



Goa University
Goa Business School

Final Report
On Internship Training
By
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Respective Mentor: Prof. Purva Hegde Desai



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Acknowledgment

Throughout the project I have received support and assistance, thank you for being kind and supportive.

I would like to thank my mentor Prof. Purva Hedge Dessai for her great support and assistance through all stages of the project, your insight helps me to add more value and complete the project successfully.

I would like to thank, Mr. Ar. Amit Parashar and Ms. Ar. Vineeta Gothoskar for your collaboration and help, I could not have completed the project without your support and insightful information, thank you for your patient help and providing the internship opportunity in your firm, and allow me to learn and expand my knowledge.

Declaration

I, Hadi Farzad, declare that this report is personally has prepared by me at Design Workshop Goa, from 1st of February, 2021 to 30th of May, 2021, under the mentorship of Dr. Purva Hegde Dessai, professor at Goa Business School, Goa university.

Hadi Farzad

May 30, 2021

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Chapter 1

Architecture Industry

Overview:

The architecture industry provides the services of designing buildings, making detailed drawing sets that represent the design as well as leading building consultants such as engineers. Architects work closely with other entities like construction companies, engineers, building departments, and clients that are either firms or individuals.

The design facilitates the kinds of activities that will take place in and around the structure, such as home life, manufacturing, education, retail sales, or sports events. In the designing process, the techniques and material should be considered to help lower the cost of heating and cooling and reduce environmental impact as well as should be attractive and appropriate for clients.

The industry's global market value with a growth of 4.1% is estimated to be \$ 343.8 bn by end of 2021.

The architecture of India:

The architecture of India is rooted in its history, culture, and religion. Among several architectural styles and traditions, the contrasting Hindu temple architecture and Indo-Islamic architecture are the best known historical styles



Suchindram-Temple-Kanyakumari
(Hindu Temple Architecture, 17th
Century)



Indo-Islamic Architecture
Mughal Architecture (1632-1648)

Design Workshop Goa

The firm was founded first in 1989 in Delhi by two professional partners, Mr. Ar. Amit Parashar and Ms. Ar. Vineeta Gothoskar, during the years, there were some breaks in the rendering services process during past 30 years.

Currently, it is located in the Panjim area, Goa. It is among the top 15 architectures firm in Goa, which Providing different sorts of architect services, such as Architecture design services for Homes, flats, service rooms, private homes, and private flats in Goa and outside of Goa. The main supplier of the firm is Autodesk which providing AutoCAD applications for designing purposes.



SWOT Analysis:

Strengths:

- High gross margin
- An established firm, experienced and skilled professional promoters, since 1989.
- Being dynamic, the interesting thing about the firm, you won't see the same design for all houses, every project has its unique design.
- Following the deadline, the timing and deadlines of the projects are very important, so they are following the deadline to get work done on time.
- A variety of projects required the same skills and material to reduce the cost and complexity.
- Fewer staff costs due to fewer employees and having interns.
- The firm location is downtown which is easier for clients to find it.
- Good and friendly communications by firm's owners and staff with clients regarding their needs and projects.
- Easily serving the customers due to being a small team and lack of more complex formalities within the firm.

Weaknesses:

- No structured marketing plan to attract more clients, as nowadays companies investing more in marketing to expand their business and remain in the market.
- Fewer efforts have been put into digital marketing, which is crucial to remain competitive and profitable.
- Not well-structured internal workplace.

Opportunities:

- New technologies becoming available.
- **Notice trends** the best way to get work is to adopt changes and follow the trends. For instance, if you see people moving out to new places and building some new kinds of the architect. Then the firm should jump in and offer its services. If the firm sees an expansion in its region, then it's also a great opportunity to find new clients.
- Smart Houses Technology has brought many new changes almost in every field. Now, people want smart houses fully equipped with tech gadgets and the internet of things (IoT). If the firm and staff learn to deal with new changes and technology, then the firm will get more clients.

Threats:

