

**Study on financial planning for salaried employees
strategy for and tax saving**

submitted in part fulfillment of the requirement for the aware of
master of business administration

BY

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School of management studies

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

DEEMED TO UNIVERSITY

Accredited with grade “a” by NAACI 12 UCG I approved by AICTE

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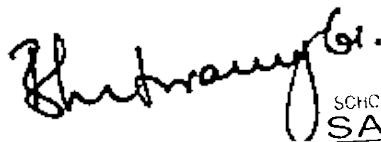
BANAFIDE CERTIFICATE

This is to certify that project report is the BONAFIDE work of ANUSHA.R
41410030 who carried out the project entitled "A study on financial planning
for salaried employee and tax saving "under the supervision 2023
JANUARY to MARCH



Internal guide

External guide



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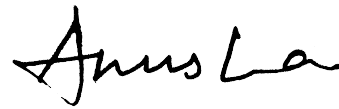
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DECLARATION

I **ANUSHA .R(4041410030)** hereby declare that the Project Report entitled “**A Study on financial planning of salaried employee and strategy for tax saving** ” done by me under the guidance of **DR.SEETHAL** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE: 05/05/2023

PLACE: Chennai

A handwritten signature in black ink, appearing to read 'Anus La'.

ANUSHA.R

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thank to board of management of SATHYABAMA for their kind encouragement in doing this project and for completing it successfully I am grateful to them.

I convey my sincere thank to DR. G. **BHUVANESWARI**, dean –school of management studies and DR .A. PALANI ,head-school of management studies for providing me necessary support and details at the right time during progressive reviews

I would like to express my sincere and deep sense of gratitude to my project guide

For her valuable guidance ,suggestion and constant encouragement paved the way for the successful completion of my project work .

I wish to express my thank to all teaching and non-teaching staff members of the school of management studies who were help in many way for the completion of the project.

ANUSHA.R



PROJECT COMPLETION LETTER

TO WHOMSOEVER IT MAY CONCERN

Sub:Project Completion letter

We wish to confirm that **Ms.ANUSHA R (Reg Num: 41410030)**, who has completed first year MBA in Sathyabama Institute Of Science And Technology, Chennai, has successfully completed the HR project in our concern titled **"A STUDY ON FINANCIAL PLANNING FOR SALARIED AND STRATEGY FOR TAX SAVINGS"** from January to March.

During this lecture with us, the student's conduct and behavior Was observed to be good.

We wish success in all future endeavors.

For Bizdom Solutions,

For **BIZDOM SOLUTIONS PVT LTD**

KARTHIK RENGANATH
Authorised Signatory / Proprietor
Authorised Signatory

**Bizdom Solutions Pvt Ltd #, 46, RGM COMPLEX,OMR, RAJIVGANDHI SALAI,
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ABSTRACT

A financial plan is something that you create after considering your current income, savings, expenses, future earnings, insurance if any, financial goals and a vision for your future life. You then try to choose savings and investment options accordingly so that you can meet your long-term and short-term financial goals at various stages in your lives. Financial planning is important when it comes to saving taxes. It is imperative for an individual as it helps in maintaining steady savings percentage even when the financial markets are constantly being played between inflation and fluctuation. Tax planning is an essential part of financial planning. Efficient tax planning enables us to reduce our tax liability to the minimum. This is done by legitimately taking advantage of all tax exemptions, deductions rebates and allowances while ensuring that your investments are in line with their long-term goals.

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

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. Today, in Financial planning is a personal commitment by an

individual to meet a goal in life. It is necessary for the salaried class to know which components of investments are available and taxes that are to be targeted in order to attain personal economic growth in the financial planning process. Currently, in Ghana, people mainly see financial planning as only a means to invest money in tax-saving instruments. The tax law requires that basic pay and bonuses are fully taxable whilst children's education allowance and transport allowance are partly taxable. Fortunately, there are myriads of tax exemptions and incentives available under various sections and

subsections of the Income Tax Act, 2015 (Act 896). India financial planning means only investing money in the tax saving instruments. Thanks to the plethora of tax exemptions and incentives available under various sections and subsections of the Income Tax Act. This has led to a situation where people invest money without really understanding the logic or the rationale behind the investments made. Further the guiding force in investment

Financial planning is an indispensable activity for business ,student self employed professional etc but it is critical for a salaried person . the reason for this limited and fixed resource for a flow of income it is important to understand the spending and saving pattern .being productive alone is not sufficient it is critical to be more efficient and effective money wise

Some benefits like life and health insurance for salaried employees provide risk coverage one can make better financial plans through tax saving and paying proper taxes . tax planning allows all elements of the financial plans to function in system to delivers maximum tax efficiency

In short first save for the financial goals and then spend wisely for your needs if our hand earned money does not work hard for us , the whole purpose of earning get departed one must take charge his/her financial to ensure financial stability independence

The tax is also important for all the people .tax is a fee charged by government on a product income or activity . there are two type of taxes – direct tax and indirect tax

Financial planning is a procedure that a person goes through to establish where they are now (financially), where they want to be in the future, and what they'll do to get there. Financial planning gives you direction and a goal to work towards while making financial decisions. It enables individuals to comprehend how each financial decision they make affects other aspects of their finances. Purchasing a specific investment product, for example, could help you pay off your mortgage faster or drastically postpone your retirement. Financial products that serve as an investment vehicle and provide investors with the necessary financial security based on the risk-return profile of the financial products. Every individual behaves differently when it comes to investing; therefore investment preferences vary from person to person. Individuals engage in a variety of financial instruments with the expectation of significant returns over a long period of time and a certain level of risk. Today, a range of investment paths are available, and an individual must determine which investment avenue to pursue after doing a thorough market analysis and taking into account his or her specific goals and circumstances. Each financial decision can be considered in terms of its short and long-term effects on one's life goals when seen as a whole. A person can also adapt to life changes more readily and feel more confident that their goals are on track. The purpose of this study is to look at the investment preferences of salaried people when it comes to various financial products, taking into account demographic aspects.

