Biju Patnaik Institute of Information Technology & Management Studies
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A

Project Report on

"Financial and Tax Planning of Salaried Employees"

Submitted to

BIJU PATNAIK UNIVERSITY OF TECHNOLOGY, ODISHA

Submitted By :

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Regd. No. : 2006258218

Batch : 2020-2022

Under the guidance of

Company Guide	Faculty Guide
Mr. Ranjan Santi	Dr. Ankita Agarwal
(HR, LKP& Securities Ltd.)	(Asst. Professor, Marketing)

PREFACE

The course of MBA requires one to undergo a summer internship with the end of the 2^{nd} Semester, so as to get a practical knowledge and understanding the practical aspects of all the theories read. It helps us to make the best use of our skills and intelligence so as to make a better research report. It is really the most important thing during the course of our study. The purpose of my research project was to study the "Financial Products offered by LKP and Securities Ltd for salaried professionals". It was a continuous learning experience as I got to know how they are conducted and are beneficial.

INTERNAL GUIDE CERTIFICATE

This is to certify that the project report entitled "**Financial and Tax Planning of Salaried Employees"** has been prepared by **Subhashree Samal,** Regd. No.- **2006258218** under my supervision and guidance, for the fulfillment of Master in Business Administration. Her work is satisfactory.

Signature of Internal Guide

CERTIFICATE

CERTIFICATE OF DECLARATION

I, Subhashree Samal, student of BIITM (2020-2022), hereby declare that the project report on “Financial and Tax Planning of Salaried Employees” has been done under the guidance and involvement of Mr. Ranjan Santi (HR), LKP & Securities Ltd, Bhubaneswar and Dr. Ankita Agarwal (Asst. Professor of Marketing), Biju Patnaik Institute of Information Technology and Management studies, Bhubaneswar, in partial fulfillment of requirements for the award of Master of Business Administration.

All information and data provided in this report are collected from primary and secondary sources that are true to the best of my knowledge.

Date:

Place: Bhubaneswar

Signature of Student

Subhashree Samal

(2006258218)

ACKNOWLEDGEMENT

It is a matter of great satisfaction and pleasure to present this report on " Financial and Tax Planning of Salaried Employees" as per BPUT guideline. I am thankful to Mr. Ranjan Santi (HR) for guiding me throughout my summer internship and research project. His encouragement, time and effort are greatly appreciated.

I am extremely thankful and pay my gratitude to my faculty guide Asst Prof Dr. Ankita Agarwal for her valuable guidance and support. I put on record my sincere thanks to my college, BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES, Bhubaneswar, Dr. P K Tripathy, Principal of BIITM and Prof K. Chandrasekhar, Placement Manager for giving me this opportunity.

The experience which is gained by me during this project is essential for me at this turning point of my career and would be beneficial for my future too.

Last but not the least I would like to thanks all the faculty members, my family and friends for the constant support.

Name: Subhashree Samal

Regd. no.: 2006258218 **Signature**

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Introduction :

Internships are individualized and tailored to the needs and interests of each student in the program. As part of the internship experience, students are expected to take an active role in finding an appropriate internship for themselves. This report is a short description of my 45 days internship. The internship is carried out online. The report contains information about the LKP Securities Ltd. and the present internship is for a period of 45 days from 1st June 2021 to 15th July 2021. The report contains 5 chapters and first chapter is introduction followed by the industry and company profile followed by the theoretical background of the study followed by the analysis and interpretation of data collection and finally, the report wrap-up with a findings, suggestions and conclusion from the experience.

Financial Planning is the process of meeting life goals through the proper management of finances. Financial planning is a process that a person goes through to find out where they are now (financially), determine where they want to be in the future, and what they are going to do to get there. Financial Planning provides direction and meaning to persons financial decisions. It allows understanding of how each financial decision a person makes affects other areas of their finances. For example, buying a particular investment product might help to pay off mortgage faster or it might delay the retirement significantly. By viewing each financial decision as part of the whole, one can consider its short and long- term effects on their life goals. Person can also adapt more easily to life changes and feel more secure that their goals are on track.

NEED FOR THE STUDY

The need for present study is based on the investor's perspective, every investor having various types investment patterns which they follow to achieve their goals in life. So, it makes me to take this study which helps the investors to make better financial plan. The study reveals the association of financial planning and investment behavior of the individuals.

OBJECTIVES OF THE STUDY

- To identify the saving pattern of the salaried employees.
- To study the investment preferences of salaried individuals towards various financial instruments.
- To spread awareness about financial planning among the working-class people

METHODOLOGY

Type of Methodology: Empirical Research

Sampling Technique: Convenience Sampling

Sample Size: 72 Respondents

Source of Data: Primary and Secondary both. Primary data collected by the help of questionnaire through digitally.

Statistical Tools: MS- Excel

SCOPE OF THE STUDY

The scope of study is getting familiar with various investment avenues available in market. To study the life stages of an individual and to identify their risk tolerance, income flow, life goals and current investment. Study should cover all areas of the individual's financial needs and should result in the achievement of each of the individual's goals.

The scope of planning will include the following:

- Risk Management and Insurance Planning
- Investment Planning
- Retirement Planning
- Tax Planning

LIMITATIONS OF THE STUDY

- Reluctances of the respondents to provide information can affect the validity of the responses.
- The lack of knowledge of the respondents about the financial instruments can be a major limitation.
- The information can be biased due to use of questionnaire.
- The study was conducted for 1 month i.e., from 1st December to 31st December 2021.
- The survey was conducted digitally, hence there was lack of physical presence from both ends.
- The responses were anonymous.
- The sample size was small.
- The sample has been taken from mostly Semi urban and rural area, so preferences of investors can vary in other metro cities.

- **Chapter – 2**
  - Industry analysis
  - Company profile
  - Competitor analysis
  - Customer analysis

INDUSTRY PROFILE

Financial planning, in contextuality has been in existence for quarter of a century in India. From the Ultra Rich individuals and families way back in the 1970s to what it is today, Financial planning is a multi product, goal oriented wealth management approach, which has been on a gradual progression.

This line started its emergence from the banking system. The banks in the 1970s have functioned merely on deposits and providing credit to investors. With the emergence and expansion of the banking system in the 1970s, India's savings rate rose from 16 percent of the GDP (Gross Domestic Product) from early 1970s to 35 percent of the GDP by 1980.While financial deepening through banks played its vital role, rising per capita income and diminishing share of agriculture in the GDP also helped. This period was aptly called the Golden Era, as far as Indian Savings were concerned.

Banking till 1970s has been mostly about, accumulating and preserving wealth within the boundaries of bank deposits. Early 1970s also saw the rise of Insurance Advisory, specifically life insurance. Life Insurance Corporation of India (LIC) since its formation in 1956 has played a vital role in insuring lives till then. Apart from mere risk cover, LIC encouraged investors to consider investments through its conventional plans. An Indian Investor till 1980s, considered a bank account and an LIC policy as his means to accumulate wealth. Though the Unit Trust of India (UTI) started in 1963, it took UTI 25 years to reach an Assets Under Management (AUM) of 6700 Crores. With the emergence of the Bombay Stock Exchange (BSE) in 1980s, there emerged a new avenue to make investments, shares or stocks as it is popularly known. However, this was essentially for the risk friendly investors and neither could many comprehend nor have access to. However, it was during the second phase of the Mutual Fund Industry (1987-1993), did High Net worth Investors take cognizance of the Mutual Funds and Capital markets in total. By 1993, the Mutual Funds AUM touched 47000 Crores, with the emergence of non-UTI, PSU mutual funds. By then Life Insurance business was open to Non LIC, private participants as well. Banks and financial institutions found a new revenue model with a combination of Mutual Funds, Insurance and Deposits.

At current situation, people are depending more on digital platforms for investments as it takes less time, smooth process, easy to understand, good services and pool of financial instruments are available at a single place which people can access from home as well. Every bank, NBFCs, micro and small banks are having applications and net banking facilities which helps to cater their services to their customers even during COVID situations. Introduction of various products and upgrading the services continuously helping both the service providers and customers.

