International Journal of Advance and Innovative Research
Volume 12, Issue 2: April - June 2025

ISSN 2394 - 7780

# TAX SAVING STRATEGIES AMONG SALARIED INDIVIDUALS IN PALGHAR CITY

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## ABSTRACT

***Purpose:***

***Design/Methodology/Approach****: Quantitative data was collected through Structured Surveys from 104 Individuals from Palghar City through Google Forms. Simple Random Sampling Technique has been adopted for the collection of data. Secondary data was collected from websites and research papers. The data was analysed using Simple Percentage Analysis.*

***Findings:***

***Research Limitations:*** *The main limitation of this paper is that the study is conducted regarding Tax Saving Strategies among Salaried Individuals in Palghar City only.*

***Research Implications:***

***Paper Type:*** *Research Paper*

***Keywords:*** *Tax, Savings, Strategies, Investment, Salaried Individuals, Financial Literacy, Tax Planning, Financial wellbeing*

## INTRODUCTION

Investment is the employment of funds with the aim of achieving additional income or growth in value. The essential quality of an investment is that it involves ‘waiting’ for a reward. It involves the commitment of resources which have been saved or put away from current consumption in the hope that some benefits will accrue in future. If the amount saved is invested, with a view to earning a good return, then the savings become investment, and the saver becomes investor. An individual has a choice of various investment avenues where a person’s savings could be invested. The Choice of investment is based on degree of risk and the expected rate of return. Normally high returns may involve high risks and low returns accompanying low risk. Investment is always based on future goals and accordingly every individual plans their investments. In terms of personal finance, saving refers to preserving money for future use - typically by putting it on deposit - this is distinct from investment where there is an element of risk. (Dhongde, S., & Epper, V., 2020).

In between risk and return, investors’ decisions relating to investment depend on so many factors like higher return, safety, tax benefit, appreciation, Inflation, Risk cover, liquidity, regular income, Expert advice, past experience etc. It is important to plan one’s finances and taxes properly. Plans should never be made on an ad-hoc basis or for a brief goal or towards an impractical objective. By proper tax planning, one not only reduces the liabilities but also finds saving towards the varied goals one has set at different life stages. Salaried Individuals are more concerned of tax planning, saving and Interment for short term as well as long-term. The planning is that the arrangement of one’s financial affairs in such a manner that without violating in any way the legal provisions, full advantage is taken to tax exemptions, deductions, concessions, rebates, allowances and other reliefs or benefits permitted under the tax Act. Effective tax planning requires one to loan one’s income and affairs even before earning the income. It’s better to plan before than later. A salaried person should bear in mind the income- tax laws because it is associated with income, the deduction and reliefs that are available. Tax planning has three main objectives – reduction of liabilities, minimum litigation and maximum contribution to your productive investments. It’s important to know that the objectives of tax planning don't go against the thought of tax laws. Tax planning has two parts: a) Reducing your tax liability on the different types of income earned by you such as salary, interest and so on. b) Reducing your tax liability by investing in tax saving instruments which directly reduces the tax payable on your income.

Palghar City, a rapidly developing urban centre within the Mumbai Metropolitan Region, presents a unique socio-economic landscape. Its burgeoning population driven by increasing industrialization and urbanization, comprises a significant number of salaried individuals who form the backbone of the local economy. For these individuals, managing personal finances effectively particularly in relation to income tax obligations is a critical

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aspect of their financial well-being. The Indian income tax system, while offering various avenues for tax savings can be complex demanding a thorough understanding of applicable provisions and strategic planning.

**REVIEW OF LITERATURE**

**MA Shaikh, A Shaikh (2021)** The study titled "A Study on Financial Planning for Salaried Employees and Strategies for Tax Savings" explores the financial planning practices and tax-saving strategies of salaried employees, with a focus on spreading awareness and analyzing saving-investment behaviors. Using a non-probability convenience sampling method, data was collected from 190 respondents in Pune, Maharashtra, through a digital survey complemented by secondary data from articles and research papers. The study examines various investment avenues and evaluates the savings achieved through tax-saving instruments, aiming to identify the most suitable strategies and instruments for salaried employees. Key findings reveal that most respondents were young (20–30 years) and predominantly male, with annual savings largely below ₹25,000. Gold emerged as the most preferred investment, while life insurance, health insurance, and PPF were the most popular tax-saving instruments. However, awareness of options like ULIPs, NPS, and ELSS remained limited. Savings were primarily motivated by specific goals, with family and self-decision being the main sources of investment advice. Workshops and seminars were seen as effective for improving financial literacy. The study concludes that financial planning, including structured goals, disciplined saving, and professional advice, is essential for achieving long-term success, with regular monitoring and adjustments playing a crucial role in ensuring effective tax and financial planning.

**Siddhaarth Dhongde, Vilas Epper (2020)** in the research paper titled "Tax Saving Investment Strategies among Salaried Individuals in Aurangabad City" examines the tax-saving patterns and strategies of salaried individuals, focusing on their preferences for investment instruments and providing suggestions for better financial planning. Data was collected through primary methods such as interviews, phone calls, and emails, along with secondary sources like journals and articles. Using a convenience sampling method, the study targeted 600 respondents from Aurangabad City, receiving 512 valid responses. The findings reveal that Public Provident Fund (PPF) and Life Insurance Corporation (LIC) are the most preferred tax-saving instruments across all age groups. Popular combinations include LIC and PPF, home loans with children’s education, and National Pension Scheme (NPS) with PPF. Age-wise trends indicate younger individuals are less inclined to claim deductions for children’s education. Key factors influencing investment decisions include tax benefits, expert advice, and past experiences. The study concludes that salaried individuals prioritize traditional, low-risk tax-saving strategies aligned with their financial goals, underscoring the importance of effective tax planning for financial stability and goal achievement.