In an organized society tax is unavoidable because, it is the price paid for administrative and political stability by the public to the Government. It is the duty of each citizen to pay due taxes in time and not to resort to any device to evade the payment of taxes Tax planning may be defined as an arrangement of one's financial affairs in such a way that without violating in any way the legal provision ,full advantage is taken of all exemptions, deductions, rebates, allowances and other reliefs or benefits permitted under the Act .So that the burden of taxation, as far as possible, is the least. Tax planning involves in every case a thorough and up-to- date knowledge of tax laws. Not only is an up-to-date knowledge of the statute law necessary, but one must also be aware of the-made laws in the form of

WHAT IS FINANCIAL PLANNING

Financial planning is the process of achieving your life goal by using different investment options with your current resources through proper and disciplined money management so financial planning is not only about money but all about life ,about fulfillment yours wishes dreams , aspiration and your enjoyment is achieving them . financial planning is this procedure of developing a personal road map for the financial well being of the investor .below are the input of the process of financial planning

The finances of the investor i.e the income of the investor , liabilities and his /her assets

The risk appetites of the investor

The goals of the investors i.e his /her future ans current financial requirement

seems to be the "rebate" they receive from the individual agents and advisors. The more the rebate an agent gives, the self-satisfied person are in the belief that they have made an intelligent decision of choosing the right agent who has offered them more rebate. In the process what is not being realized is the fact that the financial future is getting compromised

taxes are consider to the” cost of living in a society “ taxes are levied by the government to meet the common welfare expenditure of the society .there are two type of taxes

direct taxes and indirect taxes

DIRECT TAXES

if tax is levied directly on the income or wealth of the person then it is a direct tax .the person who Pay the tax to the government cannot recover it from somebody else i.e .the burden of direct tax cannot be shifted eg income tax

INDIRECT TAX

if the tax is levied on the price of the good or service , then it is an indirect tax eg. Goods and service tax GST or custom duty .in the case of indirect tax the person paying the tax passes on the incidence to another person

tax structure in india

tax

direct tax

indirect tax

direct tax

income tax

wealth tax

gift tax

capital gain tax

service tax

customs tax

direct tax

a direct tax is one imposed upon an individual person (eg real and personal property ,livestock ,crops ,wage ,ect) as distinct from a tax imposed upon a transaction in this sense ,indirect tax such as sales tax or value added tax vat are imposed only if and when a taxable transaction occurs people have the freedom to engage in or refrain from such transaction whereas as direct tax is imposed upon person ,typically in an unconditional manner ,such as a poll-tax which is imposed on the basis of the persons very ;life or existence or a property tax which is imposed upon the owner by virtue of ownership ,rather than commercial use some commentators have argued that “a direct tax is one that cannot be shifted by the taxpayer to someone els

direct tax is supposed to be borne and paid by the same person .the person who pays the amount of direct tax does not recover all part of the tax else where . it is this sense that direct taxation is opposed to indirect taxation it is the notion of fiscal incidence which allows to analysis who ultimately ,weights the burden of tax that determines whether the tax is direct or indirect direct tax is generally declarative

the unconditional inexorable aspect of the direct tax was a paramount concern of people in the 18th century seeking to escape tyrannical form of government and to safeguard individual liberty

definition

a direct tax is a tax that a person or organization pays directly to the entity that imposed it an individual taxpayer for example ,pays direct tax to government for various purpose , including income tax ,real property tax ,personal property tax , or taxes on sales

direct tax is paid by an individual or organization to entity that levied the tax

direct tax include income taxes ,property taxes and taxes on assets

there are also indirect taxes , such as sales taxes ,where a tax is levied on the seller but paid by the buyer

income tax

income tax is direct tax that government levies on the income of the citizens .the income tax act 1961 mandates that the central government collect this tax .the government can change the income slabs tax rate every year in its union budget

income does not only mean money earned in the form of salary it is also include income from house property ,profit from business ,gain from profession bonus ,capital gain income ,and income from other sources the government also often provide certain leeway such as that various deduction are made from individuals income before the tax to be levied is calculated

type of financial planning

cash flow planning :

it is one of the important type of financial planning . individual or companies predict their short term and long term expenses based on the projected cash flows . but there are also time when emergency expenses or unexpected expenses occur. Once it should plan its cash flow appropriated .an incorrect cash flow plan can lead to bankruptcy

insurance planning

long term insurance is very important type of financial planning in unforeseen circumstance , if you fail to make an insurance plan in advance ,it will also destroy your other financial plans .insurance depends on the individual lifestyle . before buying any insurance ,you should analyze

investment planning

once should make your investment plan to achieve your goal in your life your investment plan is always based on your saving once you know amount of saving you can take the help of financial adviser for various investment opportunities like fixed income ,investment in stock ,gold ect

tax planning

proper tax planning can help you maximize financial saving . countries provide taxpayers with various concession and exemption . you should be educated and draft a plan at the end of the year . you can enjoy the benefit of the tax exemption and minimize your tax

CONCEPT & SIGNIFICANCE OF THE STUDY

Financial Planning is an integral part of any individual life, especially in this modern world where value of everything is expressed in terms of money. The active working span of human life is short as compared to the life span. This means people will be spending approximately the same number of years in after retirement what they have spent in their active working life. Thus, it becomes important to save and invest while working so that person will continue

1.2 INDUSTRY PROFILE

The information technology industry in INDIA comprises information technology service ,consulting and outsourcing the share of IT-BPM sector in GDP of INDIA is 74% in 2022 The IT BPM industries revenue is estimated at \$230 billion in 2022 the domestic revenue of IT industry is estimated at \$49 billion and export revenue is estimated at \$181 billion in FY 2022 the IT-BPM sector overall employee 5million of march 2022.

