even start? This is confusing. I don't know what any of this means."	"This bot is useless. The calculator results make no sense. I'm more confused than before."	"I still don't understand. This is too complicated and risky. I don't feel in control."	"This app is frustrating. My data is gone. I'm deleting this. What a waste of time."
Pain Points	Information overload, jargon, distrust of unknowns, difficulty finding simple solutions.	Long forms, privacy concerns, excessive data entry, account creation friction.	Cluttered UI, poor navigation, lack of clear hierarchy, decision paralysis.	Generic AI responses, lack of personalization, complex calculator outputs without context.	High risk perception, lack of validation, confusion about next steps, feeling stupid.	Frequent bugs, data loss potential, no sense of progress, overall poor experience.
Opportunities	(Missed) Simplify choices, build trust with transparency, offer immediate value.	(Missed) Minimize data requests, allow guest access, streamline sign-up process.	(Missed) Provide clear onboarding guidance, simplify the dashboard, highlight key actions.	(Missed) Offer tailored, actionable advice, visualize results clearly, improve AI personalization.	(Missed) Use simple language, provide reassurance, link to easy-to-understand resources.	(Missed) Ensure stability, implement goal tracking, communicate data safety, improve performance.
Emotion	Frustrated & Skeptical	Annoyed & Suspicious	Overwhelmed & Lost	Confused & Discouraged	Anxious & Unsure	Angry & Abandoning

Bad Journey

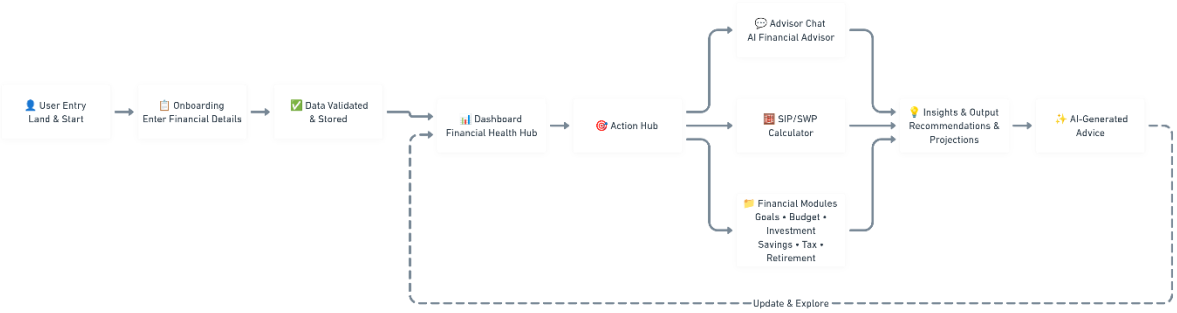
Stage	Discovery	Onboarding	Dashboard	Calculators (Tax, SIP, SWP)	AI Advisor Chat	Gaining Clarity	Continued Use
User Action	Finds app (e.g., through social media, friend recommendation).	Opens app, completes quick and simple sign-up process.	Views clean, simple dashboard with key metrics.	Uses Tax, SIP, or SWP calculators to estimate figures.	Selects "Advisor Chat". Taps predefined options like "How to save tax?" or "Best SIP for beginners?".	Receives actionable advice. Understands tax saving options and SIP potential.	Opens app again to check progress or ask a new question.
Thoughts	"I need financial help, but it's all so confusing and overwhelming."	"That was fast. Is it it secure? Do I need an account?"	"Okay, this is a clear view. What should I focus on first?"	"These numbers are helpful. But how do I actually improve them?"	"I hope this gives me a personalized plan and real advice."	"I actually understand my options now. I feel more in control."	"This is useful for planning. I'll check my growth regularly."
Pain Points	Information overload, financial jargon, generic advice.	Skepticism about security, trust issues, data privacy concerns.	Decision fatigue, unsure where to start, navigating options.	Requires clear, concise answers, needs visual output, results lack context.	Generic AI responses, lack of personalization, complicated explanations.	Risk aversion, still some uncertainty, need for validation.	Potential data loss concerns, lack of cloud sync, repeating information.
Opportunities	Position as simple, AI-guided, clear financial assistant.	Emphasize security and speed, build immediate trust.	Highlight recommended next steps, offer AI guidance.	Provide immediate, clear insights and visualize calculator results.	Offer tailored, actionable advice with simple explanations.	Provide confidence-boosting tips and link to further simple resources.	Add goal tracking, clearly communicate data safety and features.
Emotional Curve	Neutral		Low (Overwhelmed)		(Rising)	High (Confident)	Relieved/Confident