**Dr. T. Venkatesan (2020)** The study titled "Attitude of Individual Business Assessee towards Tax Planning in Salem District" aimed to understand the perceptions and attitudes of business-class assessees in the region regarding tax planning. Primary data was collected through structured questionnaires distributed across various subgroups within the business class in Salem District. The study employed stratified random sampling to ensure diverse representation, and a total of 150 respondents participated. The findings indicated that life insurance policies and fixed deposits were the most preferred tax-saving instruments among the respondents. While respondents demonstrated moderate awareness of available tax planning tools, there was a noticeable reluctance toward riskier options such as equity-linked savings schemes. Age and income levels were found to be influential factors in shaping tax-saving preferences, with younger individuals tending to favor short-term savings, while older respondents preferred long-term instruments. In conclusion, while there is a moderate level of tax planning awareness within Salem's business community, the potential to fully optimize tax-saving benefits remains underutilized. The study highlighted that educational initiatives and financial advisory services could play a key role in improving the understanding and implementation of effective tax planning strategies. With greater awareness, business-class assessees could better leverage the tax-saving instruments available to them, enhancing their financial planning and reducing tax liabilities.

**Pooja Bahuguna (2020)** in the research paper titled "Tax Planning Strategies of Salaried Individuals: An Empirical Study of Taxpayers" aimed to analyze the tax planning strategies employed by salaried individuals in India and identify the factors influencing their choice of tax-saving instruments. Primary data was collected using questionnaires, and convenience sampling was employed, with 225 respondents participating in the study. The findings revealed that a significant number of respondents (76.9%) invest in tax-saving mutual funds, and about 73.3% rely on financial advisors for their tax planning. Life insurance emerged as the most popular tax-saving instrument, with 81.8% of respondents indicating their preference for it. Additionally, 86.2% of respondents typically begin their tax planning in the last quarter of the financial year, and 78.7% perform calculations of their investments and available cash during the planning process. Despite these efforts, the study

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highlighted a lack of proactive and comprehensive tax planning among many salaried individuals. In conclusion, the study emphasized that tax planning is crucial for salaried individuals to minimize tax liabilities and achieve financial stability. Investments in tax-saving instruments such as mutual funds, life insurance, and medical insurance were found to be effective in meeting financial goals. The study suggests that individuals should integrate tax planning with their overall financial planning and regularly review their strategies to ensure efficiency. Seeking professional advice from financial counselors can further enhance tax efficiency, ensuring better compliance with regulations and more optimized financial outcomes.

**P Kalgutkar (2018)** in the research paper titled "Tax Awareness and Tax Planning on Wealth Creation of Individual Assessees" examines the relationship between tax awareness, tax planning, and wealth creation. It aims to assess individual assessees' understanding of income tax provisions and the impact of tax planning on their financial outcomes. Data was collected through questionnaires and personal meetings, with secondary data derived from research papers and government reports. Using stratified sampling, the study categorized 100 respondents into occupational groups, including teachers, bank employees, railway workers, company employees, and doctors, with 20 participants in each category.

The findings reveal that tax awareness has a significant positive impact on wealth creation, as supported by statistical evidence (Chi-square, $p < 0.05$). Respondents displayed considerable awareness of provisions like deductions, TDS, rebates, and standard deductions. Tax planning practices were found to influence wealth creation by enabling better savings, effective investments, and improved financial portfolios. Many participants acknowledged that tax awareness reduces tax liability legally while maximizing returns, safeguarding retirement, and enhancing living standards. The study concludes that increased tax awareness and planning are crucial for wealth creation and emphasizes the need for ongoing education and awareness campaigns to improve financial and tax management practices.

**Pritam B. Bhawar, Shubham V. Shirsath (2018)** in the research paper titled "A Study of Tax Saving Schemes Adopted by Individual Assessee" explores various tax-saving strategies for individuals, focusing on the planning of income tax and the tax-saving schemes available under the Income Tax Act of 1961. The study emphasizes the importance of distinguishing between tax planning, which is legal and beneficial, and tax evasion, which is illegal. Popular tax-saving schemes highlighted in the study include Public Provident Fund (PPF), Employee Provident Fund (EPF), National Savings Certificates (NSC), life insurance, and Unit Linked Insurance Plans (ULIPs). Additionally, specific sections like 80C, 80CCC, and 80CCD offer deductions for investments and expenses, allowing individuals to reduce their taxable income. Other schemes, such as Sukanya Samriddhi and Equity-Linked Savings Schemes (ELSS), not only provide tax benefits but also present opportunities for long-term wealth creation. The study also notes that tax-saving strategies vary based on an individual's age, income, and financial goals. Efficient tax planning requires a clear understanding of one's total income and the appropriate application of deductions under relevant sections of the Income Tax Act. The use of government-backed schemes for tax-saving can help individuals reduce their tax liabilities while simultaneously creating a secure financial future. The study relies on secondary data from government reports and online resources like HR Block and PolicyBazaar and provides valuable insights for taxpayers aiming to optimize their financial planning.

**S Gautam, L Gautam (2013)** The study on income tax planning aimed to identify the most popular and effective tax-saving instruments used by individuals and analyze the amount saved through these instruments. The data was gathered through primary research, with a sample of 70 respondents representing various occupations and income levels. The sample included 15 teachers, 15 railway employees, 10 shopkeepers, 10 advocates, and 20 commission agents. A combination of convenience and stratified sampling was used, focusing on three major occupation categories with specific subcategories for each. The findings revealed that life insurance policies were the most preferred tax-saving instrument, followed by provident funds, fixed deposits, home/education loans, and national savings certificates. Infrastructure bonds were the least popular option.

The study also examined the relationship between age, income levels, and tax-saving behavior. It was found that younger respondents (ages 20-30) and older respondents (ages 60-70) generally saved less, with savings under ₹10,000, while those in the middle age brackets (40-50 and 50-60) saved the most, ranging between ₹70,000 and ₹90,000. Higher income levels were positively correlated with higher tax savings, suggesting that individuals in middle age and with higher incomes are more likely to utilize tax-saving instruments to reduce their tax liabilities. The study concluded that life insurance and provident funds play a significant role in tax-saving strategies, with age and income being key factors influencing the amount of savings.

