TAX AND FINANCIAL PLANNING PRIMER

AN INFORMATION BOOKLET NOT CONSTITUTING ADVICE

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Tax Planning

"There is nothing sinister in so arranging one's affairs as to keep taxes as low as possible. Everybody does so, rich or poor; and all do right, for nobody owes any public duty to pay more than the law demands." - Billings Learned Hand

You are entitled to plan your financial affairs in such a way that you pay least tax using all the tax planning tools available under the Income Tax Act. If your main source of income is from salary, tax planning has broadly two aspects. One, to avail exemption for some of the commonly incurred expenses as provided in the Income Tax Act (e.g., house rent, conveyance expenses). Two, channelise the savings and investment in to those instruments that are eligible for exemption. Compelled savings such as contribution to provident fund account are also eligible for exemption.

This write up aims to provide an overview of tax planning options available to an individual who has salary income as the main source of income and proposes create wealth through savings and investments. Tax planning is legally permitted whereas tax evasion/avoidance is an offence. This write up is neither an advice nor a substitute for it and is to be used for educational purpose only. If you are not clear about the provisions discussed here or need more information, please contact a tax practitioner/professional.

Tax Planning

Step 1 - Tax Planning and Your Salary Structure

Gross salary income when reduced by eligible exemption is known as gross taxable income. Gross taxable income is a figure calculated for the purpose of tax computation. You pay less tax if your gross taxable income is lower.

What exemptions you get depend on your salary structure. What we are going to explain here is a generic salary structure and may differ from one employer to another.

Your salary structure is generally made up of three parts.

1) Fixed part
2) Variable part
3) Retirement benefits

Fixed part of your salary is made up of basic salary and Flexi Benefit Plan (FBP). FBP is of much importance to you because you can decide under which category (earnings) you can receive this amount. Generally, you can receive your FBP under the following heads of earnings:

1) House Rent Allowance (HRA)
2) Conveyance Expense Reimbursement
3) Medical Expenses Reimbursement
4) Leave Travel Allowance (LTA)

Residual amount is paid out to you as taxable FBP.

Let us now try to understand the implication of receiving your FBP under different categories mentioned above.

House Rent Allowance (HRA)

HRA is that part of your fixed salary paid out to meet the cost of a rented accommodation. Generally, it is a fixed percentage of your basic salary. To claim the exemption, you must be in receipt of HRA and also you must incur this expenditure.

How to calculate the amount of exemption (deduction from your gross salary)? It works according to the following formula:

Exemption will be allowed, for the least of the following amounts:

	If you are paying rent in Chennai, Delhi, Mumbai and Kolkata	**If you are paying rent in any other place in India**
1	Excess of Rent paid over 10% of the salary due for the period	Excess of Rent paid over 10% of the salary due for the period
2	50% of the salary due for the period	40% of the salary due for the period
3	Actual allowance received for the period	Actual allowance received for the period.

Don't worry about the tax jargon. We will illustrate this with a simple example. Let us suppose, your annual basic salary is Rs.1,00,000/- and your annual HRA is Rs.40,000/- and your are paying an annual rent of Rs.70,000/-. Following calculation illustrates the amount of exemption

		If you are paying rent in Chennai, Delhi, Mumbai and Kolkata	**If you are paying rent in any other place in India**
A	Basic salary	Rs.1,00,000	Rs.1,00,000
B	Annual HRA received	Rs.40,000	Rs.40,000
C	Annual rent paid	Rs.70,000	Rs.70,000
D	10% of basic salary	Rs.10,000	Rs.10,000
E	Excess of Rent paid over 10% of the salary due for the period	Rs.70,000 – Rs.10,000 = Rs.60,000	Rs.70,000 – Rs.10,000 = Rs.60,000
F	50% or 40% of the basic salary due for the period	Rs.50,000	Rs.40,000
G	**HRA Exempt**	**Least of B, E & F = Rs.40,000**	**Least of B, E & F = Rs.40,000**

Congratulations! You have calculated the first of the exemptions you are eligible for and saved some tax. Let us now move ahead to the next earnings item.