Company profile

BACKGROUND AND INCEPTION OF THE COMPANY

LKP Securities (ISO 9002 certified) is a multi-dimensional financial services group in the field of equities markets, debt markets, corporate finance, investment banking, merchant banking, wealth management and commodities. It started as one of India's first securities brokerage houses in 1948.It is a non-banking finance company registered with RBI and a listed public limited company having a net worth of Rs142 crores as on FY 10.

It is listed on the BSE (Bombay Stock Exchange), the company has its headquarters in Mumbai. Mr. Mahendra V. Doshi is the executive chairman and is a promoter of the company. The company has a network of 414 outlets in 147 cities in India with 67,500 customers registered in retail. It has tied up Bajaj-Allianz, one of the leading insurance companies in India for distribution of their insurance products. In a 200-crore deal, LKP Forex and Thomas Cook India merged for the foreign exchange space in India. The current market capitalization stands at Rs 90.75 crore. The company has reported a consolidated sales of Rs 20.04 crore and a Net Profit of Rs 1.81 crore for the quarter ended June 2016.

LKP Securities Limited and its associates enjoy the following registrations & memberships:

- Category I Merchant Bankers with SEBI
- Membership of BSE & NSE (Capital & Debt Market)
- AMFI registered all India Mutual Fund Distributors
- Member of Commodity Exchanges MCX, NCDX and DGCX (Dubai)
- Member of NSE for Interest Rate Futures
- Member of MCX SX and NSE Currency

NATURE OF BUSINESS CARRIED

Equities:

LKP offers a wide spectrum of services that includes Equity Broking in Cash and Derivatives, Internet based trading, demat services & Research services. When people deal with LKP people are dealing with a professional broker who has centralized risk management system in place at Mumbai. LKP follows a hub & spoke model of Branch management where in all the branches & franchise interact with the hub/regional office & in turn the regional/hub office talks to Head office. This company a great level of flexibility in managing the risk level of the clients, which in turn benefit the client. LKP is the first brokerage house to offer Direct Market Access (DMA) to Institutional Clients on FT Platform. They offer research based broking services on the equity as well as derivative segments to their institutional clients.

Fixed Income Securities:

i. LKP understands Debt & Money Market in all its dimensions. Recognized as major dealer of Fixed Income Securities, they execute deals for Banks, Institutions, FIIs, MFs, Insurance companies, Primary Dealers, large Corporates, PSUs & PF Trust.
ii. They are leading Merchant Banker for Primary Placement of short term & long term debts and leading intermediary on Secondary Wholesale Debt Markets
iii. They deal in wide spectrum of debt instruments such as fixed and floating rate Debentures, Bonds, CDs, CPs, PTCs, Gsec, T-Bills & Oil / Fertiliser / Food Bonds

Retail Distribution:

1) Primary Market Division
2) Mutual Funds & Insurance Advisory

Commodities:

A sister concern of the renowned and trusted LKP Group, Alpha Commodities offers a complete bouquet of client- friendly services in the burgeoning Commodity Futures market. dealing, investing or hedging in Commodity Futures which includes Bullions, Metals, Energy and Agro Commodities.

Currency:

With the launch of currency derivatives, LKP offers its clients yet another segment for trading. Jointly regulated by SEBI and RBI provides traders with another lucrative trading avenue.

Currency derivative can be described as a future contract between two parties, to buy or sell the underlying at a future date, in this case the underlying being a currency.

Promoters:

SL.NO.	NAME	DESIGNATION
1	Mr. PRATIK MAHENDRA DOSHI	Chairman, Managing Director
2	Mr. SATVINDERPAL SINGH GULATI	Director
3	Ms. Akshata Vengurkekar	Company Secretary
4	Mr. GANESH ARUN MALHOTRA	Director
5	Mr. SAJID MOHAMED	Director
6	Mr. MAHENDRA VASANTRAI DOSHI	Director
7	Mrs. ANJALI SURESH	Director
8	Mr. Girish Budhidas Majrekar	Chief Financial Officer

VISION, MISSION AND QUALITY POLICY

Vision: "To become a globally renowned organization that provides state of the art trading solutions and infrastructure and to grow with latest technology and services, by delivering the best solutions by best-in-class people."

Mission: "To achieve our objectives in an environment of fairness, honesty, and courtesy towards our clients, employees, vendors and society at large."

Quality Policy: To achieve and retain leadership, LKP shall aim for complete customer satisfaction, by combining its human and technological resources, to provide superior quality financial services. In the process, LKP will strive to exceed Customer's expectations.

Quality Objectives:

As per the Quality Policy, LKP will:

- Build in-house processes that will ensure transparent and harmonious relationships with its clients and investors to provide high quality of services.
- Establish a partner relationship with its investor service agents and vendors that will help in keeping up its commitments to the customers.
- Provide high quality of work life for all its employees and equip them with adequate knowledge & skills so as to respond to customer's needs.
- Continue to uphold the values of honesty & integrity and strive to establish unparalleled standards in business ethics.
- Use state-of-the art information technology in developing new and innovative financial products and services to meet the changing needs of investors.

PRODUCTS/ SERVICE PROFILE

LKP Securities is a well established and dynamic broking house in India. Known for its state-of-the-art systems and innovative processes, LKP offers a single window advantage to its clients for all capital and money market related requirements. LKP is a one stop shop for all your financial requirements & offers a wide spectrum of services that includes

- Equity Broking in Cash and Derivatives
- Internet based trading
- Demat services
- Research
- Debt and Money Market Broking
- Merchant Banking (category 1)
- Currency

- Loan Against Shares and Margin Funding
- Merger and Acquisition (M&A)
- Commodity Trading
- AMFI registered all India Mutual Fund Distributors
- IPO (New Issue) distribution
- Life Insurance distribution

Value added services:

- Research and Advisory Services
- Margin Funding
- Technology that guarantees seamless connectivity for trading
- Flexibility of a local broking house and sophistication of corporate brokerage
- A dedicated Relationship Manager to help in sales and other business related queries
- 24x7 Online Back-office systems for the Partner as well as all their customers

LKP is dedicated to serving the needs of their customers and, to that end, focuses on providing a high level of specialized and personal service. Their highly experienced broking teams, provide the trader with everything they need in a competitive market. Unlike most broking houses that rely either on Technical or fundamental analysis, they at LKP believe in a blend of both, which ensures the accuracy and quality of their research.

Over the years LKP has been able to deliver a consistently high level of service and professionalism whilst meeting customer requirements. This is in great part due to the stability of its management, broking, trading and administration teams.

Areas of operation

The company is in the field of financial Services such as issue management, bill discounting, leasing and hire-purchase, full-fledged money changing and has also started providing travel related Insurance Policy to bound passengers, etc. It has presence in 147 cities through its network of longstanding franchisees and sub brokers.

Infrastructure facility

- Secured and sophisticated systems, operation processes and clear Risk management policies to handle high volumes business

- 1500+ Outlets across India Covering 200 cities in the country, including 7 regional offices at Delhi, Kolkata, Pune, Ahmedabad , Bangalore , Chennai and Gujarat

- Research covers a wide spectrum from macro economics forecasts to penetrating analysis of companies and sectors; the research is highly rated for its accuracy, clarity and comprehensive coverage which include Fundamental Analysis, Technical Analysis &

daily research reports. Research also covers Fixed Income Markets, Mutual Fund Schemes & Commodities Markets.

- A broad-based team of more than 300 personnel

Competitors Information

1. **VLS Finance Ltd**

VLS Group is a multi-faceted multi-divisional integrated financial services group with major presence in almost all areas of financial services such as Asset Management, Strategic Private Equity Investments, Arbitrage and more particularly in Stock broking and Corporate Consulting & Advisory Services. The current market capitalization stands at Rs177.07 crore. The company has reported a standalone sales of Rs 896.82 crore and a Net Profit of Rs 1.76 crore for the quarter ended September 2016.

2. **BNK Securities Pvt Ltd**

BNK Securities Pvt. Ltd. (ISO 9001:2008 Certified) is the member of National Stock Exchange, Bombay Stock Exchange, DP with CDSL and the company is also the member of MCX-SX and Calcutta Stock Exchange (CSE).