**OBJECTIVES –**

- To identify the most popular tax-saving investment instruments among salaried individuals in Palghar City.
- To analyse the factors influencing the choice of tax-saving instruments.
- To assess the level of awareness and understanding of tax-saving provisions among salaried individuals in Palghar City.
- To examine the impact of tax-saving strategies on the overall financial well-being of salaried individuals.

**RESEARCH METHODOLOGY –**

The quantitative data was collected through structured surveys, capturing information on Tax Saving Strategies and factors influencing tax-saving instruments of 100 Individuals from Palghar City through Google Forms. Simple Random Sampling has been adopted for collection of the data. The data is analysed using Simple Percentage Method. The Information found in the publications and papers reviewed to collect Secondary Data. The data is graphically represented using bar charts.

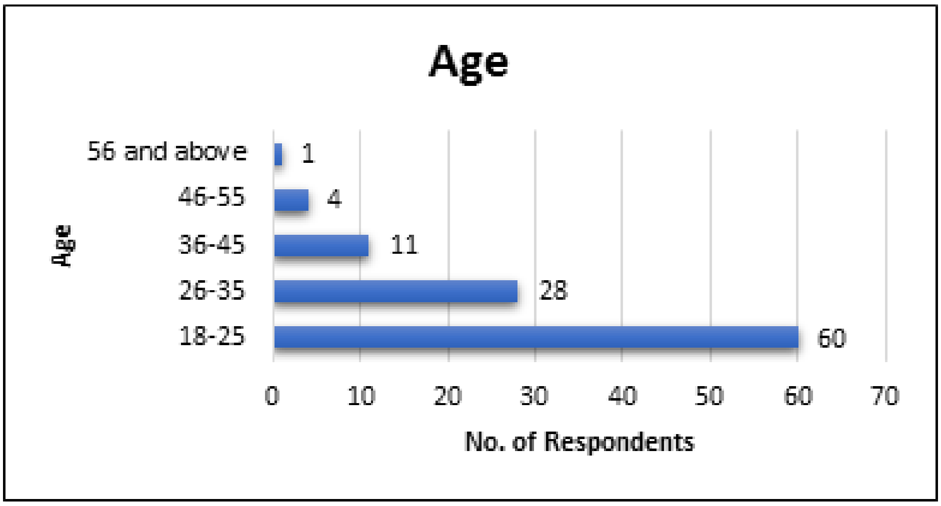
**RESEARCH LIMITATIONS –**

The main limitation of this paper is that the study is conducted with regard to Tax Saving Strategies in Palghar City only. The sample size of 104 Individuals from Palghar City might not fully represent the broader population, limiting the generalizability of findings.

**DATA ANALYSIS AND INTERPRETATION –**

**Table No. 1**

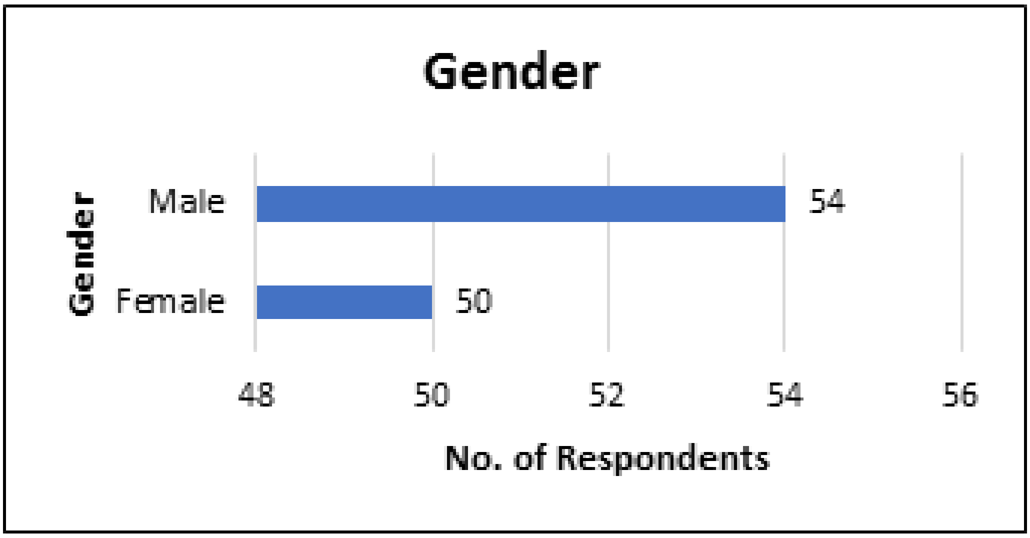
| Age | No. of Respondents | Percentage |
|---|---|---|
| 18-25 | 60 | 57.7 % |
| 26-35 | 28 | 26.9 % |
| 36-45 | 11 | 10.6 % |
| 46-55 | 4 | 3.8 % |
| 56 and above | 1 | 1.0 % |
| **Total** | **104** | **100%** |




**Interpretation:** The majority of respondents (57.7%) belong to the 18-25 age group, indicating a younger demographic. The participation decreases with age, with only 1% of respondents aged 56 and above. This suggests that younger individuals are more engaged in the survey topic, possibly due to higher awareness or interest in financial planning at an early age.