Edge Cases

- User skips inputs → Provide default values and allow editing later
- Invalid inputs (negative income, unrealistic values) → Show validation errors
- Zero income entered → Disable investment suggestions and show guidance
- Expenses greater than income → Show deficit warning and budgeting advice
- No savings → Recommend building an emergency fund first
- Very long duration (e.g., 50+ years) → Limit or warn user

- SWP withdrawal greater than corpus → Show sustainability warning
- Irrelevant or off-topic query → Provide fallback response
- Missing user data → Use assumptions with disclaimer
- Repeated queries → Provide consistent but slightly varied responses
- API failure → Show retry or fallback message
- Missing user data → Show placeholder values
- Conflicting financial data → Highlight inconsistency
- Calculation errors → Use error boundaries and safe fallback
- Underinsured user → Show insurance recommendation
- No tax liability → Show confirmation message
- High-risk inputs → Suggest diversification
- Unrealistic financial goals → Suggest adjusted targets

USER FLOW



The platform follows a hub-based architecture where the dashboard acts as a central action hub, allowing users to access various financial modules without cluttering the primary flow.

MARKET ANALYSIS

Market Overview

India's personal finance market is rapidly growing due to:

- Increasing digital adoption
- Rising disposable income among young professionals
- Growth of fintech platforms (UPI, investment apps)
- A large portion of the population still lacks structured financial planning tools
- Most users rely on fragmented apps (banking, investments, tax tools) without a unified solution

Retail Participation, India has surpassed 150 million demat accounts, with a growing cohort of "DIY" investors aged 22–35.

Digital Public Infrastructure (DPI), the ubiquity of UPI and the rollout of the Account Aggregator (AA) framework have democratized access to financial data.

The *Advice Gap*, while execution platforms (brokers) are mature, high-quality, jargon-free financial advice remains locked behind high-net-worth (HNI) wealth management services.

Market Gap

Lack of integrated financial platforms combining:

- Budgeting
- Tax calculation
- Investment planning
- Goal tracking

Existing tools are:

- Too complex (jargon-heavy)
- Not personalized
- Focused on data, not actionable insights
- Limited availability of AI-driven, context-aware financial guidance

Competitor Analysis

Direct Competitors

Zerodha / Groww

- Strong in investments
- Weak in holistic financial planning

ET Money

- Offers tax + investment tools
- Limited personalization and user guidance
- Indirect Competitors

Bank apps

- Good for transactions
- No financial planning insights

Financial influencers / YouTube

- Educational but generic
- Not personalized

Competitive Advantage (Smart Finance)

- Unified financial dashboard (all-in-one platform)
- AI-powered advisor with personalized recommendations
- Beginner-friendly interface with minimal jargon
- Action-oriented insights (not just data display)
- Goal-based and calculation-driven planning

Market Opportunity

- Growing demand for DIY financial planning tools

Increasing awareness of:

- SIP investments
- Tax optimization
- Retirement planning

Opportunity to become a trusted financial decision platform for young users.

Risks & Challenges

- User trust in financial advice.
- Accuracy of financial calculations and recommendations.
- Competition from established fintech players.
- User retention in a non-transactional product.

The Product-Market Fit

Most Indian fintech are *Transaction-First* (buy this fund, trade this stock). Smart Finance is *Advice-First*. It addresses the "White Space" between simple expense trackers (too basic) and full-service brokerages (too complex), providing a cognitive layer that tells the user exactly “what” to do next and “why”.

SWOT Analysis

Strengths	**Weaknesses**
• AI-first architecture enabling intelligent and context-aware recommendations. • Hyper-personalized financial insights based on user inputs. • Beginner-friendly interface with minimal financial jargon. • All-in-one platform combining budgeting, tax, investments, and planning.	• Client-side only architecture (no cloud sync in current version). • Lack of real-time account aggregation or bank/investment linking. • Dependency on user-provided inputs for accuracy. • Early-stage product with limited scalability features.
Opportunities	**Threats**
• Integration with Account Aggregator framework for automated data fetching. • Growing demand for DIY financial planning tools among young users. • Increasing awareness of financial literacy and investment planning in India. • Potential to introduce premium advisory or subscription-based features.	• Rapidly evolving financial regulations in India. • Competition from large fintech players (PhonePe, Google Pay, etc.). • Data privacy and security concerns. • Market consolidation by established platforms offering integrated services.