Conveyance Expense Reimbursement

The exemption in this case is very straight forward. If you have your own arrangement (public or private) to commute between your residence and place of work, you are eligible to claim exemption to the extent of Rs.800/- per month or the actual reimbursement you receive from your employer, whichever is less.

For example, if you are using your own car to commute between your residence and office, and you receive a sum of Rs.1200/- per month as reimbursement from your employer, then you are eligible to claim exemption of Rs.800/- out of Rs.1200/- paid to you.

To claim this exemption, you just may have to provide a declaration to your employer that you are using your own car to commute between residence and office.

Medical Expenses Reimbursement

To claim this exemption, first, you must have incurred expenses towards medical treatment in India for yourself or any member of the family (that is your spouse, children and dependent parents). Then your employer must reimburse you that amount (remember, you have set aside a portion of your FBP to be paid to you upon providing bills for medical treatment). Such reimbursement up to a limit of Rs.15000/- per annum is exempt from income tax.

Leave Travel Allowance (LTA)

If you are in receipt of this allowance and meet certain conditions, then you can claim certain amount out of the total leave travel allowance received as exemption. Understanding the provisions of the Income Tax Act and applying the rules correctly can provide you a tax bonanza. Let's crack this code to reap the benefit.

1) You can get exemption only if you have availed leave (to travel) and have actually travelled within India. Travelling outside India makes you ineligible to claim this exemption

2) Only the to and fro travel costs are covered and not all costs related to travel. So, whether you catch a flight, board a train or use public transport such as Bus, you will have to show the ticket to claim your LTA & exemption thereon. So keep your travel tickets intact to be passed on to your employer. Some employers have strict criterion on what type of bills they can consider. If your employer disallows certain types of bills, you may have to claim refund when filing returns, provided you have fulfilled all other conditions.

3) LTA covers travel for yourself and your family. Family, in this case, includes you, parents and siblings dependent on you, your spouse and children. For children born after October 1, 1998, the exemption is restricted to only two surviving children.

4) The government fixes blocks of years. These blocks are not financial years (1st April to 31st March); they are calendar years (1st January to 31st December). The current block is 2006-09, that is, the period between January 2006 and December 2009. During this period, you are entitled to two exemptions. Though you can claim two journeys in a block of four years, you can claim the LTA benefit just once in a year. You cannot claim both the journeys in one year. So, while you can get an income tax exemption for two journeys in a block of four calendar years, you can make a trip only once a year. If you make two trips in a year, you lose one. Between spouses, if both of are working and in receipt of LTA, you can cover all the four years, if planned well in advance.

5) Cost of travel by the shortest route to and from a destination will only eligible for LTA exemption. Suppose you are going from Bengaluru to Delhi on a holiday and you make a detour to Agra from Delhi. The cost of your travel from Bengaluru to Delhi and Delhi to Bengaluru will be eligible for LTA.

We have now reached the end of Step 1. At the end of this exercise, you are aware that if you receive your FBP under the above four items and further if you meet some conditions, you can reduce your gross salary considerably for tax computation purpose.

In practice, you have to plan your activities in the beginning of the tax year, i.e., in the month of April. In this month, your employer would ask you to allocate your flexible salary in to various items through an e-tool or paper based declarations. This process is popularly known as FBP allocation. Usually, you have opportunity to do this exercise twice a year. Once you complete this process, then later in the month of January next, you have to fulfill all the eligibility conditions such as providing your employer with required documents, bills etc. If you fail to do so, you will end up paying tax on your FBP.

Step 2 –Interest cost of a home loan

You can further reduce your tax liability by reducing your gross salary income. This may be achieved by adding the negative income arising because of interest cost on borrowed funds used to construct/buy a house property.

If you purchase or construct a house property using borrowed funds and occupy the house yourself, you are eligible to set off up to Rs.1.5 Lakhs each year towards the interest paid on borrowed funds. The limit of Rs.1.5 Lakhs is not for the house property but for the individual.

This means if both the spouses own the property jointly, avail and repay a loan, then, each spouse can claim exemption up to Rs.1.5 Lakhs each year.
Flip side of this is you may not be eligible to claim HRA exemption as you will not be paying any rent if you live in your own accommodation.