**Table No. 2**

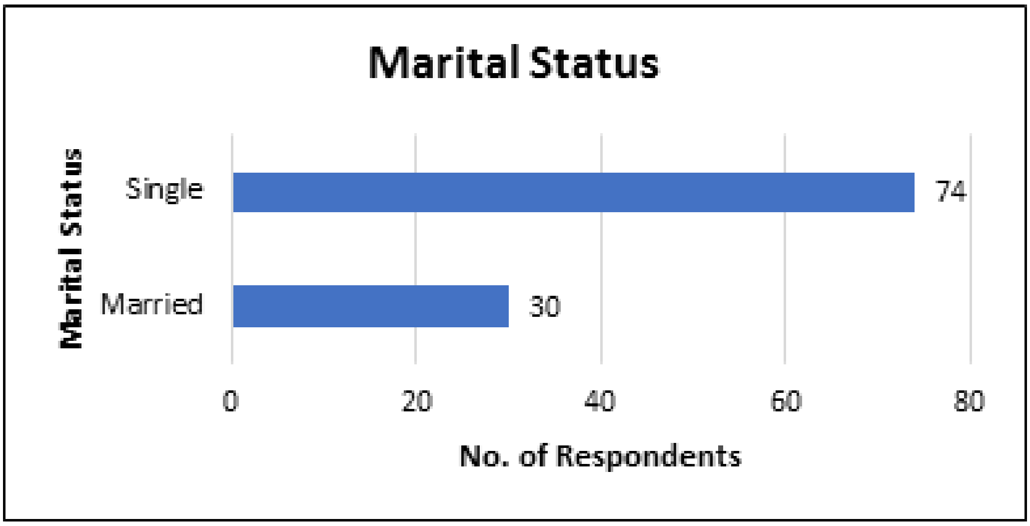
| Gender | No. of Respondents | Percentage |
|---|---|---|
| Female | 50 | 48.1 % |
| Male | 54 | 51.9 % |
| **Total** | **104** | **100%** |




**Interpretation:** The gender distribution is nearly equal, with 51.9% male and 48.1% female respondents. This indicates a balanced representation of both genders in the survey, reflecting equal participation and interest in the topic.

**Table No. 3**

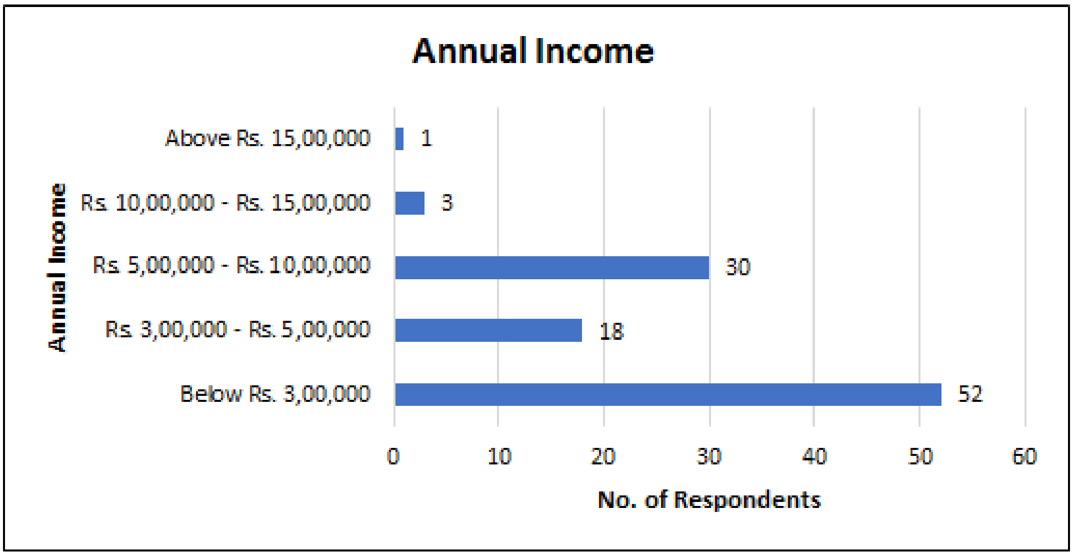
| Marital Status | No. of Respondents | Percentage |
|---|---|---|
| Married | 30 | 28.8 % |
| Single | 74 | 71.2 % |
| **Total** | **104** | **100%** |




**Interpretation:** A significant majority of respondents (71.2%) are single, while 28.8% are married. This suggests that single individuals are more likely to participate in surveys related to financial planning, possibly because they are at a stage in life where they are actively making financial decisions.

**Table No. 4**

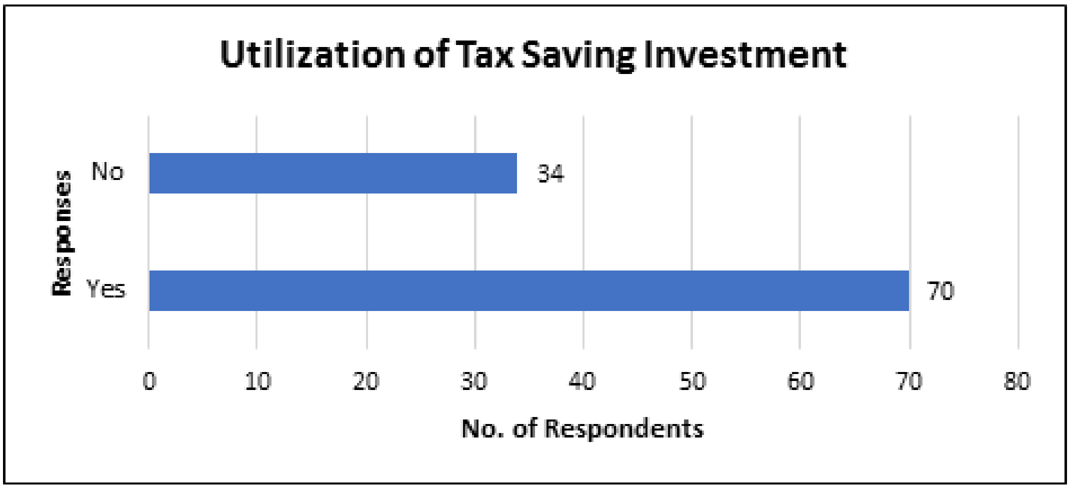
| Annual Income | No. of Respondents | Percentage |
|---|---|---|
| Below Rs. 3,00,000 | 52 | 51.0 % |
| Rs. 3,00,000 - Rs. 5,00,000 | 18 | 17.3 % |
| Rs. 5,00,000 - Rs. 10,00,000 | 30 | 28.8 % |
| Rs. 10,00,000 - Rs. 15,00,000 | 3 | 2.8 % |
| Above Rs. 15,00,000 | 1 | 1.0 % |
| **Total** | **104** | **100%** |




