

## BACKGROUND

- The end of the Financial year is near and we all are thinking 'Money' – be it closing the year on a professional high or planning our own finances. With the events of the past few months on our minds, this year Tax Planning & Budget Anticipation hold a new meaning to most of us.
- Karvy Insights had conducted a survey among Karvy-ites to understand their Tax Planning Habits and what they expect from our Finance Minister. Some interesting highlights from the survey are given below

## TAX PLANNING

- Almost 2-in-5 do not do any tax planning, even among the older set this is as prevalent as 1-in-5
- Almost 2/5th do taxes on their own (almost half in older age groups) – with only 1 in 4 taking professional help; Most (80%) depend on family & friends for guidance

## INVESTMENTS OF CHOICE

- Traditional means like Life Insurance & PF form the majority of the Tax Planning portfolio – Newer measures like Pension Plans used by only 1/10ths of Karvy-ites
- Use of HRA reduces with Age (only 40% in 40+ years) – seemingly replaced by Home Loans Interest & Repayment (increases to 49% in 40+ age group)
- Karvy-ites tend to make ongoing every year commitments in their investments of choice like Insurance; less popular options such as Govt Bonds, NSCs, Bank FDs etc see sporadic investments



## BUDGET EXPECTATIONS

- Almost 1/3rd of Karvy-ites were waiting keenly for the Budget – Majority hoping for Tax Breaks & Incentives for Digital Payments after Demonetization
- Young Karvy-ites were looking for a raise in exemption limits vs rates and that the older ones expected home loans and interest advantages in the Budget