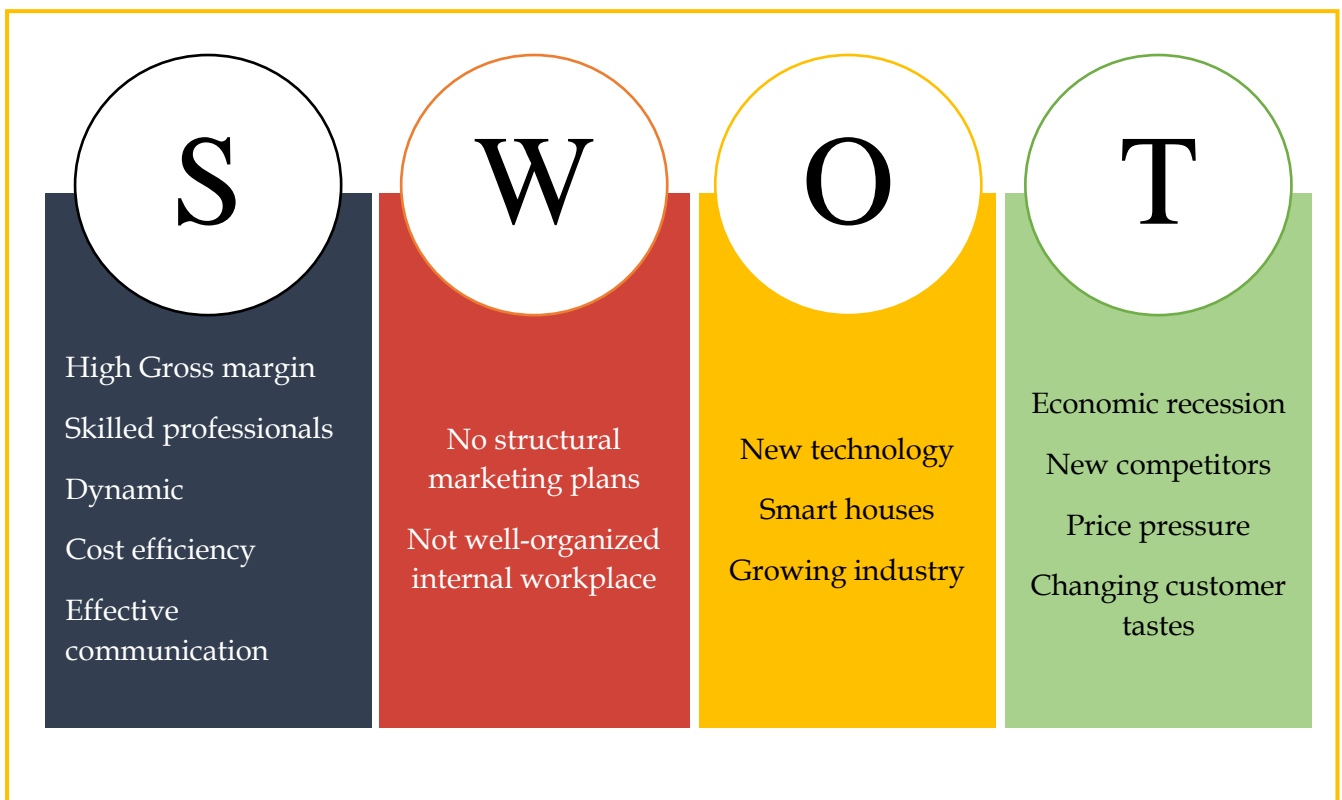
- **Economic Recession**

They run their business operation within the country's economy, and the firm does not have any control over their country's economy. If the economy of the country is in recession and investment in the business is getting lower. Consequently, people and businesses would stop all of their investment plans. Such factors are out of the reach of the firm.

Economic recession changes the attitude of the people, and they would become towards spending their money because of the uncertain economy. Perhaps they won't find work for the next month, and they may need the money to live. When spending is lower, then businesses would start shutting down and so is the firm as well.

- New competitors entering to market offering similar services
- Price pressure from the side of current competitors which are providing the same services.
- Changing customer need and tastes.
- Any decline in the construction industry will impact negatively since these two industries are dependent on each other.

Swot analysis in Brief



VRIN Analysis:

Every business is a bundle of resources including tangible and intangible. Businesses differ depending on what these resources are and how they are combined. Resources include but are not limited to processes, capabilities, assets, attributes, information, and knowledge. Together, they allow businesses to execute their relevant activities, according to my observation and studies of Design Workshop Goa, some vital resources mostly intangible resources are important to take into account and crucial for sustainability and being competitive.

S/No	Competency	Valuable	Rare	Inimitable	No substitutable
1	Reputation	Yes	Yes		
2	Skilled professionals	Yes	Yes	Yes	Yes
3	Extensive Experience	Yes	Yes		
4	Effective Communication	Yes	Yes		Yes
5	Fit Technology	Yes			
6	Cost efficiency	Yes			

Observation:

The primary studies and observation have shown, though the promoters have extensive experiences, skills, and knowledge, since the inauguration of the business, not much expansion has been witnessed during the past 31 years.

For their personal life as professionals also seem they are not enjoying structured personal finance planning as well.

From the observation, these two main points have been made and for the next few months of the internship will be working on both issues, but more time will be devoted to personal financial planning, so it can benefit them to have better management of taxation, investment to achieve their best financial goals.

The questionnaire for the above purposes has been drafted and will be proceeding accordingly. Along with the questionnaire, will be working closely with them to identify the problems in their financial planning and how to make it better.