**Interpretation:** The majority of respondents (51%) earn below Rs. 3,00,000 annually, indicating a dominance of lower-income individuals in the survey. The second-largest group (28.8%) earns between Rs. 5,00,000 and Rs. 10,00,000, representing a middle-income segment. Only a small percentage (2.8%) earn above Rs. 10,00,000 which suggest limited representation of higher-income groups. This income distribution highlights that the survey primarily reflects the financial behaviours and challenges of lower- and middle-income

**Table No. 5**

| Utilization of Tax Saving Investment | No. of Respondents | Percentage |
|---|---|---|
| Yes | 70 | 67.3 % |
| No | 34 | 32.7 % |
| **Total** | **104** | **100%** |




**Interpretation:** A majority of respondents (67.3%) utilize tax-saving investments, while 32.7% do not. This indicates a relatively high awareness and adoption of tax-saving instruments among respondents, reflecting their interest in optimizing tax liabilities.

**Table No. 6**

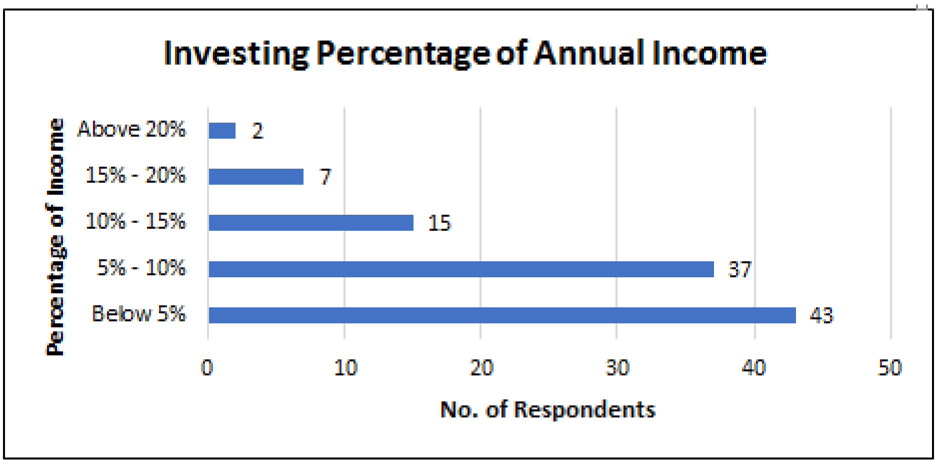
| Tax Saving Investment Utilized | No. of Respondents | Percentage |
|---|---|---|
| **Public Provident Fund (PPF)** | **104** | **100%** |
| 1 = Yes | 70 | 67.3 % |
| 0 = No | 34 | 32.7 % |
| **Home Loan** | **104** | **100%** |
| 1 = Yes | 75 | 72.1 % |
| 0 = No | 29 | 27.9 % |
| **Mutual Funds** | **104** | **100%** |
| 1 = Yes | 80 | 76.9 % |

| | | |
|---|---|---|
| 0 = No | 24 | 23.1 % |
| **Life Insurance** | **104** | **100%** |
| 1 = Yes | 70 | 67.3 % |
| 0 = No | 34 | 32.7 % |
| **National Pension System (NPS)** | **104** | **100%** |
| 1 = Yes | 81 | 77.9 % |
| 0 = No | 23 | 22.1 % |
| **Equity Linked Savings Schemes (ELSS)** | **104** | **100%** |
| 1 = Yes | 82 | 78.8 % |
| 0 = No | 22 | 21.2 % |

**Interpretation:**
The above table reveals key trends in tax-saving instruments: PPF is popular (67.3%), home loans are widely used (72.1%), mutual funds (76.9%) and ELSS (78.8%) show a preference for market-linked investments, life insurance (67.3%) offers dual benefits, and NPS (77.9%) is growing for retirement planning. ELSS is the most preferred due to its equity-linked returns.

**Table No. 7**

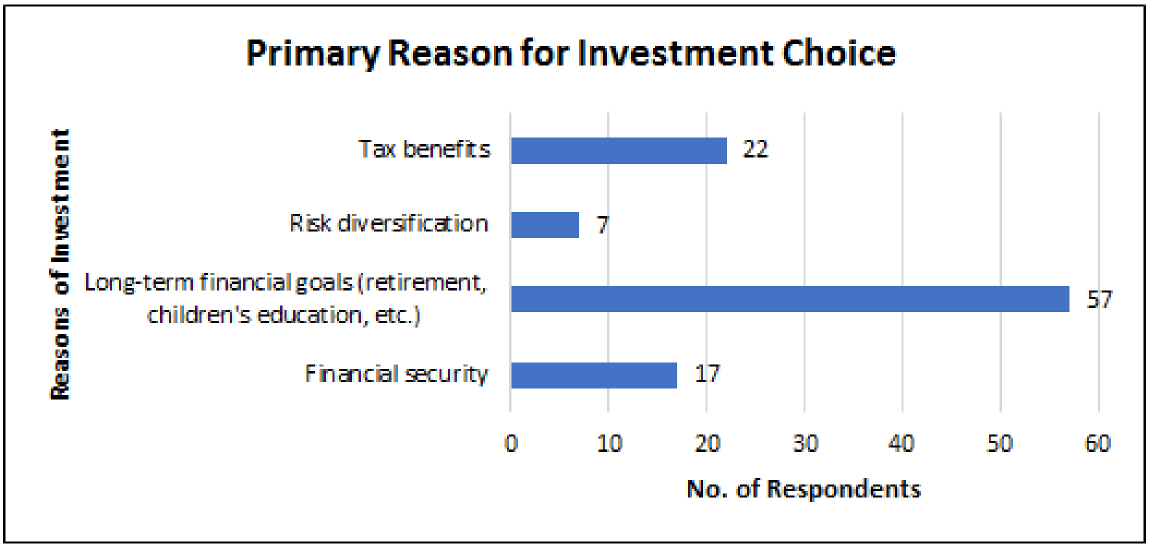
| Investing Percentage of Annual Income | No. of Respondents | Percentage |
|---|---|---|
| Below 5% | 43 | 41.3 % |
| 5% - 10% | 37 | 35.6 % |
| 10% - 15% | 15 | 14.4 % |
| 15% - 20% | 7 | 6.7 % |
| Above 20% | 2 | 1.9 % |
| **Total** | **104** | **100%** |