It provides broking and depository services to a lot of high net worth investors, corporate and business houses, financial institutions, banks and mutual funds. It is also involved in distribution of financial products. The current market capitalization stands at Rs 48.85 crore. The company has reported a standalone sales of Rs 0.74 crore and a Net Profit of Rs 2.71 crore for the quarter ended September 2014.

3. **GEOJIT BNP Paribas**

Geojit BNP Paribas has membership in, and is listed on, the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The company rides on its rich experience in the capital market to offer its clients a wide portfolio of savings and investment solutions.

The gamut of value-added products and services offered ranges from equities and derivatives to Mutual Funds, Life & General Insurance and third-party Fixed Deposits. The current market capitalization stands at Rs 869.44crore. The company has reported a consolidated sales of Rs 66.38 crore and a Net Profit of Rs 17.65 crore for the quarter ended December 2016.

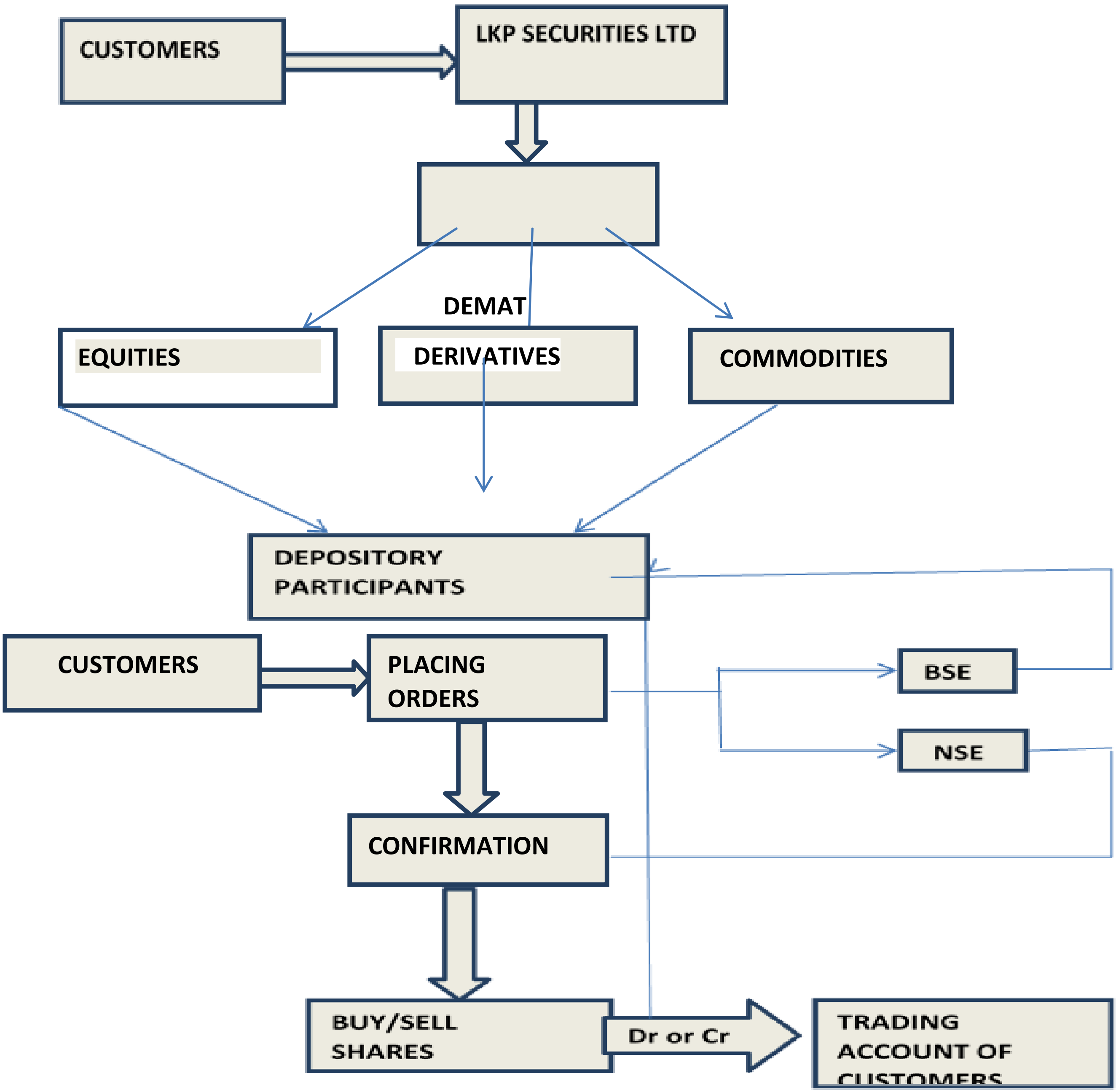
4. **Global shares & securities Ltd**

R K Global is India based fastest growing Share and Commodity Broking Company. RK Global launched its retail brokering business in year 2004 and since then grown exponentially. Company today provides services under Equities, Derivatives, Commodities, Currency, Depository, IPO Distribution, Mutual Fund Distribution and Consultancy areas. RK Global today has Pan India presence with its product offerings in over 150 cities across India though its business associates.

5. **ZERODHA**

Zerodha is a Bangalore, India based Flat Free Share Broker for trading in Stock, Commodity and Currency Derivative. It charges brokerage of 0.01% or Rs.20 per executed order, whichever is lower, irrespective to number of shares or their prices . Zerodha is first and No. 1 discount broker in India by volume, number of customers and growth. Like other online stock trading companies, Zerodha offers trading services to buy & sell stocks, futures & options (in Equity, Currency & Commodity segments). Zerodha's share trading platform is powered by Omnesys 'NEST Trader'.

Work flow Model:



ACHIEVEMENT/AWARD

- LKP Forex, a division of the company has entered into a strategic tie-up with the Joint frequent flyer program of Air India and Indian Airlines.
- LKP is India's first financial group to be awarded the prestigious ISO 9002 certified KPMG Quality Registrar, USA, for certain businesses.

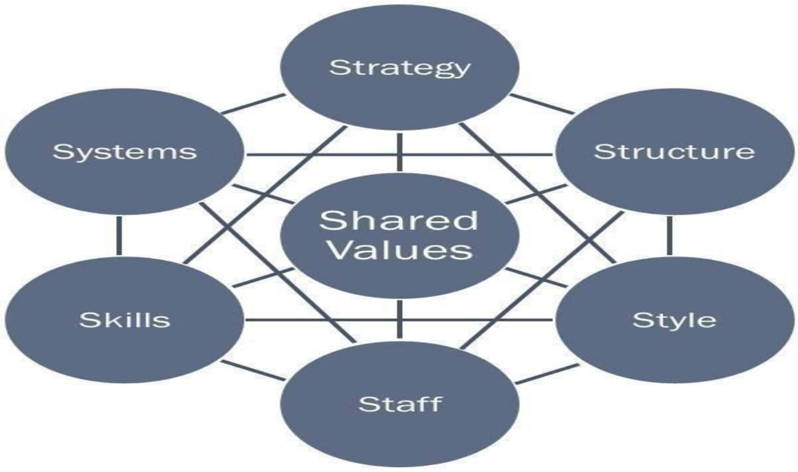
Future growth and prospects

In an ever-evolving market, they constantly seek value for their clients and they intend to add more services to their existing Investment Banking bouquet and be the preferred choice for clients for their fund raising and advisory needs. Some of their plans include:

- Value-based proactive Portfolio Management Services (PMS) to Resident and Non-Resident Indians.
- Significant market-share in Commodities Futures Trading Segment in India.
- Value based Global Portfolio and Asset Allocation access to Resident Indians.
- Clearing, execution and custodian services for Non-Resident Indians, Foreign Institutional Investors and Overseas Corporate Bodies.
- Debt market trading in both Retail and Whole-sale segment for resident investors as well as overseas bodies.

McKinsey 7S framework work model

The McKinsey 7S framework is developed in the early 1980s by Tom Peters and Robert Waterman, two consultants working at the McKinsey & Company consulting firm, the basic premise of the model is that there are seven internal aspects of an organization that need to be aligned if it is to be successful. The 7S model can be used in a wide variety of situations where an alignment perspective is useful. These factors affect an organization's ability to implement new strategies.