Step 3 – Deductions under Chapter VIA

Income Tax Act provides for deduction on a wide range of savings, investments and expenses under sections 80C and 80CCC. Individual can save/spend/invest up to a maximum amount of Rs.1 Lakh every year and claim the same as deduction.

List of instruments/options eligible for deduction upto the limit of Rs.1 Lakh

Under Section 80C, you are entitled for deductions, the whole of amounts paid or deposited, in the financial year in the specified schemes, subject to a limit of Rs.1,00,000/-. Some of the specified schemes/expenses are:

- Payment of insurance premium for life insurance for you, spouse, children
- Payment made for a specified deferred annuity.
- Contribution made to a Recognized Provident Fund.
- Contribution for you, spouse or children for participation in the specified Unit Linked Insurance Plan.
- Subscription made to units of Mutual Fund plans formulated in accordance with Equity Linked Saving Scheme.
- Tuition fees paid to any university, college, school or other educational institution situated in India, for the purpose of full-time education of any two children.
- Investments in small saving schemes like PPF (Maximum of Rs.70000/-), NSC.
- Investment in specified term deposit for a fixed period of not less than five years with a scheduled bank/Post Office

Under Section 80CCC, you are eligible for a deduction not exceeding Rs.1 Lakh, paid or deposited out of your income chargeable to tax to any annuity plan of life insurance Company for receiving pension from the fund.

The aggregate amount of deductions under sections 80C, 80CCC shall not exceed one lakh rupees.

Under Section 80D of Income Tax Act, you are eligible to claim deduction upto Rs.15,000/- paid to keep in force health insurance on you or spouse and children (for Senior Citizens Rs.20,000). An additional sum of Rs.15,000/- is available as exemption if premium is paid keep in force an insurance on the health of the parent or parents.

Also, Under Section 80E of the Income Tax Act, you can claim deduction of the amount of interest on loan taken from any financial institution for higher education (full time) for self, spouse and children.

Step 4 - Taxable Income

Gross total income as reduced by set off of interest on housing loan and the deductions under Chapter VIA is known as taxable income. Tax rates applicable for the assessment year are applied on this taxable income.

Income-tax slabs for resident individuals

Age	For AY 2010-11	
	Taxable Income	Tax Rate
a) Less than 65 years (male)	0 to 1,60,000	Nil
	1,60,001 to 3,00,000	10%
	3,00,001 to 5,00,000	20% + 14,000
	5,00,001 & above	30% + 54,000
b) Less than 65 years (female)	0 to 1,90,000	Nil
	1,90,001 to 3,00,000	10%
	3,00,001 to 5,00,000	20% + 11,000
	5,00,001 & above	30% + 51,000
c) Equal to 65 years or above (male/female senior citizen)	0 to 2,40,000	Nil
	2,40,001 to 3,00,000	10%
	3,00,001 to 5,00,000	20%+6,000
	5,00,001 & above	30% + 46,000

Cess

Education cess at 3% on total tax payable is also added to arrive to total tax liability

Summary

For a salary earner, tax planning involves allocating the flexible part of salary, declaring your intention to save/invest/spend in a particular way and incurring certain eligible expenses. By January of each year you have to provide the required documents in support of your earlier declaration to your employer. Employer would deduct tax at source on your salary income based on this exercise.