**Interpretation:** 41.3% of respondents invest below 5% of their annual income, indicating a conservative approach to savings, 35.6% invest between 5% and 10%, reflecting a moderate savings habit and only 1.9% invest above 20%, suggesting that a small percentage of respondents prioritize aggressive savings.

**Table No. 8**

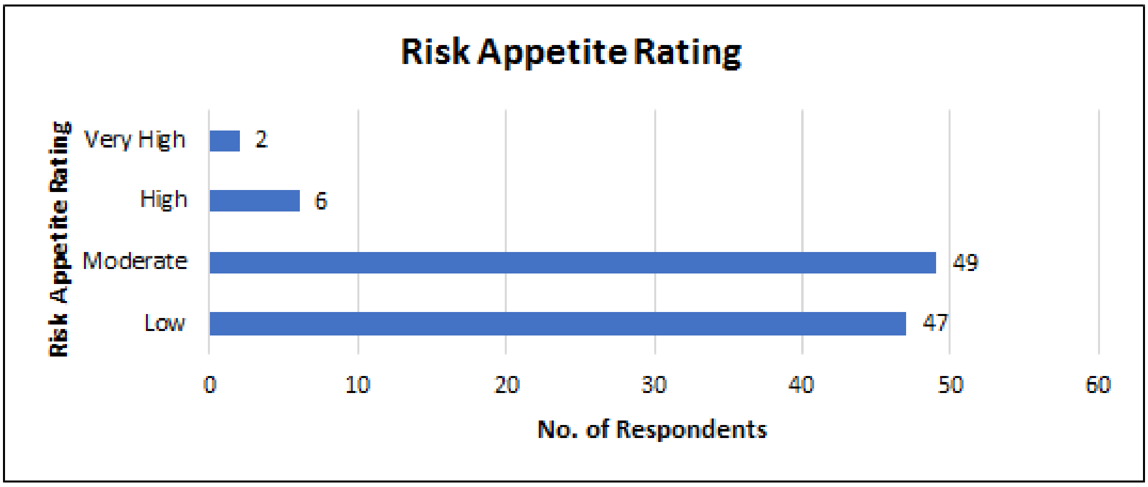
| Primary Reason for Investment Choice | No. of Respondents | Percentage |
|---|---|---|
| Financial security | 17 | 16.35 % |
| Long-term financial goals (retirement, children's education, etc.) | 57 | 54.81 % |
| Risk diversification | 7 | 6.73 % |
| Tax benefits | 22 | 21.15 % |
| **Total** | **104** | **100%** |




**Interpretation:**
The analysis reveals that the majority of respondents (54.81%) invest with a focus on achieving long-term financial goals, such as retirement planning and funding their children's education. This indicates a strong emphasis on securing future financial stability. A significant portion (21.15%) of respondents prioritize investments primarily for tax benefits, highlighting the importance of tax-saving instruments in their financial planning. Additionally, 16.35% of respondents invest to ensure immediate financial security, reflecting their concern for short-term safety and stability. A smaller percentage (6.73%) invest with the goal of diversifying their risk, suggesting that only a minority actively seek to balance their investment portfolios to mitigate potential financial uncertainties.

**Table No. 9**

| Risk Appetite Rating | No. of Respondents | Percentage |
|---|---|---|
| Low | 47 | 45.2 % |
| Moderate | 49 | 47.1 % |
| High | 6 | 5.8 % |
| Very High | 2 | 1.9 % |
| **Total** | **104** | **100%** |




**Interpretation:** The majority of respondents (47.1%) have a moderate risk appetite, indicating a preference for balanced investments that offer a mix of risk and return. A significant portion (45.2%) prefers low-risk investments, reflecting a cautious approach to financial decisions. Only a small percentage of respondents are willing to take high risks, with 5.8% having a high-risk appetite and 1.9% having a very high risk appetite. This overall conservative investment mindset suggests that most respondents prioritize stability and security over aggressive growth.

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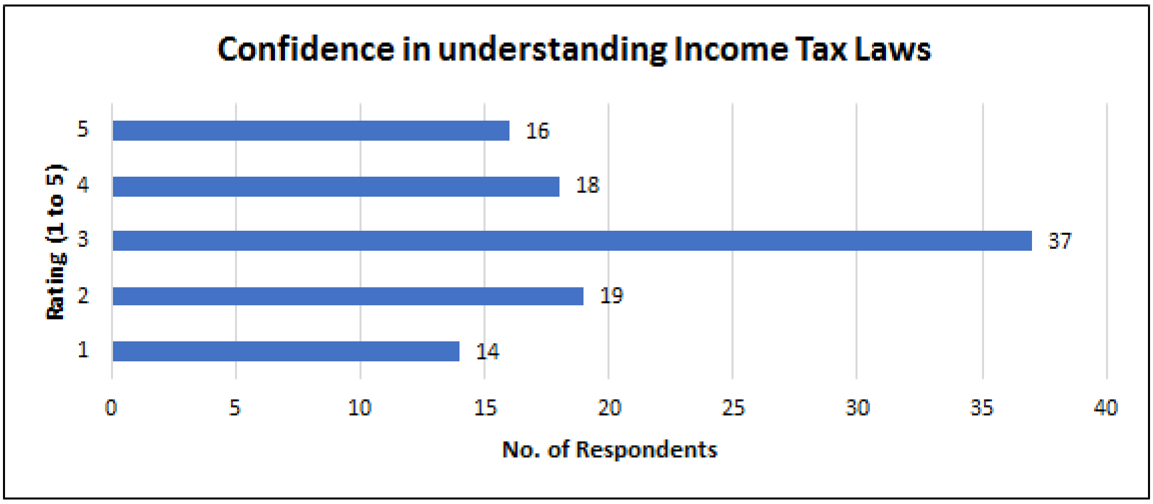
**Table No. 10**