SYSTEMS:

Here the company follows the system of "Team Leadership" here the management gives the authority for the team leader and carry on the work under their guidance and several team leaders are linked to one manager or the superior person. Other than these the other systems of the company are Managing / sharing customer information, Unified reporting of digital marketing effectiveness, Campaign planning approach- integration.

STRUCTURE:

It prescribes the formal relationship that should exist among various position and activities. It is the duty of the top management to design the organization structure of an organization. It is one of the critical tasks. The designing of the super structure involves issues like division of organization tasks and allocation of responsibilities between various departments.

STYLE:

Style stands for the patterns of actions taken by the top management over a period of time. In LKP Securities, the decisions are taken by the top management concerning matters related to the organization. The decisions relating to department matters are taken by the departmental heads. LKP follows a participative leadership style which allows the ideas, suggestions etc. for the betterment of the company. The team members are cooperative rather than being competitive.

STAFF:

Each incumbent should have a specific academic qualification to match the position he is going to hold and also necessary skills to execute the assignment. The departments in the organization consist of Senior Manager, Officers, Clerks and sub-staff. Specialized trainings to the Senior Management level/ Top level executives are conducted based on the requirement.

SKILLS:

Skill is an ability or proficiency in performing particular task. Training policies and programs are suitably designed, modified and updated on a continuous basis to upgrade the knowledge levels and skills of its Executives, Officers, and Workmen on par with the best in the industry. While several new programs are introduced in tune with the corporate goals, the existing programs are made more interactive and learner friendly.

STRATEGY:

A company of LKP Securities stature cannot afford to work without objectives. An overall group objective is already set and all the employees are driven towards LKP Securities believes that no individual is big as the organizational itself. Competition is the key to survival and for giving diversification for the given product as such competition is always good. LKP Securities updates itself to the surrounding competitions and bring out changes are services and related products to be in competitors.

SHARED VALUES:

Values refer to the institutional standards of behavior that strengthen commitment to the objectives, and guide strategy formulation and purposive action. The core values are shaped around the belief that enterprises exist to serve society. In terms of this belief, profit is a means rather than an end in itself a compensation to owners of capital linked to the effectiveness of contribution to society and the essential ingredient to sustain such enlarged societal contribution.

SWOT Analysis

STRENGTHS:

Company provide a superior customer service

- LKP‟s having an
- innovative range of financial products
- LKP is known for transparent functioning
- Emphasis on building stronger bond with customers by a company
- Company with well diversified portfolio.

WEAKNESS:

- LKP‟s having a limited sales-executives
- Low advertisements from the company

OPPORTUNITY:

- Growing consumer awareness about equity related product
- Positive outlook of people towards financial products
- Growing rural market is the best opportunity for the company.

THREATS:

- Uncertainty of the market volatility and fluctuations in the stock prices
- Threat from new entrants into the field of stock broking
- Stringent economic measures by Government and RBI

Financial Analysis:

Yearly - LKP Securities Ltd.					
					Rs (in Crores)
	Mar'21	**Mar'20**	**Mar'19**	**Mar'18**	**Mar'17**
INCOME					
Net Sales Turnover	83.74	73.04	94.50	81.99	63.40
Other Income	.65	.55	.36	4.54	2.06
Total Income	**84.39**	**73.59**	**94.86**	**86.53**	**65.47**
EXPENSES					
Stock Adjustments	.00	.00	.00	.00	.00
Raw Material Consumed	.00	.00	.00	.00	.00
Power and Fuel	.00	.00	.00	.00	.00
Employee Expenses	30.84	31.10	38.32	29.94	26.20
Administration and Selling Expenses	.00	.00	.00	.00	.00
Research and Development Expenses	.00	.00	.00	.00	.00
Expenses Capitalized	.00	.00	.00	.00	.00
Other Expenses	36.09	33.93	47.39	35.73	31.40
Provisions Made	9.10	.54	.00	.00	.00
TOTAL EXPENSES	**76.03**	**65.58**	**85.71**	**65.67**	**57.61**
Operating Profit	7.71	7.46	8.79	16.31	5.80
EBITDA	**8.36**	**8.01**	**9.15**	**20.86**	**7.86**
Depreciation	1.64	1.16	.88	.96	1.26
EBIT	**6.72**	**6.85**	**8.27**	**19.90**	**6.60**
Interest	1.19	4.66	7.48	6.72	4.12
EBT	**5.54**	**2.20**	**.78**	**13.18**	**2.48**
Taxes	1.62	.63	-1.11	5.21	.15
Profit and Loss for the Year	**3.92**	**1.57**	**1.90**	**7.97**	**2.33**

Extraordinary Items	.00	.00	.00	.00	.00
Prior Year Adjustment	.00	.00	.00	.00	.00
Other Adjustment	.00	.00	.00	.00	.00
Reported PAT	**3.92**	**1.57**	**1.90**	**7.97**	**2.33**
KEY ITEMS					
Reserves Written Back	.00	.00	.00	.00	.00
Equity Capital	14.79	14.79	14.79	14.64	14.64
Reserves and Surplus	28.93	24.77	23.30	21.56	12.86
Equity Dividend Rate	10.00	.00	.00	5.00	.00
Agg. Non-Promoter Share(Lakhs)	.00	.00	.00	.00	.00
Agg. Non-Promoter Holding(%)	.00	.00	.00	.00	.00
Government Share	.00	.00	.00	.00	.00
Capital Adequacy Ratio	.00	.00	.00	.00	.00
EPS(Rs.)	NaN	NaN	NaN	NaN	NaN

Rs (in Crores)

Analysis:

The revenue of the company is continuously growing from last five years. The revenue of 2020 was not that good compared to other years because of COVID situations. Because the customers were not willing to save more at that time. The profit is also growing. In future, we can expect more growth for the company.

Customer analysis:

The company operates its business by providing various financial instruments which ranges from equity, debt to derivatives and insurances. Mostly it caters its products and services to general public through its website, app, offices and by its agents. LKP's Depository Services offer dematerialization services to individual and corporate. It also provides its products and services to various institutions. It has a huge retail investor base.

- **Chapter – 3**
  - Literature review

LITERATURE REVIEW:

The literature review examines a few studies conducted in the area of Financial Planning For Salaried Employees and Their Tax Planning. Ms. Ramya R, and Mr. D.Velumoni (A Study on Financial Planning For Salaried Employee and Strategies for Tax Savings in Chennai) have done their study in the urban area and tried to explain the perspective of the salaried employees in that area towards savings. Ms. Mariyah Ahmer Shaikh and Prof. (Dr.) Atik Shaikh (A Study on Financial Planning for Salaried Employees and Strategies for Tax Savings) have done detailed study on their topic and explained it through various data patterns by tabulisation of collected data. Both the papers describe about the importance about regular investments which is beneficial in steps of life ahead. People can set up goal according to their requirements and the invest regularly to achieve those goals. The papers through their surveys found out that most people are not much aware about the financial instruments and tax savings tools available in India. They suggested to regularly conduct awareness programmes to bring knowledge about various investment tools among the investors.

❖ Chapter – 4

- Analysis
- Findings

Analysis:

A large number of salaried tax payers in India start planning their tax saving investments very late in the year when the time limit for submission of investment evidence is coming to an end or at the end of the financial year. While it may help you in saving taxes, it might not be the best decision that you have made.