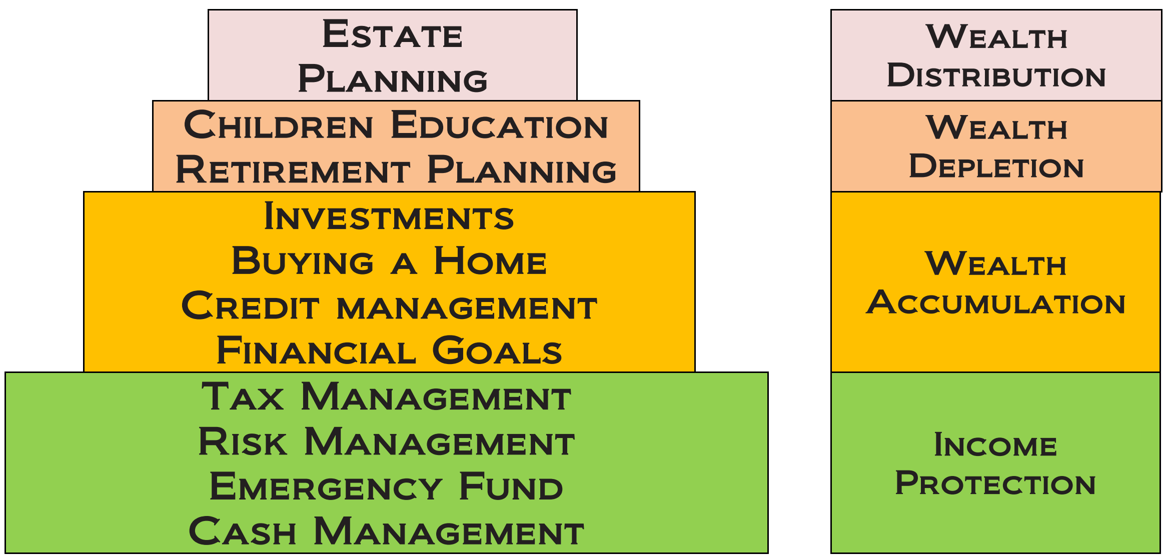
Financial Planning

Financial Planning

Have you ever tried to get a group of friends together for an outing? It can be challenging. At the very least, you have to pick a time and destination for everyone to go and. The act of setting a time and place is an example of planning. You have a goal – getting your friends together for an outing. Many little steps are then required if you want to realize that goal. But first you need to create a plan (decide a date and destination, call your friends, arrange for transportation, make stay arrangements etc.).

Without a plan, you could end up going nowhere. Financial planning is a bit like planning an outing. It's a little more complex than organizing an activity for a group of friends, but it is similar to what you do in everyday life. The key to success is taking a step-by-step approach.

Basic Building Blocks of Successful Financial management



Goal Setting

It's easy to get caught up in the urge for expensive items. Sometimes we forget what is truly important to us. Do you want to be remembered for the expensive items once you owned or for the things accomplished? Think about what you want to accomplish when you consider one of the most important steps of financial planning, namely, goal setting.

To get started on your financial plan, first, identify your goals. These may include career, lifestyle and material goals. Write down as many as you want; sky's the limit.

Second, ask yourself how you would feel if you achieved each goal? Third, ask yourself how you would feel if you did not achieve a particular goal. Finally, rank the goal based on the likelihood of you being able to achieve it.

Creating Timelines for Your Goals

After you've identified your goals and the ones that are most important to you, estimate how long it will take you to achieve each goal. Remember for each goal, there are a number of steps to follow. As with organizing your friends to go on an outing, each step is essential to achieving the desired outcome.

Money and Savings

Money gives you choices. It can be used as a tool to help you get what you want out of life. Used well and responsibly, it can help you afford both what you need and what you want. Used poorly, it can create problems and stress.

By definition, money is a medium of exchange and a measure of value. Money is also a source of power. As a consumer, you use money to buy goods and services, and this activity provides information to the marketplace. You help determine the value of items based on what you purchase and on how much you're willing to pay for each purchase. For example, the shirt you pay Rs.800 for does not cost Rs.800 to make. It costs you this amount because you are willing to pay Rs.800 for it.

In other words, your actions in the marketplace contribute to the setting of market prices. As you know, money is not that easy to come by. Knowing how to use it wisely is important. When you save your money, you're adding the money you didn't spend today to the money you've already accumulated. Thanks to compound interest, your savings can add up to more than just the sum of what you haven't spent. And that's how you make your money work for you.

Interest

Interest is what an institution, such as a bank, will pay you for investing your money with it by, for example, putting it into a savings account. Interest is often calculated as a percentage (the interest rate) of the amount invested. Compound Interest is the interest paid on the initial principal plus on the accumulated interest of prior periods. Future interest payments are then calculated and paid at the original rate, but on the increased amount. So, if you invested Rs.100 for one year with a five per cent rate of interest, you would have Rs.105, and the following year's interest would be calculated as a percentage of the Rs.105, not just the initial Rs.100 invested.