The INDIA IT –BPM industry has the highest employee attrition rate .in recent years the industry has been witnessing skyrocketing resignation cutting across hierarchy .As a global outsourcing hub, the Indian IT industry benefit from lower cost of living and the consequent cheap labored . As IT –BPM sector evolves ,many are concerned that artificial intelligence (AI) will drive significant automation and destroy job in the coming years

The Information Technology & Information Technology Enabled Services (IT-ITES) sector is a field which is undergoing rapid evolution and is changing the shape of Indian business standards. This sector includes software development, consultancies, software management, online services and business process outsourcing (BPO).

According to an article in the Times of India, India's liberalization was possible due to its IT industry. In the 1990s, the industry started off with an export of nearly \$100 million with around 5,000 employees. Now it is an industry that thrives globally and India's IT exports are now around \$70 billion with 2.8 million employees working in this sector. The article states that the IT sector is one of the top two industries in the country today.

India's IT industry is expected to grow at a rate of 12 – 14% during 2016 – 2017 as per a report by India's software industry body National Association of Software and Services Companies (NASSCOM.) This clearly shows that information technology is a sector which will likely be one of the emerging markets in the days to come as India's economy requires more hardware, software and other IT services. In a NASSCOM-McKinsey report, India's position in the global offshore IT industry is based on five factors – abundant talent, creation of urban infrastructure, operational excellence, conducive business environment and finally, continued growth in the domestic IT sector.

- IT BPM industry revenues (excluding hardware) for the Financial Year 2016-17 is estimated to be at US\$ 154 billion.
- IT sector contributed to India's GDP by 7.7% in the year 2016.
- In the Financial Year 2016, TCS stood as the market leader with about 10.4% contribution to India's IT and ITeS sector revenue.
- The IT market is quite competitive with the top 5 IT firms contributing over 25% to the total IT revenue.
- For the Financial Year 2017, the domestic revenue is estimated to be at US\$ 38 billion while the export revenue is estimated to be at US\$ 117 billion.

Companies in this industry provide services such as software support, computer systems design, and data processing facilities management. Major companies include Cognizant, DXC Technology, and the technology consulting arm of IBM (all based in the US), along with Accenture (Ireland); CAPGEMINI (France); and HCL Technologies, Infosys, Tata Consultancy Services, and Wipro (all based in India).

Worldwide IT spending is projected to reach about \$5 trillion in 2023, an increase of 5.1% from 2022, according to Gartner. Demand for IT in 2023 is expected to be strong as enterprises push forward with digital business initiatives. Digital technology initiatives will remain a priority for the industry, driven by the changing work landscape to accommodate complex hybrid work for employees.

The US information technology (IT) services industry includes about 145,000 establishments (single-location companies and units of multi-location companies) with combined annual revenue of about \$445 billion.

COMPETITIVE LANDSCAPE

Demand for IT services is driven by rapid technological advances, but spending depends on the health of the economy. The profitability of companies depends on technical expertise, innovative services, and effective marketing. Large companies have advantages in broad service offerings and global reach, which give them the ability to provide outsourcing services to big corporate customers. Small companies can compete effectively by specializing in market niches or by partnering with larger companies that want to broaden their mix of services. The US industry is fragmented: the 50 largest companies ..

1.3 COMPANY PROFILE

BIZDOM solution private limited is an information technology and software development company that provide business consulting information technology and outsourcing services

BIZDOM SOLUTION PRIVATE LIMITED in TAMIL NADU based private limited company registered at dated 19-nov-2018 on ministry of corporation affaires (MCA), the corporate identification number (CIN) of BIZDOM solution private limited it has been classified as

company limited by shares and it register of companies in Chennai india it aspire to serve in computer and related activities across the india its annual general meeting was lastly conducted on and as per the record of ministry of corporation affairs (MNC) its balance sheet was filled on

1.4 STATEMENT OF PROBLEM

A complete understanding of the opportunities available and managing one's finance considering tax liability and the post-tax cost is essential as far as personal finance is concerned. The current study is an effort to evaluate tax planning measures adopted by the salaried income tax assesses of the state in the light of tax administration measures being implemented by the government through the Ghana Revenue Authority (GRA).

Mission

BIZDOM solution's mission is to improve the efficiency and effectiveness of its clients' procurement and supply chain activities. We achieve this by providing thought leadership, specialist subject matter expertise, a global delivery model, and best-in-class technology solutions. By increasing the value delivered and improving the efficiency of procurement and supply chain operations, our clients are able to achieve more for less .To achieve our objectives in an environment of fairness, honesty, and courtesy towards our clients, employees, vendors and society at large."BIZDOM solution focuses on maintaining fairness, honesty and courtesy towards their clients, employees, vendors and society in their path of achieving their objective. They believe that these three key aspects were the main factors in achieving their vision

Vision

To be recognized as the leading global procurement and supply chain consulting and outsourced services firm.

To be a globally respected corporation that provides best-of-breed business solutions, leveraging technology, delivered by best-in-class people."

BIZDOM solution does not just want to be a corporation which just focuses on increasing its business and revenue, rather its vision is to be a corporation which provides best business solution by indulging best talented people and eventually to become a reputed and respected corporation.

Product profile

Can provide managed services , application hosting (cloud) or deploy solution inside your firewall

Employee our clients and help transition to lower cost operation models

Extensive experience in continuous delivery and dev ops allow us to effective operation and optimize system

1.5 OBJECTIVE OF THE STUDY

- To know about employee tax planning
- To know investment plan about financial planning among work class people
- To understand the saving investment behavior of the salaried employee BIZDOM

PRIMARY OBJECTIVE

- To understand financial planning done by salaried employees
- To spread awareness about financial planning among the working-class people
- To understand the saving-investment behavior of the salaried employees
- To understand the importance of tax planning

SECONDARY OBJECTIVE:

- To gain knowledge about the various investment avenues keeping in mind the significance of tax saving
- To understand how savings can be increased for the future using different instruments
- To find out the most suitable investment instrument for salaried investors
- To examine the amount saved by using that instrument

1.6 Need for the study

Financial planning is an integral part of any individual life especially in the modern world it become important to save and invest while working life so that person will continue to earn a satisfaction income and enjoy a comfortable

1.7 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

1.9 LIMITATIONS OF THE STUDY

- The analysis of the study was carried on the information collected from salaried employees.
- Due to time and resource constraints, only 150 respondents were considered.
- The result fully depends on the information given by the respondents which may be biased.