Given below are the 3 reasons why planning in advance will help you:

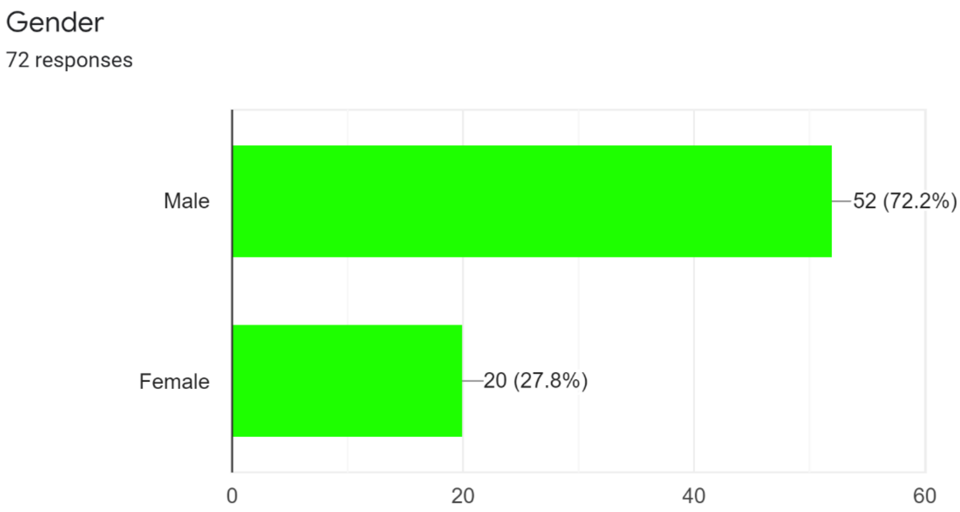
- Choose the best option: When you plan, you get time to choose an investment scheme that will suit your needs and financial condition – how much risk you can take, your cash requirements, for how long you can invest etc. It will help you arrive at the best decision.
- Helps in avoiding last minute aggravations and blunders: When you are rushing making investments, it may lead to unforeseen investment errors. You might not have enough time to perform due diligence before making an investment decision.
- Plan the schedule for investment payments through the year: When you begin the investment procedure early in the year, it gives you flexibility for planning payments during the course of the year.

Given below are some of the tax saving investment opportunities in India:

Table 1. Tax Saving Instruments:

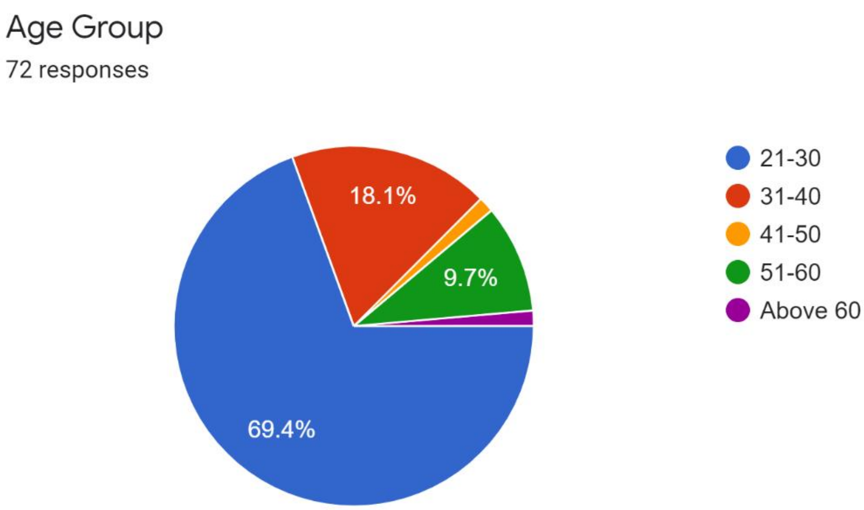
Sr. no.	Tax saving Instruments	Tax Benefits Under Section	Total Tax Deduction
1	Life Insurance	Section 80C (Premium & Section 10(D) (Death/Maturity)	Up to Rs. 1,50,000
2	Health Insurance	Section 80D	Up to Rs. 55,000
3	Unit Linked Insurance Plan (ULIPs)	80CCC	Up to Rs. 1,50,000
4	New Pension Scheme (NPS)	Section 80CCD	Up to Rs. 1,50,000 Addition al Rs. 50,000
5	Equity-linked Tax Saving Scheme (ELSS)	Section 80C	Up to Rs. 1,50,000
6	Public Provident Fund (PPF)	Section 80C	Up to Rs. 1,50,000
7	National Saving Certificate (NCS)	Section 80C	Up to Rs. 1,50,000

1. **Gender of the respondents**



From 72 respondents, 52 are male which is 72.2% of the total respondent and 20 are female which 27.8% of the sample.

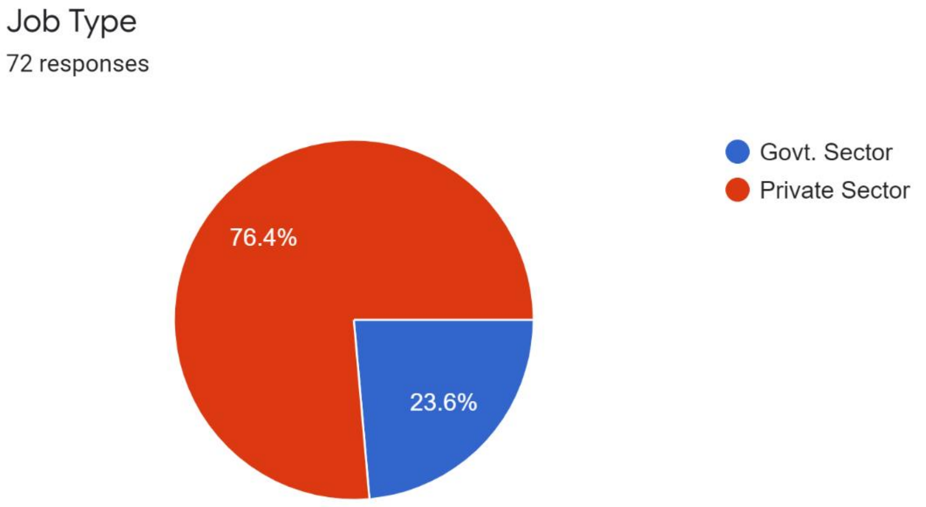
2. **Age of the respondents:**



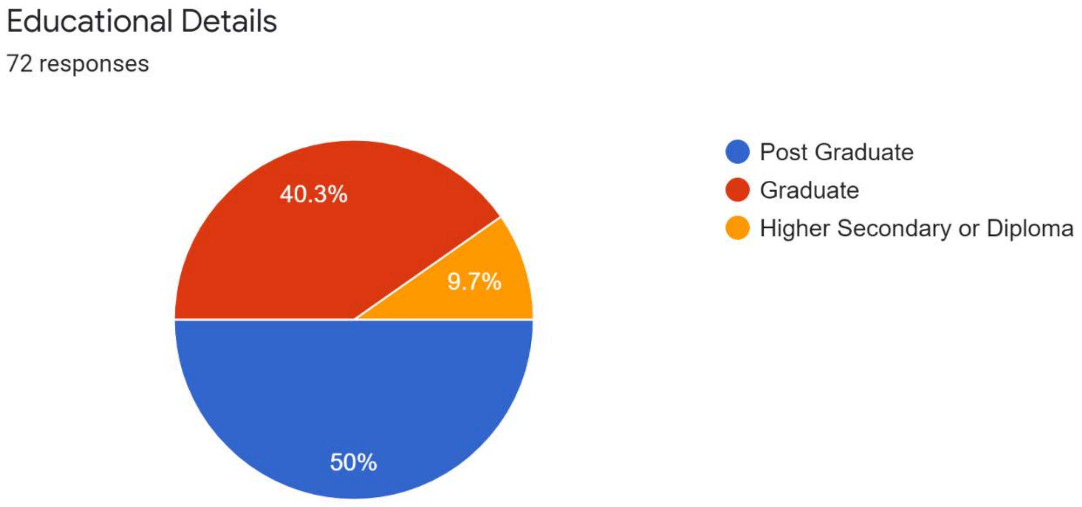
In this survey, most people are of 21-30 age group which is 69.4% of the total sample. The group of 31-40 is of 18.1% and both age group 41-50 and above 60 are less.