Protecting Your Income Source

When you think of insurance coverage, the two most common types - property and car insurance - are often the first that spring to mind. Because the mortgage company requires the former and the law requires the latter, you don't have much of a choice when it comes to deciding whether to be insured. However, it's your ability to earn an income that allows you to afford these items. In fact, without earning potential, it would be difficult for many of us to maintain our homes and automobiles while still providing for our families.

When reviewing your risk management objectives, you need to take a close look at your emergency reserves and liquidity capabilities. If you became disabled or hospitalised or need medical attention due to critical illnesses, would this income be enough to support your budget?

Once you've determined what disability risk management / hospitalisation cover you have in place, you can then make an educated decision as to whether you are fully insured or underinsured. As with most types of insurance, the older you get, the more expensive the coverage will become. Therefore, you may want to acquire a policy now while you are illness and accident free.

How much coverage should you consider? You should consider obtaining enough coverage to maintain your family's current standard of living. While gauging your required amount of replacement income, it is best to err on the side of conservatism. When you talk to an insurance advisor, she should be able to assess your insurance needs through any of the three well established methods - ***Human Life Value*** or ***Needs Analysis*** or ***Capital Retention Approach.***

Where Are You Now?

To determine how to reach your goals, you need to know where you stand right now. Just like when you're planning for an outing or to host a party, it's important to know where you are starting from as well as where you want to get to.

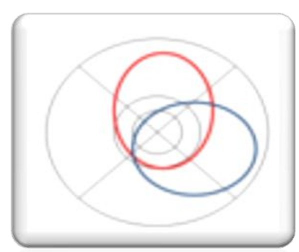
When you develop a financial plan, you must assess the resources available to you; what you currently have (**assets**) and what you owe (**liabilities**) to determine your starting point. This starting point is your **net worth**. Assessing your income and cash flow will help you to create a financial plan that meets your goals.

How much money did you earn last Month? How much did you spend? What's left over? By knowing what you spend your money on, you may be able to make changes that will help you achieve your goals.

What you want is what you need?

It's easy to convince yourself that you **need** an item when you actually only **want** the item. Does this mean you should never buy what you want? Not at all, but you can't achieve long-term goals by spending all your money on what you want today. Determine your long-term goals and what is most important to you.

It's very easy to spend your money using cash, credit cards, membership cards, personal loans and debit cards. You can easily lose track of how much you're spending. For example, let's assume you received a cash award last month. But where is that money going? For one month, write down every rupee that you spend. Include coffee, DVDs/Movies, fuel for the car, the cell phone bill, late night snacks with friends… everything.



At the end of the month, add up how much money you've spent. It will probably be more than you expected. Ask yourself if you really needed certain items. For instance, did you need the coffee at posh café? Did you need to purchase latest model of mobile phone instead of continuing with the existing one?

Budgeting

If you can find ways to spend less money, you'll be one step closer to achieving your goals. Adopt the "**pay yourself first**" policy. If you always set money aside for savings, you'll be well on your way to achieving your financial goals, even before you've identified what they are. To save for what you want, your income must be greater than your expenses. If this is not the case, you need to do one of two things:

a) Make more money; or
b) Spend less.

Credit

When you don't have enough money to buy something, you have two choices. You can either

a) Save money and buy the item later, or
b) Borrow money and buy it now.

If you decide to borrow, you will be charged interest. The longer you take to repay a loan, the more money it will cost you. Question you need to answer yourself is whether you would like to earn interest or you would like to pay interest.

Debt

Debt is considered good or bad based on the rate of interest you're being charged and tax benefits. The higher the interest rate on the debt, the worse the debt is considered to be. The worst are credit card debts because interest charges on unpaid balances are between 40 to 50 per cent. The interest charge on a personal loan is usually lesser than credit card loans but higher than let's say housing loan. Education and housing loans are considered as priority sector loans.