Some of the tax saving method used during tax planning are follow

For income under salary

It should be ensured that under the term of employment dearness allowance and dearness pay form basic salary this will minimize tax incidence on house rent allowance ,gratuity and commuted pension likewise , incidence of the tax on the employer's contribution to a recognized provident fund will be lesser if dearness allowance from a part of basic salary

As un commuted pension is always taxable ,employees should get their pension commuted pension is fully exempted from tax in the case of government employees and party exempted from tax in the case of non government who can claim refunded

An employee being in the member of provident fund who resign before completing five year of contribution services should ensure that he joins a company which maintain a recognized provident fund for reason that the accumulated balance of the balance of the fund with the former employee who also maintain provident fund

Instead of employee receiving of allowance from employee can clam those reimbursement is not taxable

Since the term salary include basic salary bonus commission fees and all other taxable allowance for the purpose of valuation of perquisites in respects of advantage

Concept of income under the income tax act 1961

A regular receipted VIS-A-VIS casual receipt income in general means a periodic monetary return which accrue regularly from definite sources however under the income tax act 1961 even certain casual receipts which do not arise regularly are treated as income for tax purpose wining

Revenue receipt VI-A-VIS capital receipt

Income normally refers to revenue receipts capital receipts are generally not included within the scope of income in general parlance .however the income tax act 1961 has specifically certain capital receipts within the definition of income capital gain ,gain on sales of capital assets like land

Net receipts VIS-À-VIS gross receipts

Income means net receipts and net gross receipt are arrived at after deduction the expenditure incurred in connected with earning such receipts the expenditure which can deducted while computing income under each head is prescribed under the income tax 1961 income from certain eligible business profession is also determined on presumptive basics a certain eligible business

Chapter 2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

George K. ADEYIGA. (2018): "Private saving and investment choices are affected by the tax structure ,though the magnitude and net direction of the effects are not so clearly seen. There is no clear strategy to use the tax system to increase the rate of private saving in African countries but these packages of effects may be considered" .Compulsory payroll savings programs used in Ghana encourage savings; Interest and dividend income often are not fully taxed which encourages savings.

Daniel ARMAH-ATTOH & MOHAMMED AWAL (2019): A study on the Perceived Institutional Challenges Facing Tax Administration in Ghana concluded that the tax burden does not appear to be fairly distributed. The in formal sector keeps growing but the tax authorities have still not been able to widen the tax net to cover this category of

BINDABAL AND HANZA (2021) state that the main objective of the study was to find out the relationship between saving and investment pattern and orientation towards finance

NEHA AGARWAT (2020)state that tax planning is essential part of our financial planning the main purpose of the study is to find out regarding the awareness and alternative tax planning

SUYONG AND KUMAR (2018)state that this research focuses on the need and important of retirement focuses on the need and important of retirement planning there are considered change in investment individual in INDIA in last couple of year

SARAVANA ,MUTHU LAKSHMI (2017)tax saving scheme and tax saving instruments of income tax in india to study the planning of individual income tax and tax saving instrument of the individual income tax saving institutional individual income tax

KWABENA ADU-ABABIO, ROBERT OSEI AND JUKKA PIRTILÄ (2016): The study described tax allowances and expenditures. Tax Reliefs are granted by the government in order to encourage certain forms of actions and behavior, such as caring for the aged and the education of children. Reliefs are approved for entities or individuals as a way of reducing their tax liability.

GS SUMESH ,awareness and perception regarding tax planning optional tax planning among salaried people (2020)

PROF UMA DRURGDE , PROF .HEMANT MALVIYA (2017) financial planning for salaried for tax saving vol special issue

SIDDHAARTH DHONGDE , VILAS EPPER , tax saving investment strategies among salaried individual (2020)

MARIYAH AHMER SHEIKH ,ATIK SHEIKH A financial plan is something that you create after consideration your current income saving , expenses ,future earning

KUMARASWAMY & DIVAKAR VELYA M, (2020) “Tax Planning – An Analysis on Housing Loans” Housing loans, for sure, makes it possible for an individual to own a house. A steady increase over time in the associated costs of real estate makes a housing loan last for years. Every priority of the Government is to provide shelter to the citizenry, especially the needy; on the other hand, it is reducing housing loan borrowers’ tax burden through several Income Tax provisions. The paper focused on these issues in every probable dimension.

KUGBEY CLEMENCE SEPENOO, (2019): Adam Smith in The Wealth of Nations (1776) wrote under Benefit theory: “Such things as defending the country and maintaining the institutions of good government are of general benefit to the public”. Therefore, it is in order that the whole population should contribute to the tax costs. It is also rational to demand other things of a tax system – for example, that the amounts of tax individuals pay should be linked to their respective abilities to pay. Usually, good tax systems have to meet four major criteria. These are:

SUCHITHRA P, VIDHYA C (2019), conducted a study on the Awareness of Tax Saving Instruments of Individual Tax Payers. They concluded that salary earners get interested in tax savings to the extent that they can acknowledge how close they are to retirement.

SHWETA ROKDE, "An Analysis on Investment and Saving Pattern of Salaried Employees (2020): Men choose higher-risk investment options than women. Their choice made them higher gainers and losers of the outcome of the investment.

SANGEETA GUPTA (2017) identified that financial literacy comprises of skills and knowledge that enables the individual to understand the principles of finance that an individual requires to know to make informed financial choices and decisions and the financial products that influence the financial well-being of an individual.

ANAND KUMAR SHRIVASTAVA (2018) The objective of the research is to study the investment behavior of government employees towards different financial products available in the market.

ZANKHANA AND RONIKADEVI (2019) aim of this research is to analyze awareness, perception & behavior regarding different investment avenues available for salaried people and to study various demographic variables and pattern of investment.