Chapter 2

Personal finance

Introduction

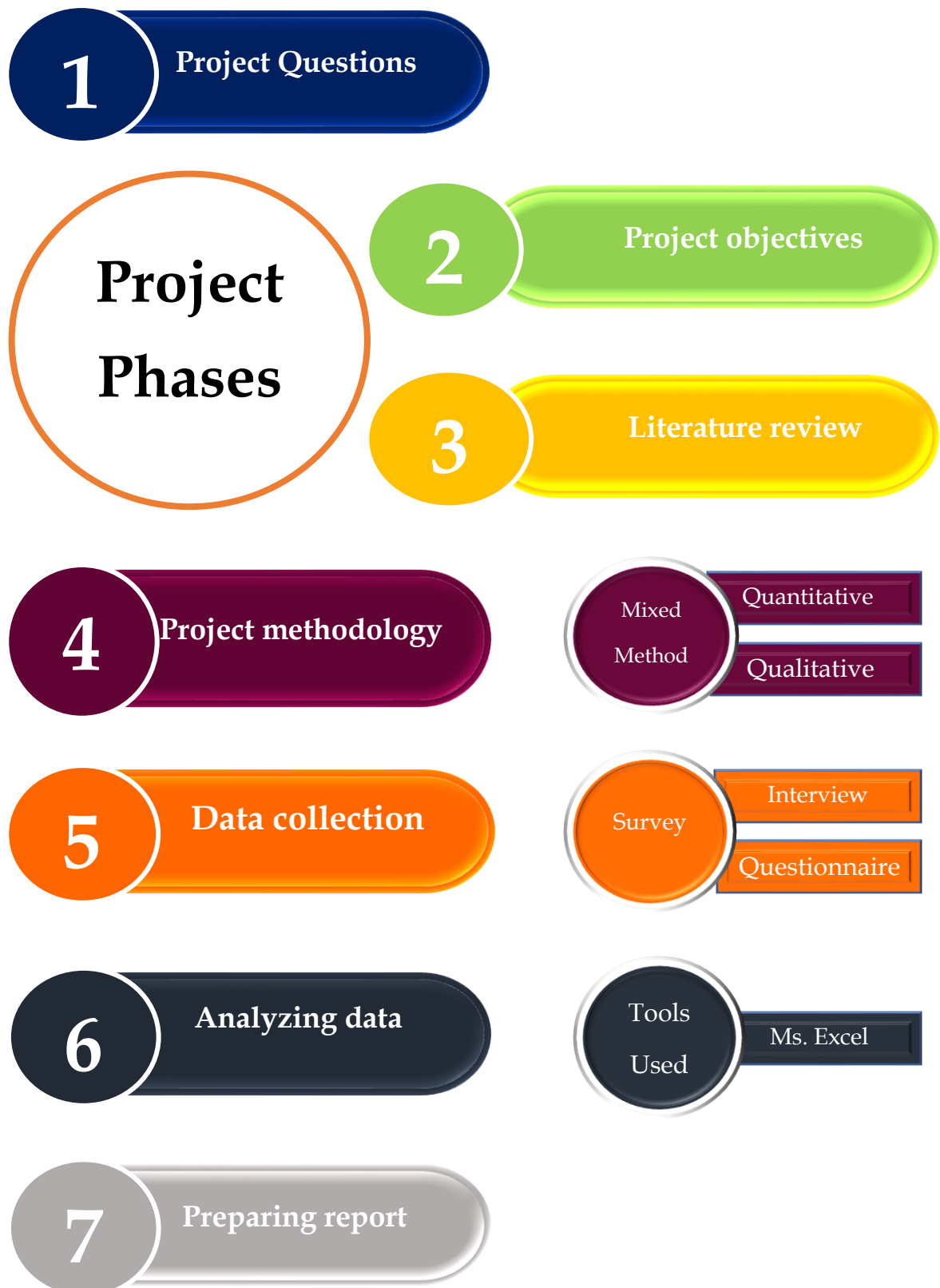
The place where I am doing my internship is a gentleman with his spouse, they have an architecture firm, so along with working for the firm I was interested to look at their finance if they have a structured one, so can be analyzed and improved.

We know that personal finance is a term that covers managing our money as well as saving and investing. It encompasses budgeting, insurance, mortgages, investments, retirement planning, tax, and real estate planning.

Personal finance is about meeting personal financial goals, whether it's having enough for short-term financial needs, planning for retirement, or saving for your child's college education. It all depends on your income, expenses, living requirements, and individual goals and desires – and coming up with a plan to fulfill those needs within your financial constraints. To make the most of your income and savings, it's important to become financially literate, so one's can distinguish between good and bad advice and make smart decisions.

Personal finance is a vast topic and difficult to bring all in the project, so here generally will be looking at their budgeting and money management system which is essential and the first step for controlling their incomes and expenses to meet life goals, the system will be analyzed and restructured if it is required, meanwhile nowadays the income tax is very important, the people are paying a lot of taxes to the government and also there is a lot of tax codes and sections and tax-saving investment that not everyone is aware of, to take the advantage of them, so the project will be looking at some specific popular tax provision and sections to see if they are aware of benefits well, the section 80 C and section 44ADA in presumptive taxation which applicable for small businesses and professions and therefore followed by some benefits, the project will be analyzing the section to figure out if it is applicable for the firm so they can apply it and benefits the advantages.

Project Design outline



Project Questions:

The project will focus on the personal finance of the owners of the firm, as they are working as professionals, so it is important to look at their finance, money management, managing incomes, and expenses to achieve their life goals.

a. Do they have an expense/income recording/tracking and budgeting system?

Recording keeping and budgeting are the first steps toward having structured planning for personal finance and a good money management system, where it helps the individual to analyze his/her wealth, income, expenses, and desires or life goal, it helps to have a better understanding of where our money comes from and where it goes away so can optimize the expenses to reduce the financial stress during the lifetime.

b. Does the provision of section 44ADA is applicable for them?

In presumptive taxation, there is a provision under section 44ADA applicable for an assessee who is a resident and engaged in a profession, since it has some benefits to the taxpayer, such as simplifying the return of income process and do not need to maintain books of account, so this question will be looking at, if the provision is applicable and in case of applying have more benefits or not.

c. Does deduction under 80 C, applicable for them?

Section 80C under income tax provides deduction which is very popular amongst taxpayers since it allows to reduce taxable income through tax-saving investments.

There are several payments listed that come under 80C deduction if it is made by the taxpayer, but this particular project will be looking only for a few of them, life insurance premium, contribution toward statutory provident fund, recognized provident fund, public provident fund, and house loan installment.

d. What is the average return of their stocks' investment and whether it is efficient comparatively?

They have invested in some stocks so therefore in the project will be looking if the stocks are giving good returns in comparison to other stocks, and also some other investment options like fixed deposit return.