As you work towards achieving your personal and financial goals, you may need to adjust your spending habits in order to repay debts. Always try to pay bills on time, and apply any extra money to the debt with the highest interest rate. In general, you should not pay off a large sum of debt that carries little or no interest instead of paying off smaller debts that are costing more in interest. Access to credit is good – the accumulation of debt is not. Debt can be a positive thing if it helps you purchase something you need in the short term or is used to buy an asset which has the potential to grow in value at a rate higher than the rate of borrowing. Some of the debts are eligible for special tax treatment e.g., education loan and housing loan. But remember this - you will save a percentage of your cost through tax benefits but not the cost itself.

Investing

When you have enough money saved, you have an opportunity to invest it. Investing, simply explained, is the use of money to make a profit by earning income or increasing capital or both.

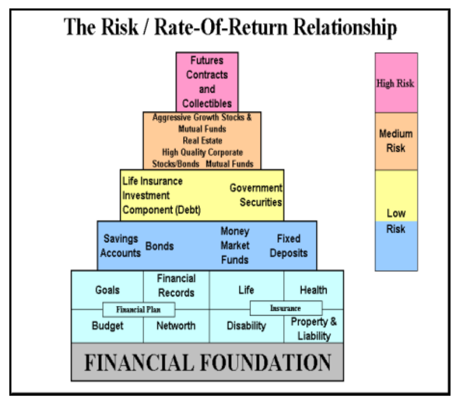
Each type of investment has advantages and disadvantages. Some investments guarantee that you will receive your initial investment (principal) back with a small bonus (return). Others give you the opportunity for a larger return. However, as the amount of possible return increases, so does the risk of losing the principal.

When investing, you need to ask yourself a few questions.

1. Can I afford withstand the volatility of the market?
2. Should I be afraid because the market is volatile?
3. How soon will I need the initial investment back?
4. What am I intending to do with the principal?
5. Is my choice of investment instrument in alignment with my age, risk appetite and investment time horizon?

When you've saved enough money to invest, consider the length of time you can tie up your funds, the return you expect on your investment, and the intended use of the money you may earn. Investing in riskier items is not always a bad idea, if you can afford to let your money sit in the investment for a long period of time. The idea is to buy your investment at a cost that is lower than you will eventually be able to sell it for. Investments have relative degrees of risk and varying rates of return. It is usually recommended that they be held for specific lengths of time to generate the highest rates of return while taking into account the overall risks.

Investing is not gambling. Sometimes the popular media blurs the line between the two. Investing is not a game; it is not a way to make fast cash. Investing is based on the long-term growth of the economy and is ideally done with the guidance of a professional. There is an element of risk when you invest; the risk level depends upon the types of investment vehicles you choose and can be managed by diversifying your investments, i.e., by holding different types of investments in order to minimize risk.



Income Tax

Taxes can be frustrating, but we all pay them and we all benefit from them. The revenue generated from taxes pays for many services including health care, public education, building infrastructure, road repair, disaster relief, etc. Income tax is the amount you owe to the Central Government and is based on the amount of money you make. Taxes on goods and services (sales tax, for example) are fixed; everyone pays the same rate.

Gross income is your income before deductions. An example of gross income would be an annual salary of Rs.550,000. Net income is the amount of money you have at your disposal after all deductions are subtracted from your pay. Deductions from pay include more than income tax. The government also requires a percentage of your income to be contributed towards Provident Fund. Your employer may deduct money for profession tax or superannuation contributions. Understanding how deductions work is important for two reasons. First, when you are creating your budget, you need to know what your net income is. Second, it is often possible to save on tax, putting money back into your pocket through investing in specified saving schemes.

Major Life Events & Money

At some stage, you may consider purchasing your first home, funding children education or marriage or your own retirement. Major life events can be exciting, but overwhelming too. Moreover, they can have an impact on your financial future. When your financial plan requires a significant update, you should seek professional advice.

Seeking Professional Advice

At some point, handling your personal finances may become overwhelming, and you may need the assistance of a professional. Finding the right planner is important because your choice will affect your financial future.

Ask planners what qualifications they have and what services they offer. Ask whether they hold any professional credentials, including the CERTIFIED FINANCIAL PLANNER^{CM} designation. This credential is recognized internationally as the mark of the competent, ethical, professional financial planner. Be comfortable with their approach to financial planning and the processes.

