

Get Dual Benefit of Wealth
Creation & Tax Saving with

ELSS



Areas covered

- Tax Saving options
- Advantages of ELSS
- PPF vs ELSS



Tax Benefit



Invest Rs. 1.5 Lacs in ELSS under section 80 (C) &

SAVE TAX UPTO

RS. 46,800*

(* For F.Y. 2019-20 & for Individual who falls under the highest tax bracket)

Tax Saving options under section 80 (C)

- PPF
- NSC
- Tax Saving FD
- Post office time deposit
- **ELSS**



Tax saving options

| Investment option | PPF | NSC | Tax Saving FDs | Post office time deposit | ELSS |
|-----------------------|----------------|---------------------|--------------------------------|--------------------------|--|
| Lockin Period (Yrs.) | 15 | 5 | 5 | 5 | 3 |
| Rate of Interest (%) | 8% | 8% | 6.85% | 7.80% | Potential to deliver better return as it is linked to market |
| Rates Applicable from | 1st Oct 2018 | 1st Oct 2018 | with effect from 22nd Feb 2019 | 1st Oct 2018 | NA |
| Rates Applicable till | 30th June 2019 | 30th June 2019 | | 30th June 2019 | NA |
| Compounding | Yearly | Yearly | Quarterly | Quarterly | NA |
| Taxation of Return | Tax Free | Taxable as per Slab | Taxable as per slab | Taxable as per slab | Capital Gain are taxable @10% |

* Rate offered by SBI Tax Saving Scheme FD. \$ Finance Bill, 2018 proposes levy of income-tax at the rate of 10% (without indexation benefit) on long-term capital gains exceeding Rs. 1 lakh from equity shares and equity mutual funds provided transfer of such units is subject to STT. # Dividend in the hands of unitholder is tax free but AMC will deduct 10% Dividend Distribution Tax plus applicable surcharge “^ In case of the long term capital asset acquired before 1st Feb 2018, cost of acquisition shall be deemed to be the higher of - Actual cost of acquisition of such asset. Fair market value of such asset as on 31st Jan 2018” @ 3 yr & 5 yr average CAGR return of all ELSS schemes as on 28th June 2019 is 11.65% & 11.54% respectively

PPF Interest



| Historical PPF interest rate table | |
|------------------------------------|------------------|
| Period | Rate of Interest |
| 1-4-1986 to 14-1-2000 | 12.00% |
| 15-1-2000 to 28-2-2001 | 11.00% |
| 1-3-2001 to 28-2-2002 | 9.50% |
| 1-3-2002 to 28-2-2003 | 9.00% |
| 1-3-2003 to 30-11-2011 | 8.00% |
| 1-12-2001 to 31-3-2012 | 8.60% |
| 1-4-2012 to 31-3-2013 | 8.80% |
| 1-4-2013 to 31-3-2016 | 8.70% |
| 1-4-2016 to 30-9-2016 | 8.10% |
| 1-10-2016 to 31-3-2017 | 8.00% |
| 1-4-2017 to 30-6-2017 | 7.90% |
| 1-7-2017 to 31-12-2017 | 7.80% |
| 1-1-2018 to 30-9-2018 | 7.60% |
| 1-10-2018 to 30-6-2019 | 8.00% |