Project objectives

- a. To study their record-keeping and tracking of the incomes/expenses and budgeting system if they have and ensure that it is effective enough and redesigning a reliable system.
- b. Since the provision of section 44ADA provides the benefits have been mentioned above, it is worthwhile to study the section if it is applicable, and using the provision will bring them some benefits so they can use it afterward.
- c. To study if deduction under section 80C is applicable for them and if they have not already benefitted may benefit in the future.
- d. To study if the investments are good enough, comparing with some other stocks, and suggesting some stocks probably giving a higher return.

1. Literature Review

- a. Income tax for students' guide by Dr. Vinod K. Singhania and Dr. Monica Singhania
- b. Personal Finance by Jack R Kapoor, Les R Dlabay, and Robert J Hughes
- c. Financial Accounting by Narayanaswamy
- d. Financial Management by IM Pandey
- e. Websites and Articles.

2. Project methodology

There are two main methodologies, quantitative (deals with numbers) and qualitative (deals with words), but there can be another method which is mixed of the two, in the project since it deals, both with numbers and words, the methodology will be mixed (quantitative and qualitative)

Data Collection

The study area - Design Workshop Goa

Primary data - Interview and questionnaire

Secondary data - Books and websites

The project has employed a combination of primary and secondary data, primary data has been collected through questionnaires and interviews with the owner of the firm, secondary data collected through other sources like financial books, the financial document of the firm, articles, and websites.

Tools used

1. The questionnaire, for data collection
2. Microsoft Excel, for calculations.

Chapter 3 – Finding and data analysis

To find out the required data, the questionnaire had been prepared and shared with the concerned person. [Project questionnaire-1925.pdf](#)

Collected data through questionnaire has been summarized as bellow.

Financial Planning Goals			
Goals	Time Horizon	Amount	Importance
Child Education	2022 - 2025	2,000,000	Very
Health Insurance	2021 - Onward	2,000,000	Somewhat
Retirement Plan	2021 - Onward	2,000,000	Somewhat

Assets/Stocks			
Assets/Stocks	Ownership	Number of Shares	Current Market value
Tata Motors	Joint	250	₹ 78,100.00
Infosys IT company	Joint	150	₹ 203,400.00
Tata Chemicals	Joint	250	₹ 177,000.00
Reliance Industries	Joint	250	₹ 499,750.00
Baharat Forge	Joint	200	₹ 129,200.00
Total Market Value			₹ 1,087,450.00
Saving account			₹ 100,000.00
Fixed Deposits			₹ 2,000,000.00
Estimated value of the car			₹ 550,000.00
Market value of the house			₹ 10,000,000.00
Total Value			₹ 13,737,450.00

Income Sources			
Sources of Income	You	Spous	Total
Professions	1800000	800000	₹ 2,600,000.00
Rental Income/Year	150,000	150,000	₹ 300,000.00
Interest	100,000	100,000	₹ 200,000.00
Dividends	5,000	5,000	₹ 10,000.00
Total Income			₹ 3,110,000.00

Fixed Costs		
Descriptions	Monthly	Yearly
Rent	50,000	600,000
Maintenance	10,000	120,000
Salaries	125,000	1,500,000
Petrol - Maintenance	12,500	150,000
Fees	9,000	108,000
Total	206,500	2,478,000
Variable Costs		
food	12,000	144,000
Utilities	10,000	120,000
Clothing	2,000	24,000
Entertainment	2,500	30,000
Education	1,500	18,000
Office Expense	10,000	120,000
Total	38,000	456,000

Project 1: Recordkeeping and budgeting system.

Finding:

The research has found, though the personal recordkeeping and budgeting system are very important in people's financial satisfaction, the concerned client does not have any kind of written personal recordkeeping and budgeting system, though he has various sources of income and payments for different kind of fixed and variable expenses, he neither has daily record-keeping system nor any kind of financial statement such balance sheet and personal profit and loss or cash flow statement so he could have a clear idea where the money come from and where it goes away.

Since the objective of the project is understanding the current situation and its redesigning, the balance sheet and personal profit and loss are shown below.

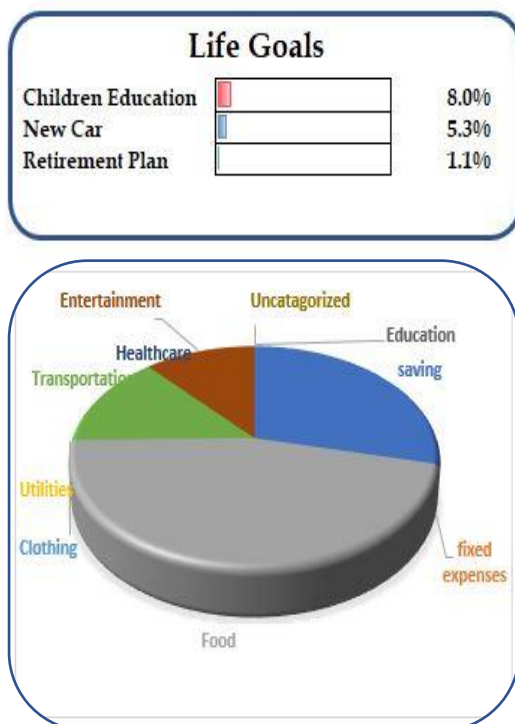
Amit Parashar and Vineeta Gothoskar Personal Balance Sheet as of April 31, 2021		
Liquid assest		
Fixed Defposit	₹ 2,000,000.00	
current Account	₹ 100,000.00	
Market value of stocks	₹ 1,087,450.00	
Total Liquid Assets		₹ 3,187,450.00
Non current Assets		
Current Market value of house		₹ 10,000,000.00
Estimated value of car		₹ 550,000.00
Total Assets		₹ 13,737,450.00
liabilities	₹ -	₹ -
Networth		₹ 13,737,450.00

Though the above balance sheet shows the overall financial position of the household, since the project will be focused on Mr. Parashar financial situation and tax purpose as a professional, therefore the upcoming pages will be devoted to the same, first income statement will be prepared, since it is required for tax computation as well as a clear understanding of the income and expenses so he can apply the information to make a wise decision and maintain the efficiency of the expenses to reduce the financial stress and uncertainty. Since both wife and husband are professionals and have income so they told us, they are bearing the expenses equally so the profit and loss and other related issues will be progressed accordingly.