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Kumar Manish, Study of tax saving instruments awareness and perception of individual assesses in Delhi, Faridabad, (2019). The purpose of the study is to learn about the factors effecting selection of tax saving instruments by individual assesses in Delhi. To assess the level of awareness an individual assesses has towards tax saving instruments available as per The Income tax laws. The study also tries to identify the most appropriate and prevalent tax saving instruments used by individual assesses to reduce their tax liability. The research will try to assess relation between the demographic profile of the individual and tax saving instruments adopted by them newline.

What do salaried persons like GS, SUMESH think about their tax-planning options? (2020) You need to be familiar with the Income Tax Act and the Union Ministry's yearly budget in order to take advantage of these provisions. Since this is the case, a survey of salaried workers is being conducted to learn their thoughts on tax avoidance strategies. Using a number of statistical methods, this research Analyzes and presents answers from salaried employees in the KOTTAYAM TALUK in order to draw conclusions about their attitudes and behavior .

Investment Strategies for Tax Savings in Aurangabad City (2020) by SIDDHARTH DHONGRE and Vilas ESPER. The purpose of this research is to get a better understanding of how wage earners manage their assets to minimize their taxable income. This study looks at how salaried individuals invest their money and how they minimize their tax liability. The next most common combinations of tax-saving mechanisms were PPF (Public Provident Fund), LIC (Life Insurance Corporation), house loans, National Savings Certificates (NSCs), and children's education. Fixed-income investments like ELSS and CDs have similarities

Salary workers' decision-making: a look at the data(by Ali Medes, ASIF JEELANI Khan, and the relationship between money and (2020). A person's capacity to invest in financial assets is crucial to their long-term financial success. In order to take advantage of the potential returns and tax advantages of financial assets, as well as the needed proportion of income put aside under programs like SIPs (Systematic Investment Plans), an individual must save regularly. Financial assets are advantageous because they may be acquired without spending a substantial sum of money immediately, unlike the purchase of a material commodity. However, the salaried class in Jammu and Kashmir is wary of financial investments due to the possibility of lower returns.

RESEARCH DESIGN

Type of research : descriptive research

Research equipment :questionnaire

Sample technique : random sampling method

Sample size :

Sample design :data has been presented with the help of the and pie and bar graph

Primary source :

The primary data has collected for the study was through questionnaire

Secondary source :

The secondary data has collected for study gather are already existed data

Chapter 3

Research methodology

3.1 RESEARCH METHODOLOGY

This study is based on primary data collected from salaried employee income tax from the CHENNAI city . Secondary data collected from various sources such as article ,journals ,magazine and this research work is examine to salaried employee financial planning assets only the primary data is collected through directly from the employee by questionnaire

3.2 RESEARCH DESIGN

Descriptive research design

Descriptive research is a study designed to depict the participant in accurate way more simply put ,describing people

What is descriptive research

Descriptive research is a research method describing the characteristics of the population or phenomenon studied. This descriptive methodology focuses more on the “what” of the research subject than the “why” of the research subject.

The method primarily focuses on describing the nature of a demographic segment without focusing on “why” a particular phenomenon occurs. In other words, it “describes” the research subject without covering “why” it happens.

Survey research

In survey research, respondents answer through surveys or questionnaires or polls. They are a popular market research tool to collect feedback from respondents. A study to gather useful data should have the right survey questions. It should be a balanced mix of open-ended questions and close ended-questions. The survey method can be conducted online or offline, making it the go-to option for descriptive research where the sample size is enormous.

Sample design :data has been presented with the help of the and pie and bar graph

Primary source :

The primary data has collected for the study was through questionnaire

Secondary source :

The secondary data has collected for study gather are already existed data

Sampling technique

What is Random Sampling?

Random sampling, or probability sampling, is a sampling method that allows for the randomization of sample selection, i.e., each sample has the same probability as other samples to be selected to serve as a representation of an entire population.

Random sampling method

A random sample is one of the main type of probability sampling method . a random sample is made up of people who are easy to research

Random sampling is considered one of the most popular and simple data collection methods in research fields (probability and statistics, mathematics, etc.). It allows for unbiased data collection, which lets studies arrive at unbiased conclusions.

3.3 DATA COLLECTION M SOURCE OF DATA

- From the survey
- Primary data : collected through the questionnaire and observation
- Secondary data : data available on the journal and Report

In this research internal and external source of data are used . collection raw materials through facts figure of researchers work .collected data from company records in document these are all internal data are external in data collection these are 2 type

- ⦿ Sampling unite : private employee
- ⦿ Sample location : CHENNAI
- ⦿ Sampling frame : all employee having the professional qualification in selected organization

3.4 STRUCTURE OF QUESTIONNAIRE

- ⦿ The basic requisite of the research study is the appropriate data which can be collected with help of a schedule or questionnaire with the help of the questionnaire it is easy to determine the impact of work balance

Types of question

- ⦿ Direct questions
- ⦿ Multiple choice questions
- ⦿ Yes or no type questions

3.5 SAMPLE SIZE

Sample size The number of individuals to be polled is indicated by logistics. Although big samples provide more trustworthy findings than small samples, owing to time and financial constraints, 150

3.6 Period of study

The period of the study is determined in the research process carried out 3 month January to march

3.7 PROFILE OF THE STUDY

This study was carried out financial planning for salaried employee of this industry are target people of the study

Location &targeted people of the study

In Chennai the employees of the BIZDOM SOLUTION are the targeted people in the study

3.8 HYPOTHESIS

Null hypothesis(Ho):

There is no significant between the employee Knowledge and the tax planning

Alternative hypothesis(H1):

There is significant between the employee knowledge and the tax planning

Tool for analysis

- Chi square
- ANOVA

The tool use for the analysis is the chi square and the anova are the tool used in this study