3. Hometown

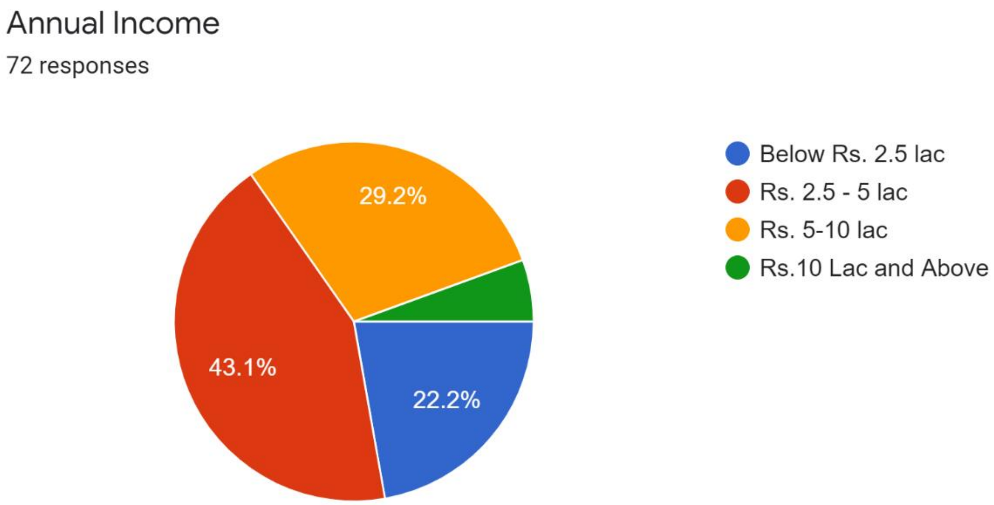
In the above survey report I got to know that, in the sample most people belong to semi-urban area and urban area. Metro city people are very less in the sample.



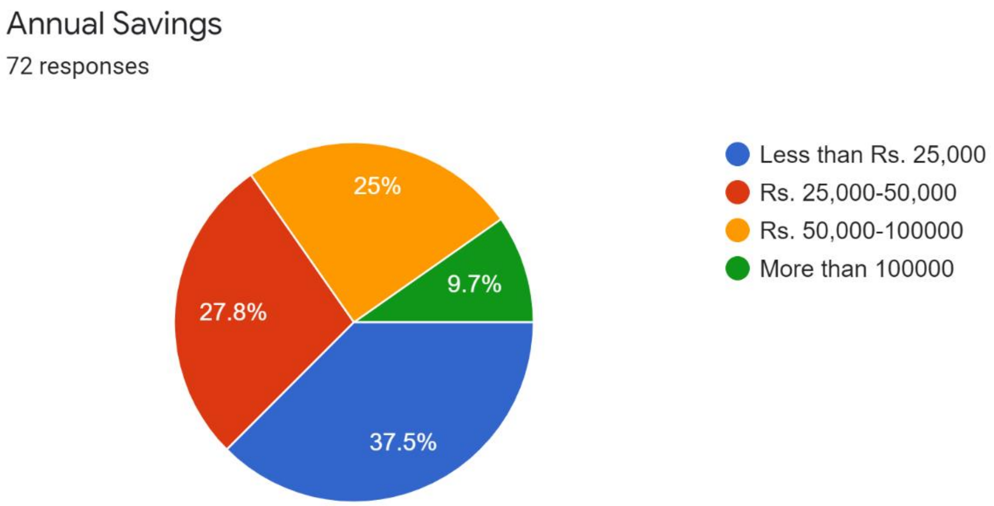
In the sample 76.4% people are working in private sector where 23.6% people are working in government sector.



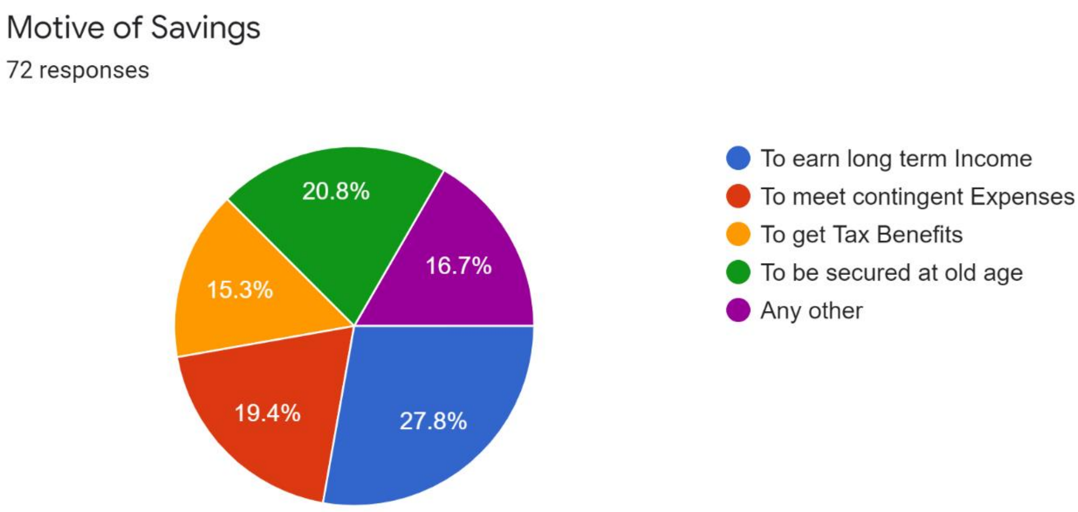
In the sample, 50% people are Post Graduate, 40.3% people are Graduate, and 9.7% people have done studies till Higher secondary or Diploma.



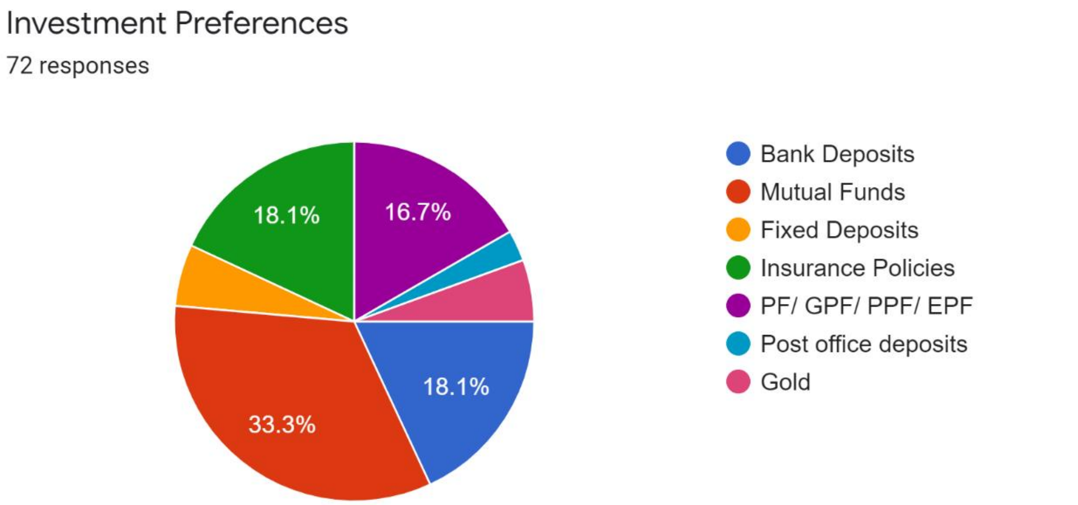
In the survey, 43.1% people have income between Rs. 2.5 to 5 lakhs, 29.2% people have income within Rs. 5-10 lakhs and 22.2% people have income below 2.5 lakhs whereas very few have income over 10 lakhs.



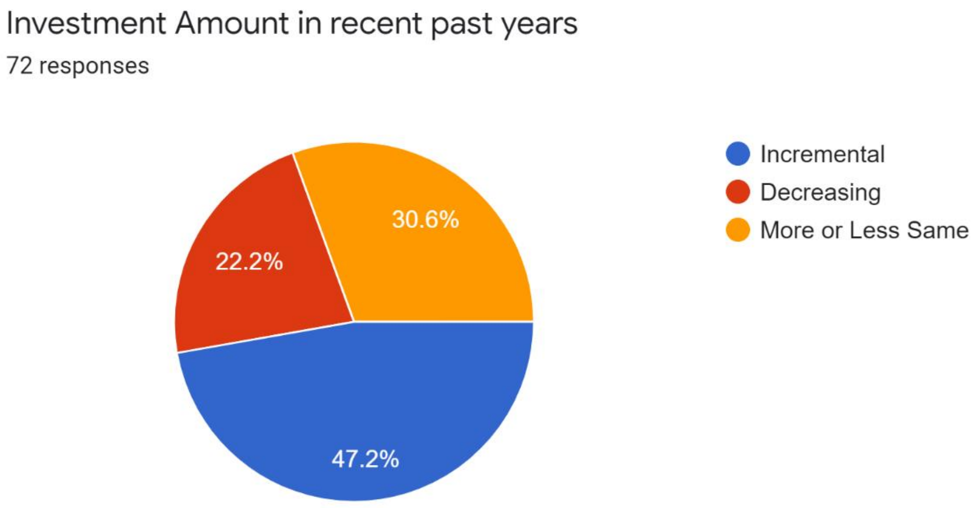
From the survey, the data shows that the investment of people are less as most people save below Rs. 50000 per year.