Personal Income Statement		
Practicing Professions	₹	1,800,000.00
Rental Income/Year	₹	150,000.00
Interest	₹	100,000.00
Dividends	₹	5,000.00
Total Income		₹ 2,055,000.00
Fixed Expenses		
Rent	₹	300,000.00
Home Maitainance	₹	60,000.00
Salaries	₹	750,000.00
Car - petrol and maitainance	₹	150,000.00
Susbiscribtion fees	₹	54,000.00
Total Fiexed Expenses		₹ 1,314,000.00
Variable cost		
food		72000
Utilities		60000
Clothing		12000
Entertainment		15000
Eduction		9000
Office Expense		60000
Total Variable Expenses		₹ 228,000.00
Income before Tax		₹ 513,000.00

Recording system:

Details in Excel file. [Record System -1925.xlsx](#)



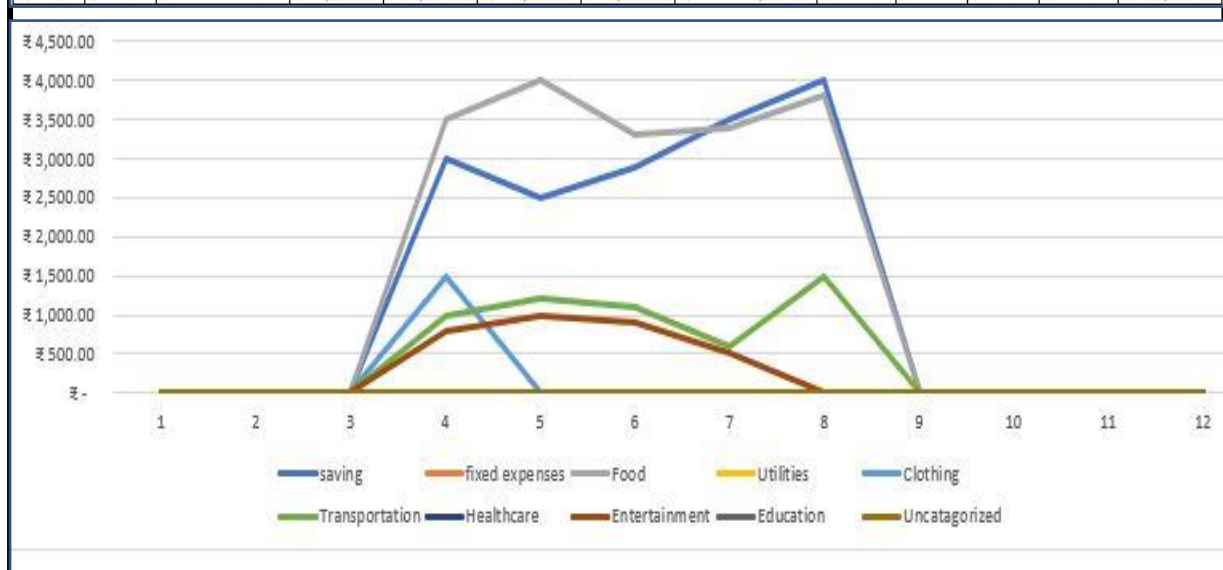
Year	Months		
2021	August		
Income	Actual (Total)	Budgeted	Vs. Budgeted
Salary	₹ 40,000.00	₹ 20,000.00	₹ 40,000.00
Dividend	₹ -		₹ -
Rent	₹ -		₹ -
Commission	₹ -		₹ -
Total	₹ 40,000.00	₹ 20,000.00	₹ 40,000.00
Expenses	Actual (Total)	Budgeted	Vs. Budgeted
saving	4000	10500	
fixed expenses	0	0	0
Food	3800	4250	3800
Utilities	0		0
Clothing	0	1500	
Transportation	1500	1250	
Healthcare	0		0
Entertainment	0	1500	0
Education	0		0
Uncatagorized	0	1000	0
Total	9300	20000	9300