ANOVA

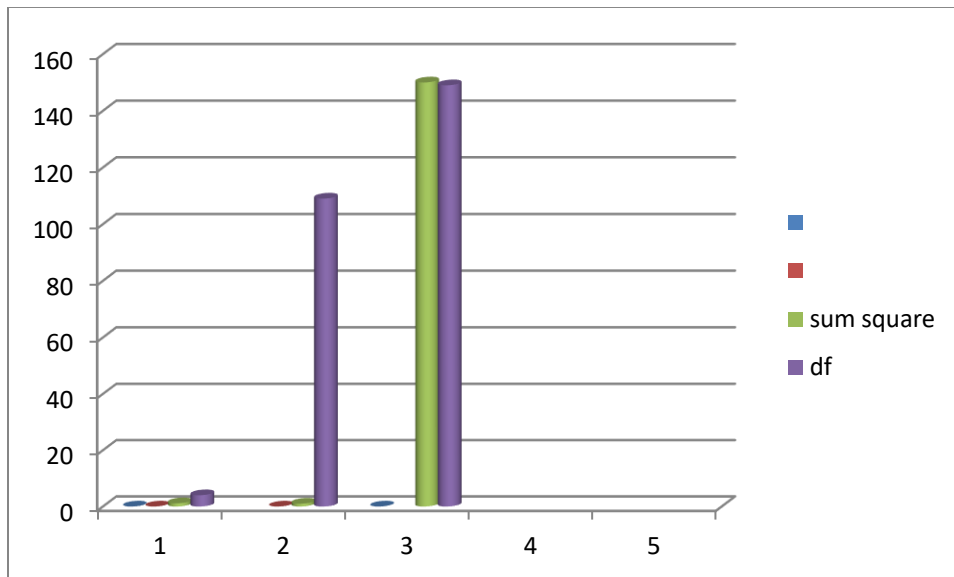
Developed by Ronald A. Fisher, ANOVA stands for analysis of variance. One-way analysis of variance tells you if there is any statistical difference between the means of three or more independent groups.

Chapter 4

Data analysis and interpretation

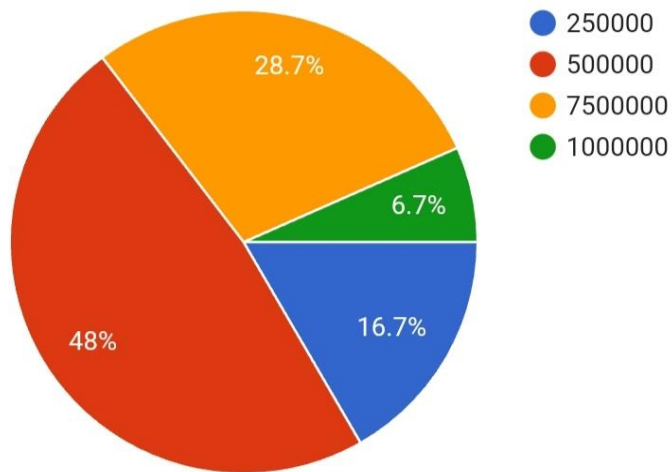
4.1 DATA ANALYSIS

SNO	ANNUAL INCOME	RESPONDENTS	PERCENTAGE
1	250000	25	16.7%
2	500000	72	48%
3	750000	43	28.7%
4	1000000	10	6.7%
		150	100%



annual income

150 responses



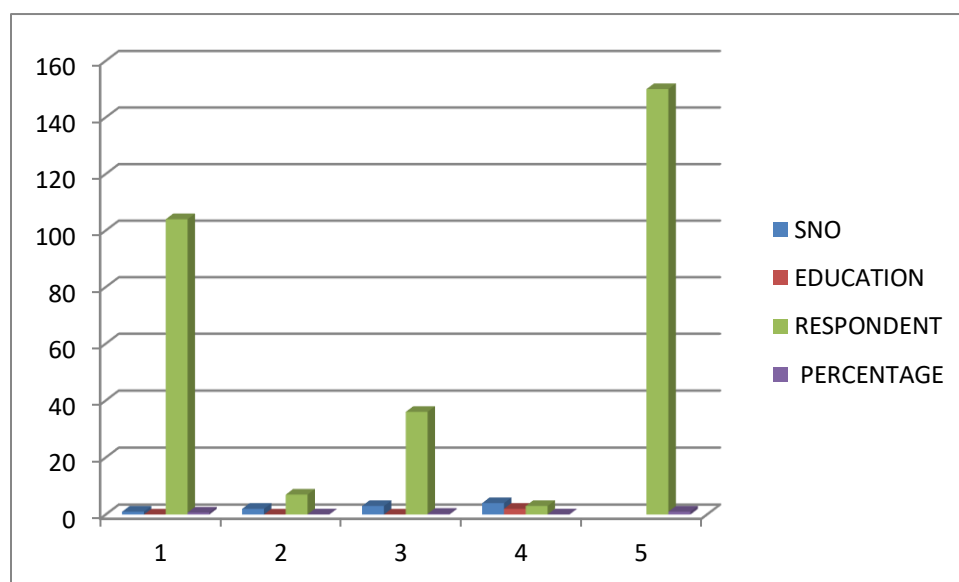
Annual income

Interpretation from the above chart that the number of employee annual income 6.7% 1000000 ,16.7% 250000 ,48% 500000

Inference

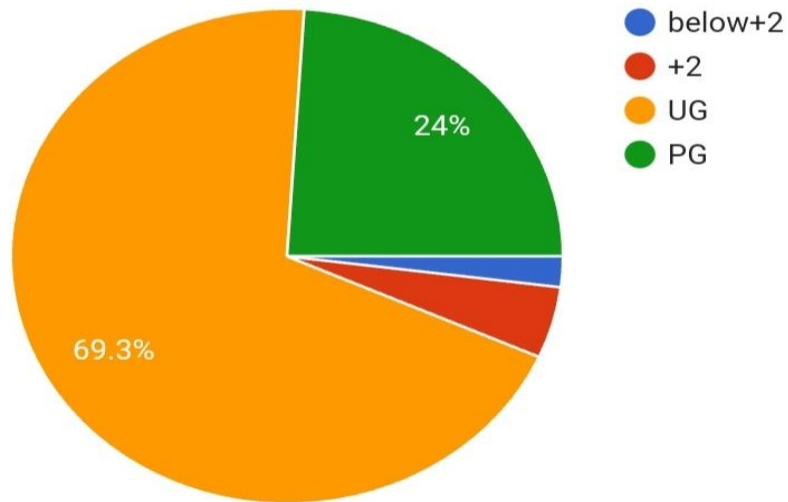
Majority of the 48% annual income is 500000