ELSS vs PPF

Nilesh started
investing in PPF

Raj started
investing in ELSS



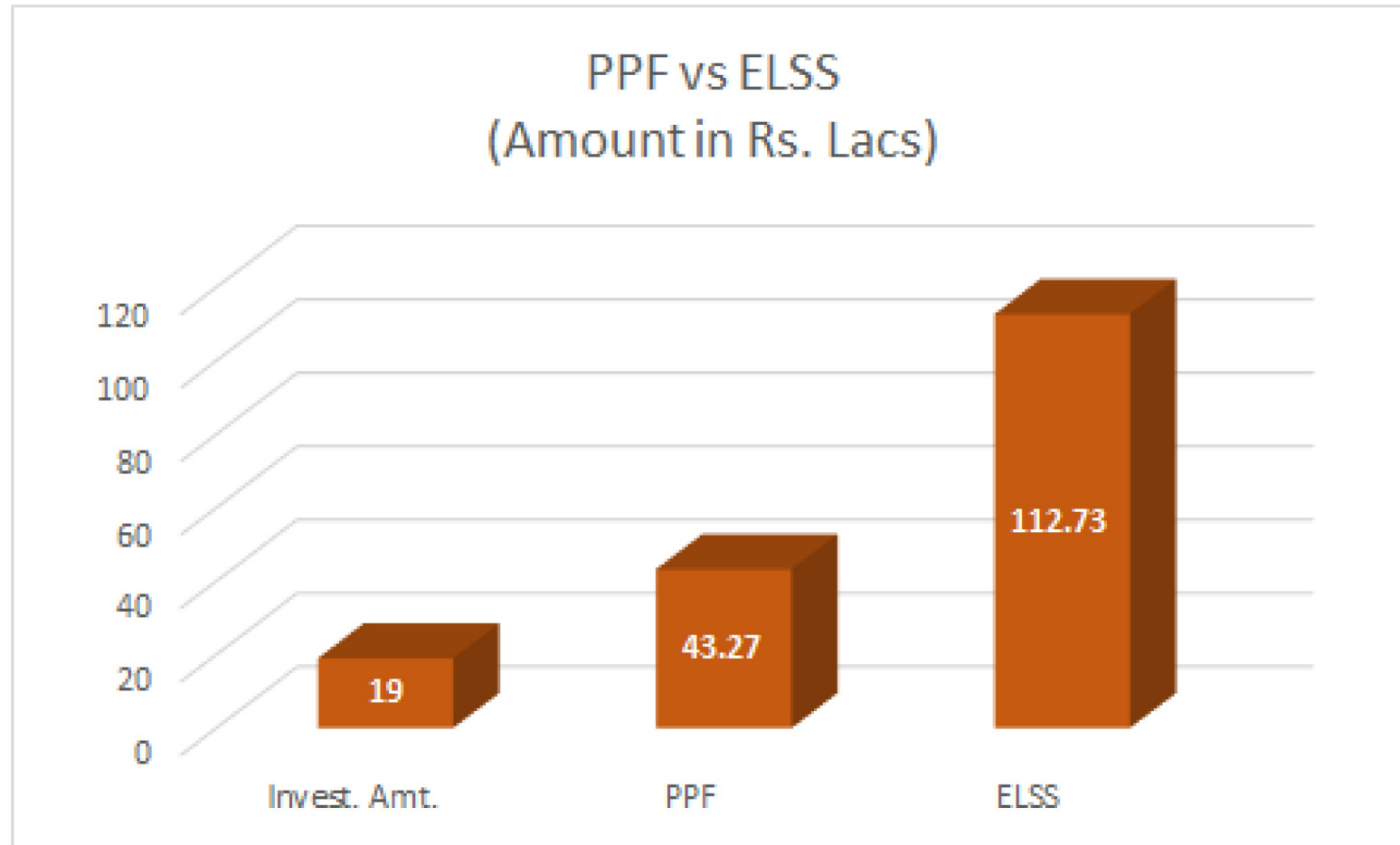
Both of them started investing

Rs 1,00,000 p.a.

From 1st April, 2001 to 1st April, 2019



Final value



Final value



| Investment Done in | PPF | ELSS |
|--------------------|-------------------------------|---------------|
| Ivest. Per year | ₹ 1,00,000 | ₹ 1,00,000 |
| Invst. Till date | ₹ 19,00,000 | ₹ 19,00,000 |
| Rate of return | Refer PPF interest rate chart | 16.45%* |
| Current Value | ₹ 43,27,000 | ₹ 1,12,73,000 |

*For calculation purpose, we have taken only those schemes which have completed atleast 18 years as on 28th June 2019. 16.45% is the average CAGR return delivered by these 14 schemes since 1st April, 2001. The current value is rounded off to thousand



ELSS vs PPF

| Period | 2001 to 2019 |
|--|--------------------|
| Capital Invested | ₹ 19,00,000 |
| Scheme Name | Current Value |
| Aditya Birla SunLife Tax Relief '96 | ₹ 1,12,37,834 |
| Canara Robeco Equity Tax Saver Fund | ₹ 1,31,82,479 |
| Franklin India Taxshield | ₹ 1,31,39,183 |
| HDFC Tax saver | ₹ 1,44,72,994 |
| ICICI Prudential Long Term Equity Fund | ₹ 1,63,86,408 |
| Principal Tax Savings Fund | ₹ 1,04,12,049 |
| SBI Magnum Tax Gain Scheme '93 | ₹ 1,54,09,181 |
| Sundaram Diversified Equity | ₹ 1,27,09,552 |
| Tata india Tax Savings Fund | ₹ 1,27,37,026 |
| Taurus Tax Shield | ₹ 99,13,337 |
| UTI Long Term Equity Fund (Tax Saving) | ₹ 77,91,291 |
| Sensex | ₹ 77,80,392 |
| PPF Calculated @ Actual Rates | ₹ 43,27,605 |

The Table shows the value of Rs. 1 Lac invested in PPF, Sensex and various ELSS Schemes as on 1st April every year. Note: Amount assumed Rs. 1 Lac in PPF & ELSS. However, investment amount per year has been increased from Rs. 1 Lac to Rs. 1.5 Lacs since 22nd August 2014 in PPF and ELSS.

Valuation date - 28th June 2019

Past performance may or may not sustain in future.

Disclaimer: The information contained in this report has been obtained from various sources. While utmost care has been taken from the preparation of this calculation, we do not guarantee its validity or completeness. Neither any information nor any opinions expressed constitute an offer, or an invitation to make an offer to buy or sell any fund. Investors should take financial advice with respect to the suitability of investing their monies in any fund discussed in this report.



You can also invest in
ELSS through
Systematic
Investment Plans

Why SIP in ELSS?



- Gives benefit of compounding
- Averaging out your buying cost
- Light on wallet
- Emotion free investing
- No last minute rush for tax saving

THANK
YOU!

Mutual fund investments are subject to market risk please read all scheme related documents carefully before investing.