A	B	C	D	E	F	G	H
Year	Month	Date	Description	Accounts	Credit (Income)	(Debit)Expense	Balance
2021	April	4/1/2021	Starting Balance	Income	₹ 10,000.00		₹ 10,000.00
2021	April	4/1/2021	Shoes and shirts	Clothing		₹ 1,480.00	₹ 8,520.00
2021	April	4/5/2021	Dinner	Food		₹ 3,500.00	₹ 5,020.00
2021	April	4/6/2021	Fuel	Transportation		₹ 1,000.00	₹ 4,020.00
2021	April	4/7/2021	Drinks	Entertainment		₹ 800.00	₹ 3,220.00
2021	April	4/8/2021	Salary	Income	₹ 35,000.00		₹ 38,220.00
2021	April	4/9/2021	Car (goal)	Saving		₹ 3,000.00	₹ 35,220.00
2021	May	5/1/2021	Dinner	Food		₹ 4,000.00	₹ 31,220.00
2021	May	5/2/2021	Fuel	Transportation		₹ 1,200.00	₹ 30,020.00
2021	May	5/10/2021	Drinks	Entertainment		₹ 1,000.00	₹ 29,020.00
2021	May	5/20/2021	Salary	Income	₹ 40,000.00		₹ 69,020.00
2021	May	5/25/2021	Car (goal)	Saving		₹ 2,500.00	₹ 66,520.00
2021	June	6/6/2021	Dinner	Food		₹ 3,300.00	₹ 63,220.00
2021	June	6/10/2021	Fuel	Transportation		₹ 1,100.00	₹ 62,120.00
2021	June	6/15/2021	Drinks	Entertainment		₹ 900.00	₹ 61,220.00
2021	June	6/20/2021	Salary	Income	₹ 38,000.00		₹ 99,220.00

Reports of the months

January	February	March	April	May	June	July	August	September	October	November	December	Total
₹ -	₹ -	₹ -	₹ 35,000.00	₹ 40,000.00	₹ 38,000.00	₹ 30,000.00	₹ 40,000.00	₹ -	₹ -	₹ -	₹ -	₹ 183,000.00
₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
₹ -	₹ -	₹ -	₹ 35,000.00	₹ 40,000.00	₹ 38,000.00	₹ 30,000.00	₹ 40,000.00	₹ -	₹ -	₹ -	₹ -	₹ 183,000.00

January	February	March	April	May	June	July	August	September	October	November	December	Total
₹ -	₹ -	₹ -	₹ 3,000.00	₹ 2,500.00	₹ 2,900.00	₹ 3,500.00	₹ 4,000.00	₹ -	₹ -	₹ -	₹ -	₹ 15,900.00
₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
₹ -	₹ -	₹ -	₹ 3,500.00	₹ 4,000.00	₹ 3,300.00	₹ 3,400.00	₹ 3,800.00	₹ -	₹ -	₹ -	₹ -	₹ 18,000.00
₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
₹ -	₹ -	₹ -	₹ 1,480.00	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ 1,480.00
₹ -	₹ -	₹ -	₹ 1,000.00	₹ 1,200.00	₹ 1,100.00	₹ 600.00	₹ 1,500.00	₹ -	₹ -	₹ -	₹ -	₹ 5,400.00
₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
₹ -	₹ -	₹ -	₹ 800.00	₹ 1,000.00	₹ 900.00	₹ 500.00	₹ -	₹ -	₹ -	₹ -	₹ -	₹ 3,200.00
₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
₹ -	₹ -	₹ -	₹ 9,780.00	₹ 8,700.00	₹ 8,200.00	₹ 8,000.00	₹ 9,300.00	₹ -	₹ -	₹ -	₹ -	₹ 43,980.00



Conclusion

An effective personal finance planning allows the person to well management of his/her money to control the financial situation, enhance the quality of life, and increasing satisfaction by reducing uncertainty about future needs and resources to achieve personal economic satisfaction. The first step toward structured personal finance planning is determining the current financial position so that a person will have a clear picture of his/her assets (liquid and non-current) such as land, houses, car, cash, banks accounts, stocks share, receivables, and other type and its dollar value, meanwhile will come to know about his/her liabilities if there is any.

After understanding the financial position, will decide about future investments, expenses, and overall achievement of the life goals to enjoy economic satisfaction and reduce the uncertainty and therefore life stress.

For the mentioned reasons after understanding of the current situation which was the lack of any kind written and structured financial system.

A personal balance sheet, profit and loss statement, have been prepared so it will help him to have a better idea of his financial position, increase satisfaction, and planning for the investment and other financial decisions accordingly.

Meanwhile, a recordkeeping system has been designed, he can record and track all his daily, monthly, and annual flows of all cash including all sources of income and expenses.

The system has designed in excel sheet, where all transactions will be entered by date, in the next page it shows the summary of flows, like total expenses of each part i.e., incomes, all the expenses such transportation, food, clothing, entertainment and ...

The sheet provides monthly and annual information so it is easily possible to analyze the income and expense and its changes during the time.

Sheets will help to record and track financial transactions and improve the efficiency of financial decisions.

There will be some application like **Coin Keeper** also allows to record your income and expenses in basic mood, but do not allow to have an insightful analysis of all aspect for free.

Project 2, Presumptive taxation, Section 44ADA

Findings

Mr. Amit Parashar a 59 years Architect who running a firm with the name of Design Workshop Goa provided the following particular of his income relevant for the assessment year 2020-21.

Fees from clients	₹ 1,800,000.00	Office rent	₹ 300,000.00
Rent of property	₹ 150,000.00	Family house Maintainanc	₹ 60,000.00
Dividend	₹ 5,000.00	salaries	₹ 750,000.00
Ineterest	₹ 100,000.00	personal car expenses	₹ 150,000.00
		office expenses	₹ 60,000.00
		subscription fees	₹ 54,000.00
		Home expenses	₹ 168,000.00
		balance C/d	₹ 513,000.00
	<u>₹ 2,055,000.00</u>		<u>₹ 2,055,000.00</u>

Computation of taxable income under the head of Profit and gains of business or profession.

He is a professional, his taxable income will be commutated according to profit and gains from the profession as below.