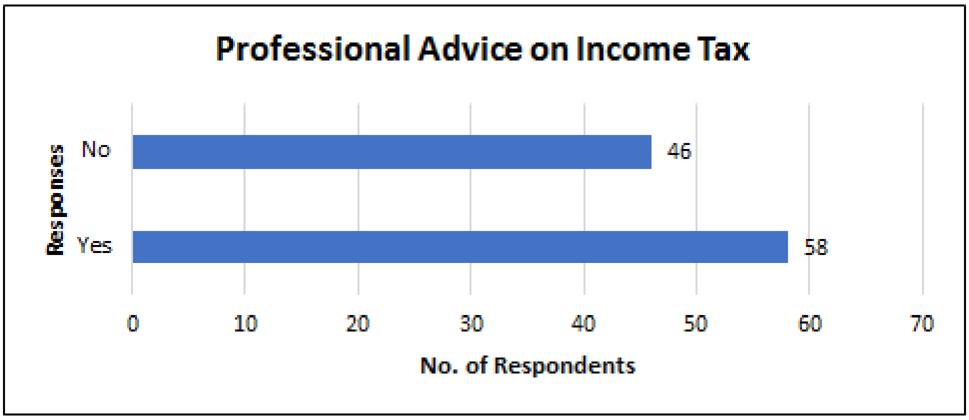
| Confidence in understanding Income Tax Laws (1 to 5) | No. of Respondents | Percentage |
|---|---|---|
| 1 (Not at all Confident) | 14 | 13.5 % |
| 2 | 19 | 18.3 % |
| 3 | 37 | 35.6 % |
| 4 | 18 | 17.3 % |
| 5 (Very Confident) | 16 | 15.4 % |
| **Total** | **104** | **100%** |




**Interpretation:** The majority of respondents (35.6%) are moderately confident in their understanding of income tax laws, indicating a reasonable level of awareness. However, a combined 31.8% (13.5% + 18.3%) have low confidence, highlighting a significant gap in financial literacy and a need for better education on tax-related matters. On the other hand, 32.7% (17.3% + 15.4%) are highly confident, reflecting a segment of respondents with strong tax knowledge who are likely more proactive in tax planning.

**Table No. 11**

| Professional Advice on Income Tax | No. of Respondents | Percentage |
|---|---|---|
| Yes | 58 | 55.8 % |
| No | 46 | 44.2 % |
| **Total** | **104** | **100%** |




**Interpretation:** More than half of the respondents (55.8%) seek professional advice for income tax planning, indicating a reliance on experts to navigate complex tax regulations. However, a significant portion (44.2%) does not seek professional advice, possibly due to confidence in their own understanding or limited access to professional services. This divide suggests varying levels of self-reliance and resource availability among respondents.

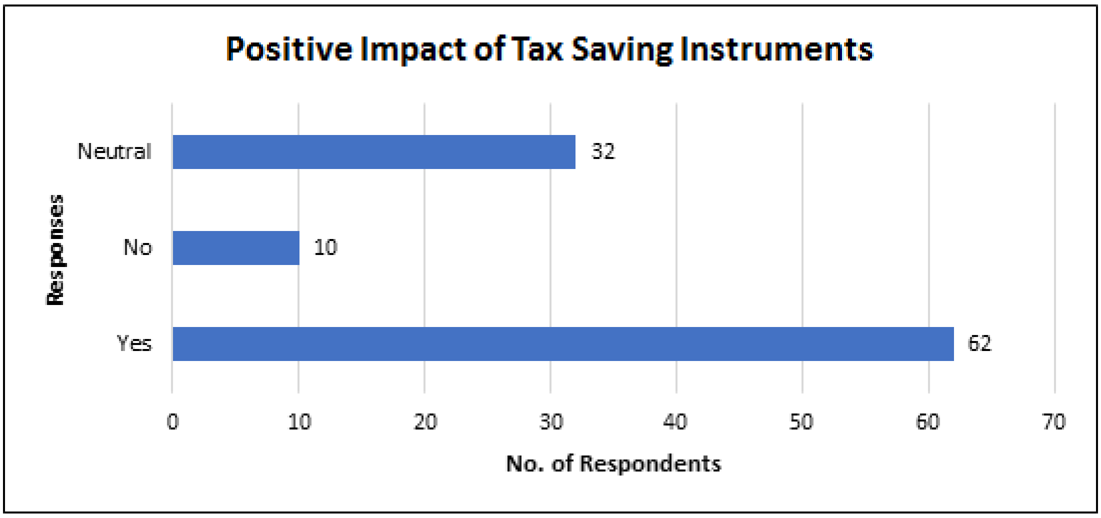
**Table No. 12**

| Professional Advice on Income Tax | No. of Respondents | Percentage |
|---|---|---|
| HRA exemptions | 2 | 1.9 % |
| HRA exemptions, Standard Deduction | 1 | 1.0 % |
| Section 80C deductions | 14 | 13.5 % |
| Section 80C, 80D deductions (Medical Insurance) | 11 | 10.6 % |
| Section 80C, 80D deductions (Medical Insurance), HRA, Standard Deduction | 36 | 34.6 % |
| Section 80C, 80D deductions (Medical Insurance), Standard Deduction | 4 | 3.8 % |
| Section 80C deductions, Standard Deduction | 1 | 1.0 % |
| Section 80D deductions (Medical Insurance) | 15 | 14.4 % |
| Standard Deduction | 20 | 19.2 % |
| **Total** | **104** | **100%** |