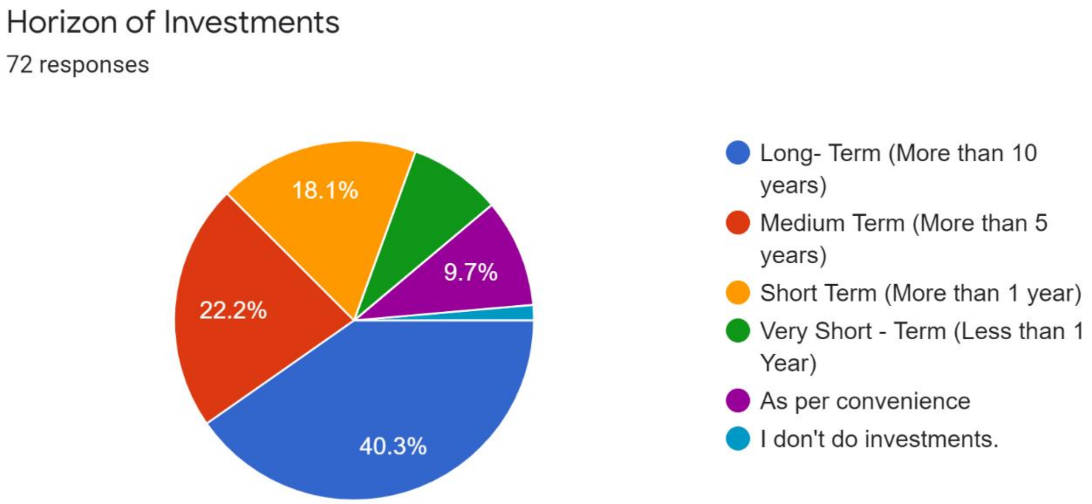
Most of the people in the survey want to save to earn long term income and to be secured at old age. Very few people invest to get tax benefits.



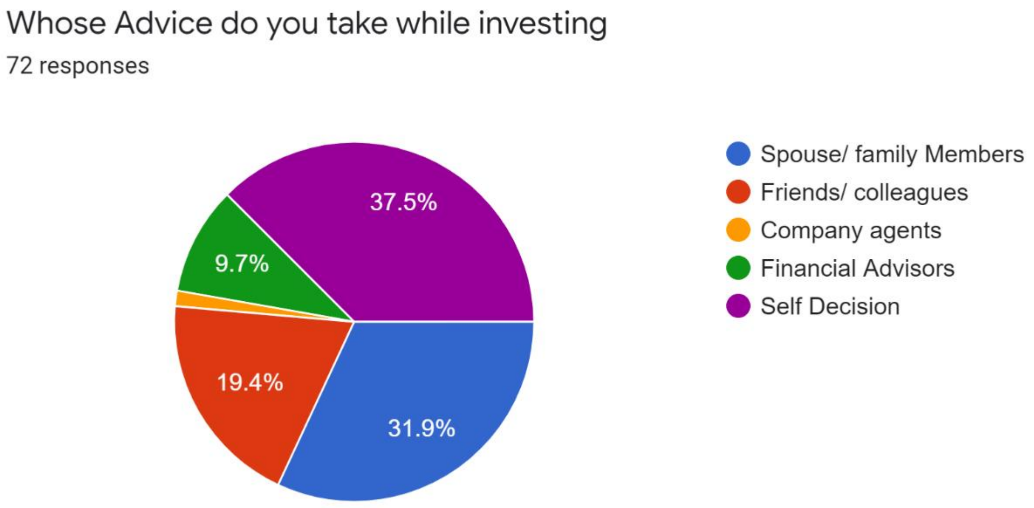
People prefer mutual funds and, bank deposits and post office deposits compared to other investment tools.



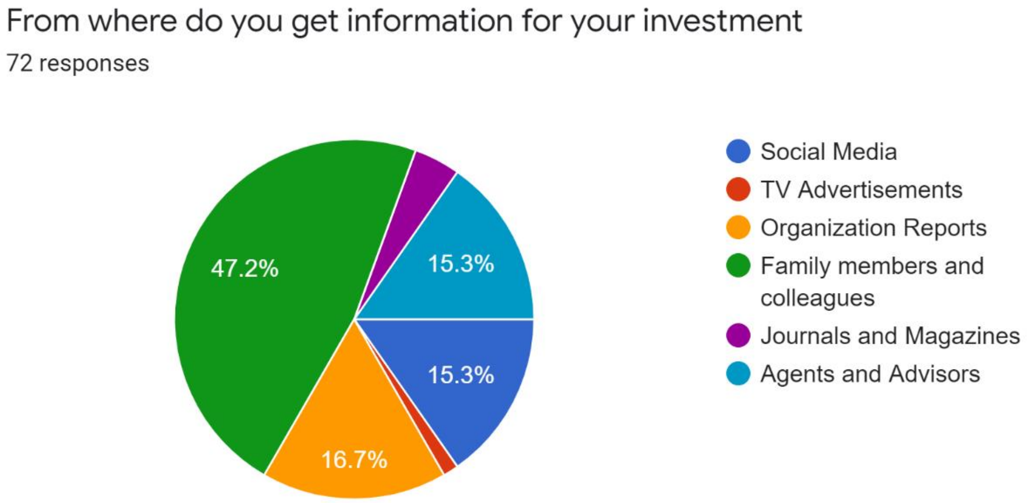
The investment of people is growing in recent past years or remaining more or less same.



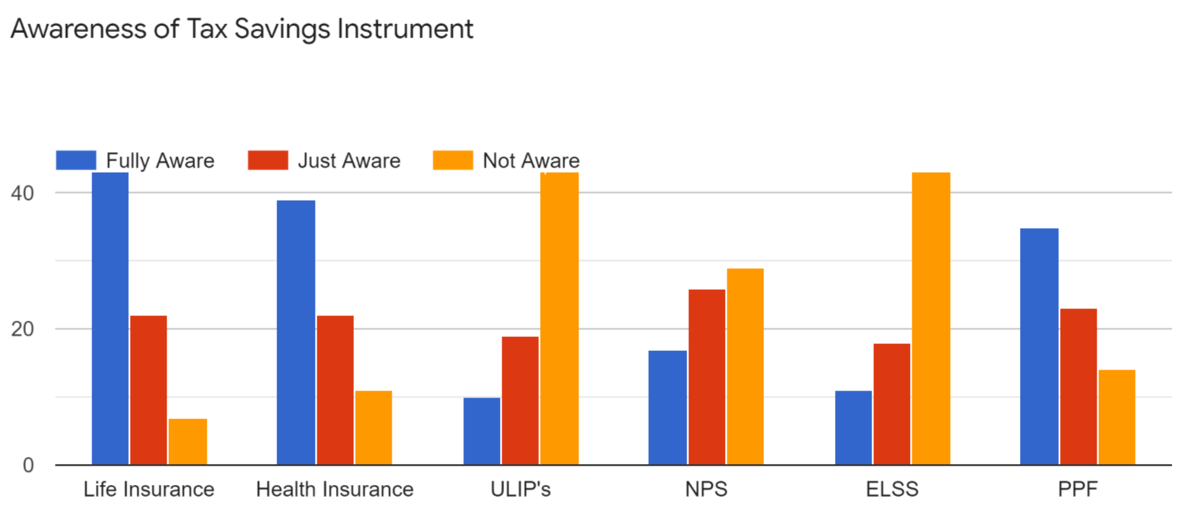
People tend to invest for long and medium term whereas very few people are still there who don’t invest yet.