Computaion on taxable income		
Fees from Client	₹ 1,800,000.00	
Add: presents	₹ -	
Gross Receipts		<u>₹ 1,800,000.00</u>
less: Admissible expenses		
Office rent	₹ 300,000.00	
Salaries	₹ 750,000.00	
Office expenses	₹ 60,000.00	
Subcsribtion fee	₹ 54,000.00	
Total expeses		<u>₹ 1,164,000.00</u>
Income from profession		₹ 636,000.00
Property Income		₹ -
Interest(income from other sources		₹ 100,000.00
Dividend(income from other sources)		₹ 5,000.00
Gross total income		₹ 741,000.00
less: Deductions		₹ -
Taxable Income		<u>₹ 741,000.00</u>

Presumptive taxation:

Provision of section 44ADA, Professional income on an estimated basis.

According to the provision if specific conditions have been satisfied the assessee can opt for the provision and calculating the estimated income @ 50 percent of the gross receipt.

1. He is a resident and engaged in a profession
2. The gross receipt is less than 50 Lakhs

since the conditions are satisfied computation of income has shown as below:

Gross Reciept	₹	1,800,000.00
50% of Gross Reciept	₹	0.50
	₹	900,000.00
Income from profession	₹	900,000.00
Property Income	₹	-
Interest (income from other sources)	₹	100,000.00
Dividend(income from other sources)	₹	5,000.00
Gross total income	₹	1,005,000.00
less: Deductions	₹	-
Taxable Income	₹	1,005,000.00

Conclusion:

Through the first method income from profession Rs. 6,36,000.00 and total taxable income Rs. 7,41,000.00, while in presumptive taxation under section 44ADA shows income from profession Rs. 9,00,000.00 and total taxable income Rs. 10,05,000.00, which is higher than the first method, so in the conclusion it is better he does not opt for presumptive taxation and computation taxable income under the section 44ADA since it shows the higher income and therefore required to pay higher taxes.

Project 3. Section 80C

Findings

In finance it is said when it is a payment, we are trying to pay lesser, while in receiving, the more we receive, the more we are satisfied, therefore in taxation, taxpayers are looking to find a legal procedure to pay lesser taxes.

Section 80 C is one of the popular for taxpayers since it allows to reduce taxable income by tax saving investment and eligible expenses, the maximum deduction under 80C for individual and HUF is Rs. 1.5 lakh from total income.

This project will be looking if the concerned assessee made some important and specific payment which are eligible for deduction under section 80C.

- a. Life insurance premium - No (does not life insurance)
- b. Notified annuity plan of LIC - No
- c. Contribution to recognized provident fund - No
- d. Institutional fees up to two children - No
- e. Installment of housing loan - No

He is not eligible for any deduction under section 80C, income tax.

Gross Receipts		₹ 1,800,000.00
less: Admissible expenses		
Office rent	₹ 300,000.00	
Salaries	₹ 750,000.00	
Office expenses	₹ 60,000.00	
Subcsribtion fee	₹ 54,000.00	
Total expeses		₹ 1,164,000.00
Income from profession		₹ 636,000.00
Property Income		₹ -
Interest (income from other sources)		₹ 100,000.00
Dividend(income from other sources)		₹ 5,000.00
Gross total income		₹ 741,000.00
less: Deductions		
Deduction under 80 C		₹ -
Taxable Income		₹ 741,000.00

Project 4: Investment Analysis

Finding: data show their stock investment was not profitable enough comparatively, even return on fixed deposit was higher than stocks, as it is shown in the below tables, the average annual return of the equities is 3.7%, and return on investment (ROI) is 31.4%, while the annual return of the fixed deposit was 7.01%, and return on investment (ROI) is 52.1%, which is 20.7% higher than stock investment, the same amount in the same period of 10 years.

2012, the available cash for investment was Rs. **8,39,320.00**, we assume there were two options, investing in stocks or fixed deposit in a bank, he selected stocks investment and kept till now, therefore he had rejected to open a fixed deposit account, see the consequences of the decision, below in the table.

Stocks Return					
	Year		Shares Price	Return	Average Return (%)
Base Year	2012	1	839,320.00	-	-
Principle	839320	2	812632.5	(26,687.50)	(3.18)
Maturity	2021	3	982087.5	142,767.50	17.01
		4	1079392.5	240,072.50	28.60
		5	833065	(6,255.00)	(0.75)
		6	986945	147,625.00	17.59
		7	800015	(39,305.00)	(4.68)
		8	762540	(76,780.00)	(9.15)
		9	503497.5	(335,822.50)	(40.01)
		10	1103280	263,960.00	31.45
			Annual Return(Average)		3.7
			Investment Return		31.4%

Fixed Deposit Return					
Year	Rate	Year	Investment Value	Interest	Average
2012	9.13 %	1	893320	0	
2013	10 %	2	915949.916	22629.916	
2014	7 %	3	1015577.2	122257.2	
2015	6.98 %	4	1028203.091	134883.0908	
2016	6.70 %	5	1099354.975	206034.9752	
2017	6.75 %	6	1160779.338	267459.3382	
2018	6.50 %	7	1242037.974	348717.974	
2019	6.00 %	8	1304291.988	410971.9876	
2020	5.50 %	9	1337748.566	444428.5659	
2021	5.50 %	10	1358938.205	465618.2055	
			Annual Return(Average)		7.01 %
			Investment Return		52.1 %

If there is a comparison with some other stocks which is selected through 4 Y analysis also shows extremely lower return on investment and annually.