**Interpretation:** The majority of respondents (34.6%) seek advice on multiple tax-saving avenues, such as Section 80C, 80D, HRA, and standard deductions, reflecting a comprehensive approach to tax planning. A significant portion focuses on specific deductions, with 13.5% seeking advice on Section 80C (investments) and 14.4% on Section 80D (medical insurance). Additionally, 19.2% of respondents seek advice specifically on standard deductions, underscoring its importance in their tax-saving strategies.

**Table No. 13**

| Tax-Saving Instruments Positively Impacted your Overall Financial well-being | No. of Respondents | Percentage |
|---|---|---|
| Yes | 62 | 59.6 % |
| No | 10 | 9.6 % |
| Neutral | 32 | 30.8 % |
| **Total** | **104** | **100%** |




**Interpretation:** A majority of respondents (59.6%) believe that tax-saving instruments positively impact their financial well-being, highlighting their effectiveness in achieving financial goals. However, a significant portion (30.8%) remains neutral, possibly due to a lack of awareness or perceived benefits of these instruments. A small percentage (9.6%) feels that tax-saving instruments do not contribute to their financial well-being, suggesting room for improvement in how these tools are communicated and utilized.

**FINDINGS –**

The analysis of the survey data reveals several key insights into the financial behaviors, preferences, and challenges of the respondents. The majority of respondents are young, with 57.7% falling into the 18-25 age group, and a significant proportion (71.2%) are single, indicating that younger, unmarried individuals are more actively engaged in financial planning. The income distribution shows that 51% of respondents earn below Rs. 3,00,000 annually, reflecting a dominance of lower-income groups in the survey, while middle-income groups

(Rs. 3,00,000 - Rs. 10,00,000) constitute 46.1%. Higher-income groups (above Rs. 10,00,000) are underrepresented, making up only 3.8% of the respondents.

In terms of investment behavior, the majority of respondents (67.3%) utilize tax-saving instruments, with Equity Linked Savings Schemes (ELSS) being the most preferred (78.8%), followed by the National Pension System (NPS) at 77.9%. Long-term financial goals, such as retirement planning and children's education, are the primary motivation for investments (54.81%), while tax benefits (21.15%) and financial security (16.35%) also play significant roles. Risk diversification is a lesser priority, with only 6.73% of respondents citing it as a reason for investment.

The risk appetite of respondents is largely conservative, with 45.2% preferring low-risk investments and 47.1% having a moderate risk appetite. Only a small percentage (7.7%) are willing to take high or very high risks, indicating a general preference for stability and security over aggressive growth. Confidence in understanding income tax laws is moderate, with 35.6% of respondents rating themselves as moderately confident. However, a combined 31.8% have low confidence, highlighting a need for improved financial literacy and awareness.

Professional advice is sought by 55.8% of respondents, particularly for comprehensive tax planning involving multiple avenues such as Section 80C, 80D, HRA, and standard deductions. However, 44.2% do not seek professional advice, possibly due to self-reliance or limited access to experts. A majority of respondents (59.6%) believe that tax-saving instruments positively impact on their financial well-being, though 30.8% remain neutral, suggesting a need for better communication about the benefits of these instruments.

## SUGGESTIONS –

1. **Enhance Financial Literacy**: Given that a significant portion of respondents (31.8%) have low confidence in understanding income tax laws, there is a need for targeted financial literacy programs. Workshops, online courses, and awareness campaigns can help individuals better understand tax-saving instruments and their benefits.
2. **Promote Tax-Saving Instruments**: While tax-saving instruments like ELSS and NPS are popular, a significant percentage of respondents remain neutral (30.8%) or do not see their impact on financial well-being (9.6%). Financial institutions and advisors should focus on educating individuals about the long-term benefits of these instruments.
3. **Encourage Professional Advice**: Since 44.2% of respondents do not seek professional advice, efforts should be made to make such services more accessible and affordable. Subsidized consultations or free financial planning sessions could encourage more individuals to seek expert guidance.
4. **Cater to Lower-Income Groups**: With 51% of respondents earning below Rs. 3,00,000 annually, financial products and services should be tailored to meet the needs of lower-income groups. Simplified investment options and low-cost tax-saving instruments could encourage greater participation.
5. **Focus on Risk Diversification**: Only 6.73% of respondents invest for risk diversification. Financial advisors should emphasize the importance of a diversified portfolio to mitigate risks and achieve balanced financial growth.
6. **Leverage Technology**: Digital platforms and apps can be used to simplify tax planning and investment processes, making it easier for individuals to manage their finances independently.

## CONCLUSION –

The research highlights the financial behaviours and preferences of a predominantly young, lower- to middle-income demographic. Respondents show a strong inclination toward long-term financial goals, such as retirement and children's education, and prioritize tax-saving instruments like ELSS, NPS, and mutual funds. However, the conservative risk appetite and gaps in financial literacy indicate a need for greater awareness and education. While a majority rely on professional advice for tax planning, a significant portion does not, suggesting room for improvement in accessibility and outreach.

In conclusion, the findings highlight a strong focus on long-term financial goals and tax efficiency among respondents, with a preference for low-to-moderate risk investments. While there is a significant reliance on professional advice for tax planning, gaps in financial literacy and confidence in understanding tax laws indicate areas for improvement. Enhancing awareness and accessibility of financial tools and education could further empower individuals to make informed financial decisions.

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