

FPA

CERTIFICATE IN FINANCIAL PLANNING & ADVISORY

Session 8- Risk, Return, Tax & Liquidity



Section 1- Financial Statements

Cash Flow Statement

Cash Inflow



- Salary Income
- Business Profit
- House Rent Income
- Capital Gains
- Pension Income

Cash Outflow



- Household expenses
- Loan repayments
- Premiums and investments
- Fees & Subscriptions
- Festivals & Charity

Cash Surplus / Deficit = Inflow less Outflow

Net Worth Statement



Financial Goals

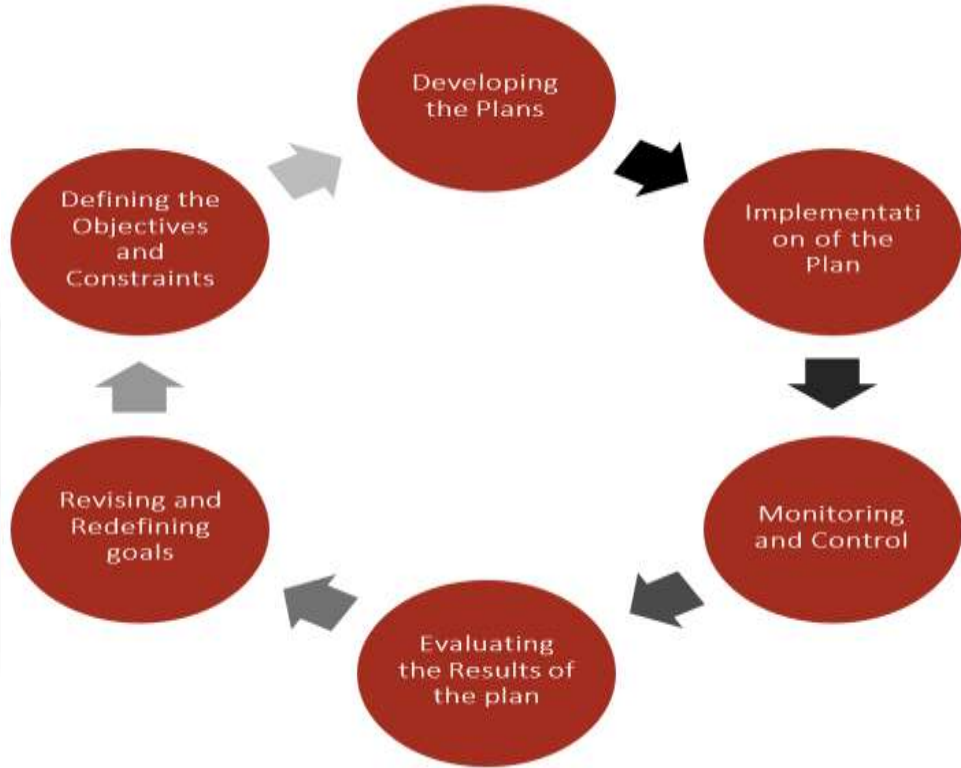
Traditional

- Emergency Fund
- Retirement Planning
- Children Education
- Children Marriage
- House Purchase
- Car Purchase
- World Tour

Modern

- Emergency Fund
- Financial Freedom
- Sabbatical Planning
- Spiritual Development
- Charity
- International Vacation
- Annual Holidays

Financial Planning Process





Section 2- Personal Finance Ratios



Section 3- Tax Planning

Classification of Tax

- **Direct Tax** is a form of tax is collected directly by the government from the person who bears the tax burden.
- **Indirect Tax** is a form of tax collected by mediators who transfer the taxes to the government, and also perform functions associated with filing tax returns. The customers bear the final tax burden.

Tax Slabs (Old Regime)

Net Income Range	Rate of Income Tax
1.1 Individuals (Other than senior and super senior citizen)	
Up to Rs. 2,50,000	–
Rs. 2,50,000 to Rs. 5,00,000	5%
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

Source: ClearTax.in

Tax Slabs (Old Regime)

1.2 Individuals (Senior Citizen)	
Up to Rs. 3,00,000	–
Rs. 3,00,000 to Rs. 5,00,000	5%
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

Source: ClearTax.in

Tax Slabs (Old Regime)

1.3 Individuals (Super Senior Citizen)	
Up to Rs. 5,00,000	–
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

Source: ClearTax.in

Tax Slabs (New Regime)

The Finance Act, 2020, has provided an option to Individuals and HUF for payment of taxes at the following reduced rates from Assessment Year 2021-22 and onwards:

Total Income (Rs)	Rate
Up to 2,50,000	Nil
From 2,50,001 to 5,00,000	5%
From 5,00,001 to 7,50,000	10%
From 7,50,001 to 10,00,000	15%
From 10,00,001 to 12,50,000	20%
From 12,50,001 to 15,00,000	25%
Above 15,00,000	30%

Surcharge

b. Surcharge: Surcharge is levied on the amount of income-tax at following rates if total income of an assessee exceeds specified limits:-

Range of Income	Rs. 50 Lakhs to Rs. 1 Crore	Rs. 1 Crore to Rs. 2 Crores	Rs. 2 Crores to Rs. 5 Crores	Rs. 5 crores to Rs. 10 Crores	Exceeding Rs. 10 Crores
Surcharge Rate	10%	15%	25%	37%	37%

Income Heads

- Income from Salary
- Income from House Property
- Income from Capital Gains
- Income from Business & Profession
- Income from Other Sources

Deductions

List 80C

- School Fees
- Home Loan Repayment
- Provident Fund
- National Savings Certificate
- Insurance Premium (80CCC)
- Mutual Fund (ELSS)
- Post Office/Bank Deposit – 5 Yrs
- Senior Citizen Savings Scheme
- National Pension Scheme (80CCD)

Others

- Health Insurance Premium (80D)
- Education Loan (80E)
- Donations (80G)
- Bank Interest (80TTA/TTB)

Thank You