

TAX-MAN EATING AWAY AT YOUR EARNINGS?

SAVE ON TAXES THE
SMART WAY WITH
ELSS!

EQUITY LINKED SAVINGS SCHEMES (ELSS)

Equity Linked Savings Schemes (ELSS) or tax-saving mutual funds are one of the best ways to save on taxes under Section 80C of the Income Tax Act, 1961.

BENEFITS OF ELSS



Save on taxes: This is the first, and most obvious reason to invest in ELSS. You can claim a deduction on your income for the amount you invest in this. By fully investing Rs. 1,50,000, you can save up to **Rs. 46,350*** on taxes.



ELSS can give you higher returns: ELSS or tax-saving mutual funds invest primarily in the equity markets and thus have the **potential to deliver market linked returns**. Most other instruments invest in government or corporate debt, or are deployed as banks and the government see fit. As a result, ELSS can perform better than these other instruments and give you a profitable edge.



ELSS has the shortest lock-in period: When you compare the lock-in of instruments under Section 80C, you'll see that the popular PPF has a lock-in of 15 years, NPS is locked-in until you're 60, others have lock-ins of 5+ years, but **ELSS has a lock-in of just 3 years!** This means you can **access your money faster** and will also have **better liquidity** compared to other instruments.



Tax-free capital gains upto Rs. 1,00,000: That's right. You only have to pay taxes at 10% when your gains exceed Rs. 1,00,000. Most other instruments will require you to pay taxes on complete gains at your tax slab.



Low minimum investment: You can **start investing in ELSS funds with as little as Rs. 500**. There is no maximum limit. You can continue investing as much as you want, in multiples of Rs. 500 (lump sums anytime) or set up a SIP and reap its benefits too.



Many ELSS options to invest in: The mutual fund universe is large and you can choose one (or some) from the many tax-saving funds to invest in. You are not limited by just one scheme or plan.

*Tax saving has been calculated for the highest income slab as per Section 80C of the Income Tax Act 1961, for the financial year 2017-2018.

Mutual fund investments are subject to market risks. Please read the scheme information and other related documents carefully before investing. Past performance is not indicative of future returns.