Procyon Financial Planners

Procyon Financial Planners Pvt Ltd is Bengaluru (Bangalore) based financial planning services company promoted by **Certified Financial Planners (CFPs).**

At Procyon, we offer financial planning and investment services, financial products and solutions to Resident Indians, Non Resident Indians (NRI) and Persons of Indian Origin (PIO).

As **Certified Financial Planners (CFPs),** we believe it is important to understand you and your needs well before we make any recommendations.

It is important to establish a relationship with your financial planner that is based on trust and confidence. This will help you stick to your plans in the future, or, should the circumstances change, ensure you have someone you can trust to assist you and help map out your future direction. Our vision is to create that trust through financial planning process.

We are committed to provide comprehensive training to all our planners, to ensure that you receive well-considered and professional advice. We are also committed to provide you the solutions to cover your diverse needs – from investment and risk management, retirement planning and tax planning to comprehensive financial planning. Our Certified Financial Planners (CFPs) analyse your current financial situation, future financial needs and aspirations, before giving any advice. They focus on providing advice first and only then seeking out the appropriate products to ensure your financial pathway to success.

Procyon Financial Planners is promoted with a clear vision of excellence in financial planning, highest standard of integrity and objectivity and superior customer experience. We believe that integrity cannot be bought and that trust must be earned, every single day.

We combine a proven, academically validated financial planning process with a thorough understanding of your values and goals to create a financial plan which is personal and helps you achieve financial goals. We merge the rigor of financial planning process with a clear understanding of your goals and capacity for risk to create a financial plan matching your needs. Peace of mind accompanies your success in achieving the goals you set for yourself.

We offer a wide range of services to suit your needs of savings, investment, financial planning and wealth management.

Investment Planning

Our investment plans and strategies are based on sound and time tested investment fundamentals. We can customise the plan based on your goals, financial situation, life stage and investment time horizon. The plan will be designed to meet your goals in tune with your risk tolerance and based on proven asset allocation strategies. We will review your investment plans and advice rebalancing strategies on a regular basis to keep the plan on track.

Risk Management & Insurance Planning

You face several types of risk - loss of life, disability, ill health, damage to property, liability to third party, professional liability, just to name a few. Our financial planners would help you identify the risks you face and provide a cost effective strategy to manage them.

Retirement Planning

Our financial planners will help you to determine how much money you need to realise your retirement goals. We will devise strategies to fund savings and investment to meet your retirement goals. As you approach retirement, we will develop strategies to convert your investments in to income you need to live on.

Tax planning for investments

There is more to tax planning than exemptions available on savings. With our advice, you will pay the right amount of tax, not more and not less. You will also know how to tax proof your incomes and gains. After all, your capital is more productive in your hands and it can work wonders for you if planned properly.

Cash Flow and Debt Management Advisory

A positive cash flow is the pre requisite for saving that can be invested to create wealth for you. We will analyse your present cash flow situation and advice you how to weed out unnecessary borrowings that prevent you from becoming wealthy. We will analyse your future borrowing requirements and provide you right input that help you plan your tax and increase your wealth.

Wealth Advisory

Creating durable wealth is the final aim of financial planning process. Once you achieve your financial goals, remaining cash flow must be channelised to create greater wealth for you and your dependents. With our advice, you will not only be able to achieve this step and then preserve and increase it as well through the holistic approach of our financial planning process.

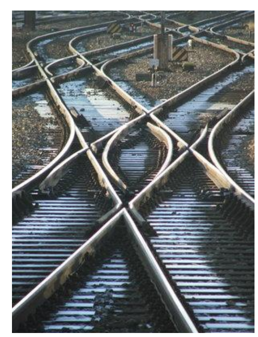
Estate Planning Advisory

Who should receive your wealth and when? How will you take care of situations such as temporary or permanent disability? What is the path of least resistance to pass on your estate to your heirs? We will devise the right strategy to handle these critical issues. After all, the possibility of you becoming wealthy is not ruled out if you adopt the financial planning process.