SNO	EDUCATION	RESPONDENT	PERCENTAGE
1	UG	104	69%
2	Other	7	5%
3	PG	36	24%
4	+2	3	2%
		150	100%



education qualification

150 responses



Education qualification

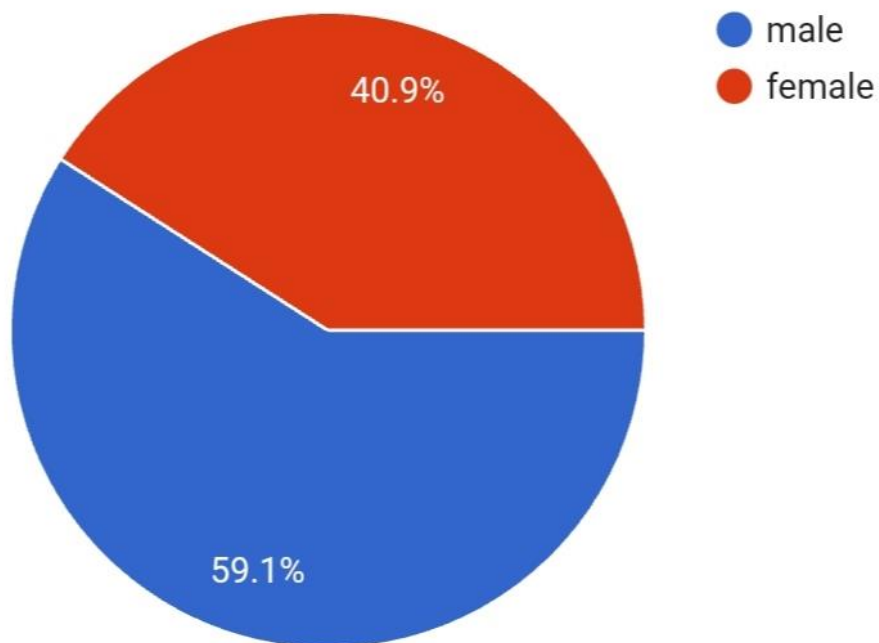
Interpretation

From the above chart the interpretation that the number of respondent is UG is 69.3, 34% is PG

Inference

Majority 69.3 f the respondents PG

SNO	GENDER	RESPONDENT	PERCENTAGE
1	Male	62	40.1%
2	Female	88	59.1%
		150	100%



Gender of the respondents

Interpretation

From the about chart interpretation that number of the male respondents 59.1and the female respondent 40.8%

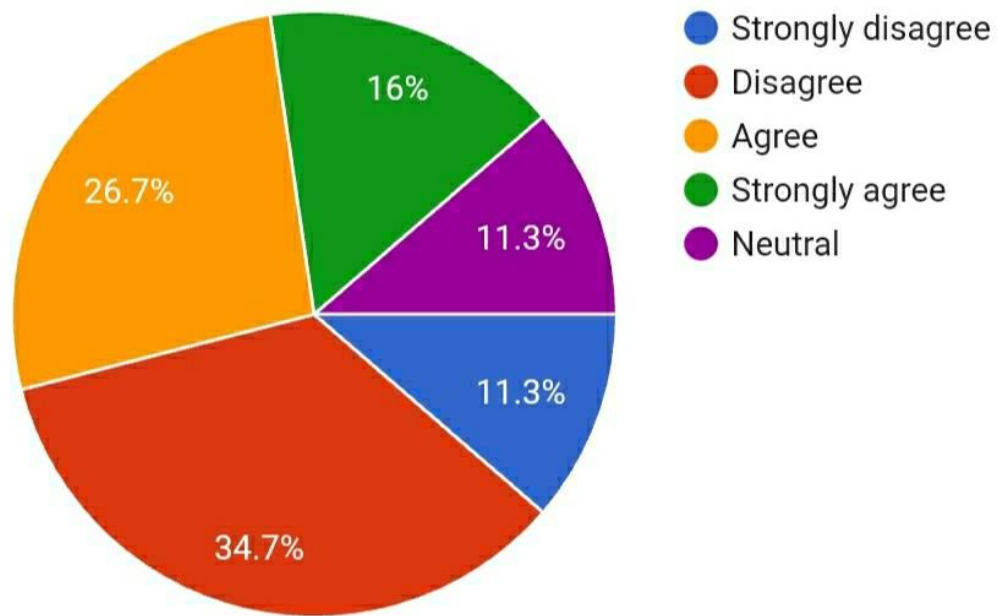
Inference

Majority 59.1% of the respondents are male

SNO	TAX	RESPONDENT	PERCENTAGE
1	STRONGLY AGREE	17	11.3
2	DISAGREE	52	34.7%
3	AGREE	40	26.7%
4	STRONGLY AGREE	24	16%
5	NEUTRAL	17	11.3%
		150	100%