The below tables show a comparison between the current investment and a suggested (comparative) stock. In 2016, he had a total of **Rs. 8,83,065.00** of equity investment and he did not change the stocks till now, and the investment value has reached **Rs. 11,03,208.00** with 32% ROI. If he could invest in some other equities, here for example in our suggested stocks, the same amount (**Rs. 8,83,065.00**) would have risen to **Rs. 17,94,200.00**, with 115%, ROI, during the same period.

Since he made a choice and has invested in stocks that he still holds the same, but there is a difference of **Rs. 6,90,920.00**, which could be earned, named the cost of the choice.

Detailed in Excel file. [Investment Analysis -1925.xlsx](#)

Current Investment					
	Share Price			Investment Value	
Company Name	Mar-16	Mar-21	No. of Shares	Mar-16	Mar-21
Bharat Forge Ltd.	873.1	595.95	250	218,275	148,987.50
Infosys Ltd.	1218.3	1368.05	150	182,745	205,207.50
Reliance Industries Ltd.	1045.2	2003.1	250	261,300	500,775.00
Tata Chemicals Ltd.	373.7	751.8	250	93,425	187,950.00
Tata Motors Ltd.	386.6	301.8	200	77,320	60,360.00
		Total Value		833,065	1,103,280.00
		Return on Investment			32%
Comparative Investment (selected through 4Y Analysis)					
	Share Price			Investment Value	
Company Name	Mar-16	Mar-21	No. of Shares	Mar-16	Mar-21
Alkem Laboratories Ltd.	1356.45	2769.8	161	218388.5	445937.8
Apollo Hospitals Enterprise	1329.3	2902.65	137	182114.1	397663.05
Dr. Lal Pathlabs Ltd.	923.3	2707.05	283	261293.9	766095.15
H D F C Bank Ltd.	1071.15	1493.65	88	94261.2	131441.2
Lupin Ltd.	1479.25	1020.45	52	76921	53063.4
		Total Value		832978.7	1794200.6
		Return on Investment			115%
		Cost of the choice			(690,920.60)

Conclusion:

The investment analysis shows the equities return was not good comparatively, with an annual return of 3.7% which is extremely low and lower than the fixed deposit rate, 7.1%, an almost risk-free investment.

Rs. 8,83,065.00 has been invested in 2016, now it shows a total value of Rs. 11,03,208.00. while the same amount could have been invested in some other equities with the current value of Rs. 17,94,201.00, in the same time frame.

Initial Investment(2016)		₹	883,065.00
Current Situation(2021)	The current Investment	₹	1,103,280.00
	Comparative Investment	₹	1,794,201.00
	Differences (cost of the choices)	₹	-690,921.00

According to the data, it is suggesting to recheck the investment and think to buy some other equities that will be giving higher returns.

The below table shows the expected return of each investment, continue with current equities the return on investment (ROI) will be 39.7% but if he sells the stocks and opens a fixed deposit account in a bank, the return on investment (ROI) will be 70.36, or he may think to invest in some other stocks with a probably higher return, for example, 5 companies that have been selected through 4Y analysis and show an expected return of 176.36%. Attached excel file with details.

[Investment Analysis -1925.xlsx](#)

NOTE: it is crucial to note equities investment are risky, below table estimated based on the past 10 years performance, but the future is full uncertain, and therefore a lot of factors involved in determining share prices and stocks returns, and it is not possible to predict the exact return of equities investment, so need to be careful.

Future Investment Analysis	Current Investment Value(March, 2021)		₹	1,103,280.00
	Maturity	10	Investment Value(2031)	RoI
	Current Investment	3.40%	₹ 1,541,314.03	39.70%
	Fixed Deposit	5.50%	₹ 1,884,561.62	70.81%
	Suggested Investment	10.70%	₹ 3,049,031.80	176.36%

Work Done

Record keeping and budgeting system has designed

Preparing of the personal balance sheet

Preparing of the personal profit and loss statement

Return on investment has been analyzed.

Practical suggestion

Learning derived

The internship helped to have sorts of studying of financial books, like personal finance books, taxation, and some articles so it improves my knowledge in finance, especially personal finance, how to manage our money, including saving, spending and investment so the knowledge helps me to be a financial planner and wealth manager to achieve economic satisfaction and achieve life desires and goals.

Suggestions

The report is mostly about personal finance issues of the owner of the firm so most of the time and efforts have been devoted to the same, therefore there are some suggestions to improve life satisfaction and reduce stress.

1. He pays a lot of taxes each year, but there is some tax-saving investment to reduce the taxable amount, Public Provident Fund (PPF) is one of those, it is a fund, everyone can invest start, from Rs. 500 to Rs. 1,50,000.00 each year, the full amount, the interest received and the annuity are fully exempt from taxes. Therefore, the current taxable amount Rs. 7,41,000.00 will be reduced to Rs. 5,91,000.00 (7,41,000.00 - 1,50,000.00).
2. Life is full of uncertainty and we are not able to expect what will happen tomorrow exactly, therefore our family and concerned people should know some of our even personal information so if something happens which is not wanted, like a car accident or They can act accordingly.

I would like to mention some information so it can maintain in hardcopy or digital form and making sure that the concerned person will have access if is required.

The below information with required details

- | | |
|--------------------------|-----------------|
| ➤ Insurance - LIC | Bank Accounts |
| ➤ Shares/Bonds/Debenture | House Property |
| ➤ Lockers | Pension Account |
| ➤ Public Provident Fund | |
| ➤ Debt/ Liabilities | |
| ➤ Power of Attorney | |

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