Comprehensive Financial Planning

Financial Planning is a process that can help you reach your goals by evaluating your whole financial situation, then outlining strategies that are customised to your individual needs. One of the main benefits of having a financial plan is balancing our conflicting financial priorities. A financial plan will clearly show how your financial goals are related; for example, how saving for your child's college education might impact your ability to save for your retirement. Then you will use the information gathered to decide how to priortise your goals, implement specific strategies and choose suitable products and services. Best of all, you will have peace of mind that comes from knowing the fact that your financial future in on track.

Financial Plan Review



Best plans can go wrong if they are not reviewed periodically and suitable course correction not done. As part of our financial planning process, we also perform plan review according to agreed periodicity.

Financial Products and Instruments

We offer a wide range of financial products to suit your needs:

Fixed Income/Debt Instruments

- Company Fixed Deposits
- Non Convertible Debentures
- Mutual Funds
  - Govt Securities Funds
  - Fixed Maturity Plans
  - Money Market Funds/Liquid Funds/Floating Rate Funds/Income Funds
  - Monthly Income Plans (MIP)
  - Capital Protection Oriented Funds
  - Children Asset Plans
  - Retirement Plans

STOCKS & EQUITY

- Equity Broking
    - Direct Equity
    - Futures/Options
- Mutual Funds
    - Index Funds
    - Diversified Mutual Funds
    - Insurance Linked Plans
    - Balanced Funds
    - Sector/Thematic Funds
    - New Fund Offers (NFO) And Initial Public Offers (IPO)
    - Exchange Traded Funds (ETF)
    - Structured Products
    - PMS

INSURANCE

- With Profit Whole Life Policies
- Endowment / Money Back Policies
- Unit Linked Insurance Plans (ULIP)
- Joint Life Endowment Plans/ULIPs
- Pension Plans
- Immediate/Deferred Annuities

ALTERNATE ASSETS

- Gold Mutual Funds
- International Mutual Funds
- Gold Exchange Traded Funds
- Natural Resources Funds
- Arts

OTHER TANGIBLES AVAILABLE TO OUR CLIENTS

- Monthly portfolio updates on your holdings & transactions
- Recommendations on timely rebalancing/entry and exit strategies based on individual risk profile, research, market dynamics and other events that affect your investments
- Regular recommendations on entire range of product offerings
- Operational support to handle life cycle events related to your investments
- Tax planning for your savings & investments
- Periodic reviews according to service level agreements
- Scheduled One-on-Ones with our Certified Financial Planners
- Group Education Sessions on personal finance (on request)

Your future! Your plan!

Why you need financial planning?

A house, a holiday, comfortable retirement, children's education… whatever your plans for the future, putting money in a savings account alone isn't going to get you there nor wishful thinking or worse no thinking at all. For reaching life financial goals you need to maximize on opportunities and invest wisely. In other words you need to have a comprehensive financial plan.

What's wrong with DIY (Do It Yourself) planning?

There are many things in life that are worth having a go at doing yourself. The worst that can happen is it may not turn out the way you would have liked it. It could mean that your dreams remain just that. Building wealth is challenging and infinitely complex. Investing (as important it is) is only a part of the picture. What about the rest of your finances? Have you taken steps to protect your income or reduce your taxes? Are you confident that the retirement corpus will take you through your retired life?

Very few people have the tempered expertise, not to mention the desire or time to thoroughly look at their financial picture as a whole.

Fortunately help is at hand. We can look at all aspects of your financial situation and help you put in place a financial plan to make your dreams a reality.

When I see a financial planner what will happen?

In the beginning

You will talk about your current financial setup compared to what you see yourself in five, ten or twenty year's time. You will discuss how you feel about investment risk and other information that we need to prepare a comprehensive financial plan for you. You will be fully informed of the costs involved before you make any commitment to proceed.

Develop the Strategy

We will view your financial situation from every angle to produce a complete financial plan. They will be presented to you in writing. At this stage you can fine-tune your plan, making sure that you are perfectly comfortable with the potential outcomes.

Implementing your Plan

When you are happy with the plan, we will set the wheels in motion of implementing the plan.

Keep it fresh

Your financial plan will need to adjusted regularly to sustain the changes in your life be they around your goals or your financial situation as well as changes in investment market and legislation. We will discuss the level of ongoing service you require as well as the costs involved.

If you are convinced that planning your financial future is more than a DIY job, call us:

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