Tax planning is useful for me and monthly budget

150 responses



Tax planning is useful for monthly budget

Interpretation

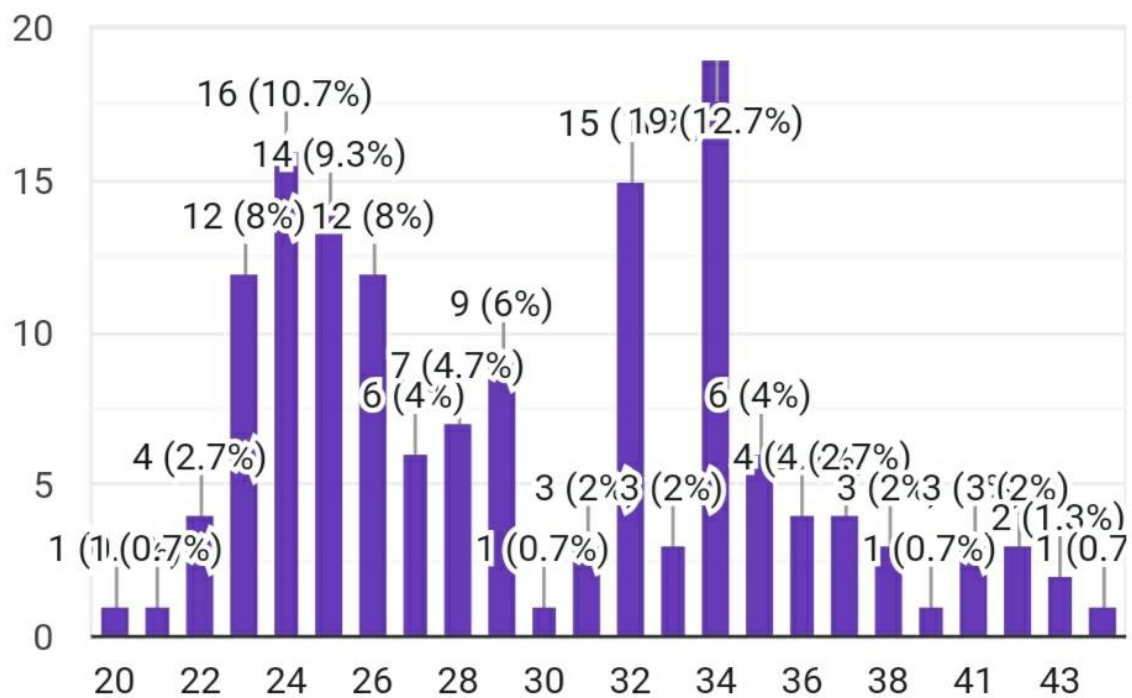
From the above chart it is in interpretation the number of respondents were 26% , strongly agree , 11.3% neutral , 11.3% strongly disagree , 32.7 disagree

Inference

Majority of 32.7 disagree the tax planning is not useful for monthly budget

age

150 responses



The chart represent the age of the respondents

Interpretation

From the above table is interpreted the table number of respondents below 22 is 0.7

Between the age 22 is 0.7 the age of the employee 24 is 8% , the age of respondents 26 is 8% , the age of respondents 26 -28 is 4

The respondents 22- 26 is 10.7

Inference

Majority of the respondents age is 22 to 26 10.7

Statistical analysis

Chi square

Hypothesis 1

There is no significant difference between

Statistical analysis

H0 there is no significant between tax planning and the knowledge

H1 there is significant between is tax planning and the knowledge

4.2 CHI SQUARE

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	300.000 ^a	298	.457
Likelihood Ratio	236.538	298	.996
N of Valid Cases	150		

a. 450 cells (100.0%) have expected count less than 5. The minimum expected count is .03.

The 0.3 lesser than 5 we reject the null hypothesis and accept the alternative

4.3 ANOVA

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	1.414	.457
	Cramer's V	1.000	.457
N of Valid Cases		150	

From result the p value is greater than 0.05 for all factor hence there is no significant reject the H₀

Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Timestamp * Investment planning is useful for employees	150	57.0%	113	43.0%	263	100.0%

Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
name * Investment planning useful for employees	263	100.0%	0	0.0%	263	100.0%

FINDING

5.1 Finding of the study

Majority (59.1%) of the respondents female

Majority() of the respondents is age group

Majority (66%) of the respondents belong to UG education qualification

Majority (48%) of the respondents belong to annual income 250000-500000

5.2 SUGGESTIONS

- Financial planning for salaried employees is not just a compelling process; it is a basic need for every individual and his/her family. It is a complete cycle starting from monthly budget to retirement planning. The process comprises Budgeting, Insurance, Goal-Based Investments, Getting out of debt, and Retirement.
- It is important to spread your financial planning to include investments such as Equity-Linked Savings Schemes (ELSS), Long-Term Capital Gains from the Sale of Long-Term Assets, and Agricultural Income because of the tax savings they give.
- Public Provident Funds, Educational loans, Voluntary donations, Home loans, Interest Income on Savings Accounts, and Unit-Linked Insurance Plans are all some of the tax savings strategies for salaried employees.
- Not all tax savers are the same in terms of asset class, so one should choose to use the instrument that best suits their individual needs. The safety, liquidity and returns of the tax savings instrument should be taken into consideration. No financial decisions should be made based on the returns to be gained. Your goal is not only to save on taxes but also to achieve different goals you have set for yourself. Hence, one should always have definite and should link their tax instruments to the desired goal.

5.3 CONCLUSION

Salary employees spent their whole lives working, spending the money they earn and hopefully saving a little for the future. When you retire, everything you have ever experienced about managing your finances gets turned upside down. You no longer earn as much or any money from work, leave to have much energy to do so. You have to figure out how to make do with and maximize what you already have. Instead of saving as much as possible, the new objectives

include developing retirement income strategies by creating predictable retirement income out of what you have. This study aims to analyze tax

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. Saving strategies adopted by salaried employees and their impact on their financial planning and investment goals for a comfortable life during retirement.

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ANNEXURE

Questionnaire

E-mail

1.Name

2.gender

Male

female

3.age

20-25 26-40 40 above

4.education

Ug pg other

5.Annual income

250000 500000 750000 1000000

6.Interested in tax planning and investment

Yes

No

My income is enough

7.Yes no

8.Investment planning is useful for employee

Yes

no

9.Know about the tax current tax plan

Yes

No

10.Monthly budget is easy to financial plan yes

Yes

no

11.Secondary source of income

Other

Salary

No secondary income

12.Volume of cash transaction

Yes

no

13.Are you interest in tax benefit

Yes

no

14.Analyze asset allocation

Yes

no

15.Reduce income tax

Yes

No

16.Develop estimated plan

Yes

no

17.Increase current income

Yes

No