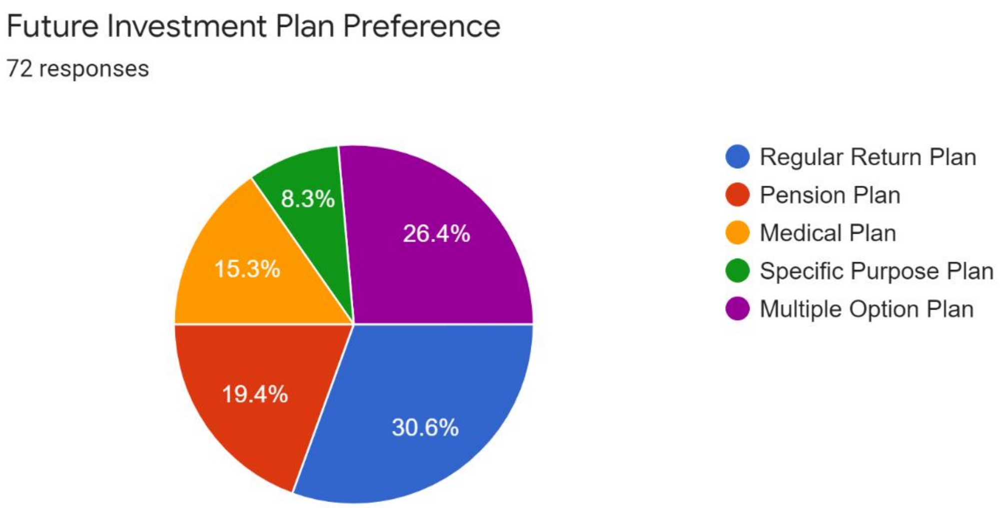
Mostly people are taking self-decision or advice from their spouse or family member regarding investments. Very few are depending upon company agents.



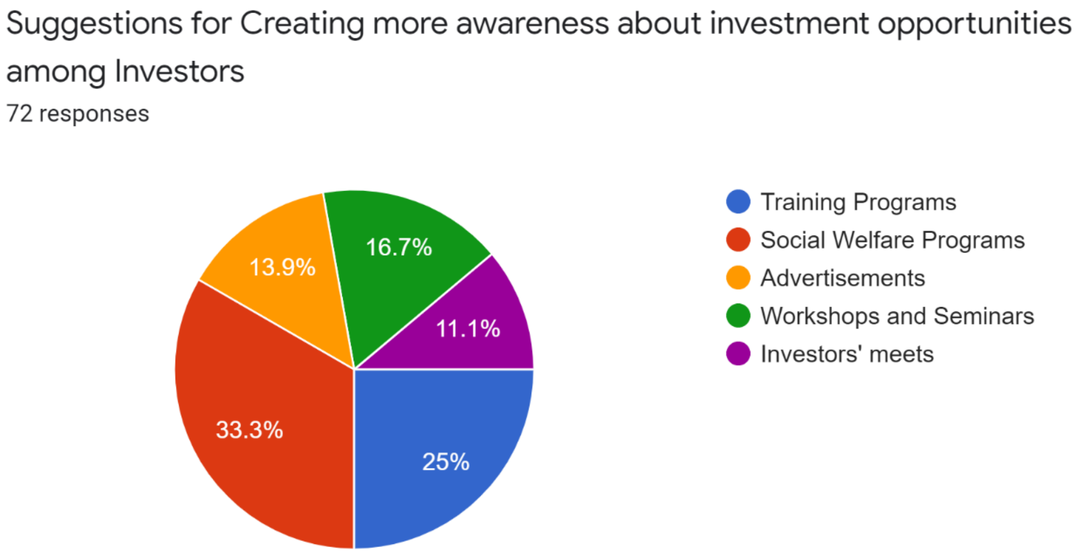
Mostly people are getting information from family members and colleagues for investment whereas very few are getting from TV advertisements.



From the survey, it is known that many people are ware about Life insurance and Health insurance whereas people are mostly not aware about ELSS and ULIP's.



The survey suggests that most people are interested to take regular return plan and multiple option plan for their future investments.



From the survey it is clear that people will get more knowledge about investment through social welfare programmes and training programmes.

Findings:

- The study reveals that majority (69.4%) of the respondents were from the age group of 21-30 years and most of them were from the male category (72.2%).

- From the annual income, it is found the middle-class as well as the upper middle-class working employees were the target respondents. The respondents were mostly working at private sector.

- Most of the respondents save less than Rs. 50,000 annually from their annual salaries.

- The motivators for saving for most of the respondents is to earn long term income and to be secured at old age.

- According to the results, an increase in salary or additional income/increments will help an individual to increase the size of their savings.

- Mutual Fund and Insurance policies are found to be the most preferred choice for investment, whereas other investment preferences include Govt. Securities i.e., PF, GPF/PPF, bank deposits, and fixed deposits.

- The investments trend amongst the respondents is mostly increasing or remaining constant, on the other hand a few respondents' investment is decreasing.

- Majority of the salaried employees' have a specified time horizon behind their investment decision as they prefer to invest long term. Most of them invest for medium term as well.

- Most of the salaried employees taken their own decisions for investments. They also take the advice of their spouse/family members, as they can be said to be the most trusted individuals.

- Most of the salaried employees get information about investments from their family members and colleagues, whereas a few get information from journals and magazines, organizational reports, T.V and radio, etc.

- From the study, it is found that conducting social welfare programs is a good initiative to create awareness amongst salaried individuals about the importance of investments.

- The study has also revealed that most of the salaried employees are not aware about the benefits of tax saving investments like ULIPs, NPS and NSC. Life insurance, health insurance as well as PPF are the popular investment options.

- Most of the respondents prefer a regular return plan as a choice for their future. Other preferences include pension plan, multiple option plan and medical plan.

❖ Chapter – 5

- Suggestions
- Conclusion

Suggestions:

After all this it can be stated that the fundamental corner stones of successful investing are:

- Save regularly
- Invest regularly
- Start Early
- Diversify
- Use tax shelter
- Keep a regular check on investment and modify plans as and when needed

All the documentations should be complete and need to be preserved. At time of maturity it is necessary to produce the investment documents which act as a proof. But many times, investors do not have proper documents which dishonours the claim at maturity. It is also recommended that all the disclosure documents also be preserved as it would help in case of any dispute in settlement. People need to be educated and informed about Financial Planning as well as tax saving and this provides a greater opportunity to financial product distributer like ICICI SECURITIES, TATA Mutual Fund and Reliance Money to educate people. Companies can arrange for seminars and sessions through which they can provide information to people and in return can get prospective clients from the audience. In this way both the audience and the company can also be benefited. Investment through SIP should be encouraged. A little amount regularly invested for long period can create a greater wealth. SIP helps in Rupee cost averaging, develop habit of saving and it provides convenience of investment.

Mutual funds could provide better advice to their investors through the net and through the traditional investment routes where there is an additional channel to deal with the brokers. Direct dealing with the fund could help the investor with their financial planning. If an investor is seeking help from advisor then he should collect enough information of product from different sources. It will help to take proper investment decision and choose a right advisor. It is also necessary that advisor should have enough experience. Thus, the ultimate responsibility is on the investor when it comes to taking investment decision.

Goal should be properly divided into short term, medium term and long term. Proper allocation should be done in various instruments according to the time period of goal. There are various instruments available which can site different time period needs. If investment is giving regular return or are going to get matured should be reinvested properly. Financial planning is not a onetime activity, the initiative should be taken by financial planner to put this forward to their client. Regular meetings should be conducted between the financial planner and client to review the investment portfolio. This is one area where many planners are lacking today. Follow-up, follow-up, follow-up is need of hour and it should be understood by financial service provider.

Conclusion:

Tax-saving is only a smart part of a broad category called financial planning. There is more to a financial plan than what meets the eye. For a financial plan to be successful, it should have a proper investment plan that saves taxes. Irrespective of the plan you choose, few things remain constant. They are:

- Having well-structured short-term and long-term financial goals at every stage of your lives
- Starting to save as early as you can, so that it gives you a long window to stay invested and reap good returns
- Cutting down unnecessary expenses and saving for a better future
- Putting aside at least 10 to 15% of savings every month towards financial or investment plans, to be used at a time when it is needed the most
- Talking to a professional in case of any queries or ambiguity

❖Chapter – 6

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THANK YOU