


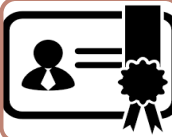





Comparison of Tax Saving Instruments



Tax Saving Instruments in India

Tax Saving Instruments in India



	Equity-linked Tax Saving Scheme (ELSS)	Section 80C	Up to Rs. 150,000
	National Saving Certificates (NSC)		
	Public Provident Fund (PPF)		
	Sukanya Samridhi Yojana*		
	National Pension Scheme (NPS)	Section 80CCE/ section 80CCD (1B)	Up to Rs. 150,000 Additional Rs. 50,000
	Term Insurance & Savings Insurance Plan	Section 80C (Premium) & Section 10(D) (Death/Maturity)	Up to Rs. 150,000
	Health Insurance	Section 80D	Up to Rs. 75,000

Comparison of Tax Saving Investment Options



Investment Option	Lock-in Period	Return CAGR per annum	Tax on Returns	Investment Risk
ELSS Funds <i>(Equity mutual funds that are eligible for tax deductions)</i>	3 years	17.02%*	LTCG upto Rs. 1 lakh tax-free. Above Rs. 1 Lakh @10% + Surcharge & Cess as applicable	High
National Savings Certificate <i>(Government backed fixed income investment scheme)</i>	5/10 years	6.8%	Taxable	Low
Public Provident Fund <i>(Government backed guaranteed returns monthly investment scheme)</i>	15 years from account creation	7.1%	Tax-free	Low
Sukanya Samriddhi Yojana <i>(Government backed small deposit scheme for a girl child and her financial needs)</i>	21 years	7.6%	Tax-free	Low
Tax Saving Bank Fixed Deposits <i>(Tax saving fixed deposit offered by Banks/NBFCs)</i>	5 years	5% to 6.5%	Taxable	Low
National Pension Scheme <i>(Voluntary retirement savings scheme)</i>	Till Retirement	8% to 10%	60% of corpus tax free on maturity 40% of corpus received as annuity is taxable	Moderate
Savings/Investment Insurance Plan	Till Policy Maturity	5%-8%	Tax-free	Savings Plan - Low Investment Plan - Moderate

* 3 Year ELSS category average returns as on 30th November 2022. Source: Morningstar Direct

Benefits of ELSS Funds

Lowest Lock-in Period
Lowest lock-in period of 3 years compared to other tax saving instruments

Tax Treatment

Gains from ELSS investments are treated as long term capital gains (LTCG) and any gains in excess of Rs. 1 Lakh is taxed at the rate of 10%

80C Benefit

Tax deduction of up to Rs 1.5 lacs under Section 80C of the Income Tax Act

Higher returns and Wealth creation potential

Primarily invests in equities, have the potential to earn higher returns compared to other traditional tax-saving options

Option to invest through SIP mode

Can invest via lumpsum or SIP mode at their convenience. SIPs ensure financial discipline through regular investments periodically



Things to remember before investing in ELSS funds

1

Know the lock-in term: ELSS mutual funds have a three-year lock-in duration. Your investments will be locked in for 3 years, so you must know it before investing in ELSS

2

Factor the portfolio composition: Different ELSS funds have different ranging investing styles and asset compositions. Looking at the underlying theme will give a better perspective of the strategies and approaches being used for portfolio building

3

Fix your investment horizon: To invest in ELSS funds, one must have a longer-term vision. As the markets are volatile, ELSS funds yield better returns when invested for long term

4

Gauge the risk level: ELSS funds have a huge exposure to equity markets. Equity related instruments are highly susceptible to market volatility. Hence, due to this ELSS funds carry high risk



Thank You!

Disclaimer



Tata Capital Financial Services Limited ("TCFSL") is registered with The Association of Mutual Funds in India as a Mutual Fund Distributor bearing ARN No.84894 and Tata Capital Wealth is a service offering by TCFSL.

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. TCFSL is not soliciting any action based upon it. Nothing in this report shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of the reader.

This report has been prepared for the general use of the clients of the TCFSL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient, you must not use or disclose the information in this report in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. TCFSL will not treat recipients as customers by virtue of their receiving this report. Neither this document nor any copy of it may be taken or transmitted into the United States (to US Persons), Canada or Japan or distributed, directly or indirectly, in the United States or Canada or distributed, or redistributed in Japan to any residents thereof. The distribution of this document in other jurisdictions may be restricted by the law applicable in the relevant jurisdictions and persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

It is confirmed that, the author of this report has not received any compensation from the companies mentioned in the report in the preceding 12 months. No part of the compensation of the report creator was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this report. The author, principally responsible for the preparation of this report, receives compensation based on overall revenues of TCFSL and TCFSL has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Neither TCFSL nor its directors, employees, agents, representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information contained in this report.

The report is based upon information obtained from sources believed to be reliable, but TCFSL does not make any representation or warranty that it is accurate, complete or up to date and it should not be relied upon as such. It does not have any obligation to correct or update the information or opinions in it. TCFSL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. TCFSL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations. This information is subject to change without any prior notice. TCFSL reserves at its absolute discretion the right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, TCFSL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Certain products -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

Before making an investment decision on the basis of this report, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Neither TCFSL nor the director or the employee of TCFSL accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this report and/or further communication in relation to this report.

We and our affiliates, officers, directors, and employees worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions.

Investments in securities are subject to market risk; please read the SEBI prescribed Combined Risk Disclosure Document prior to investing. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts. Our report should not be considered as an advertisement or advice, professional or otherwise.

General Disclosure



Tata Capital Financial Services Limited ("TCFSL") is registered with the Reserve Bank of India as a Non Deposit Accepting Systemically Important Non-Banking Finance Company ("NBFC-ND-SI").

Tata Capital Financial Services Limited ("TCFSL") bearing License no. CA0076 valid till 31st Mar 2022, acts as a composite Corporate Agent for TATA AIA Life Insurance Company Limited, HDFC Life Insurance Company Limited, TATA AIG General Insurance Company Limited and New India Assurance Company Limited. Please note that, TCFSL does not underwrite the risk or act as an insurer. For more details on the risk factors, terms & conditions please read sales brochure carefully of the Insurance Company before concluding the sale. Participation to buy insurance is purely voluntary.

TCFSL is also engaged in Mutual Fund Distribution business and is registered with The Association of Mutual Funds in India ("AMFI") bearing ARN No. 84894 and Tata Capital Wealth is a service offering by TCFSL. Please note that all Mutual Fund Investments are subject to market risks, read all scheme related documents carefully before investing for full understanding and details.

TCFSL distributes:

- (a) Mutual Fund Schemes of TATA Mutual Fund
- (b) Life Insurance Policies of Tata AIA Life Insurance Company Limited
- (c) General Insurance Policies of TATA AIG General Insurance Company Limited

TCFSL receives commission ranging from 0.00% to 2.00% p.a. from the Asset Management Companies ("AMC") towards investments in mutual funds made through TCFSL. TCFSL receives commission ranging from 0.00% to 40.00% as First year commission and renewal commission ranging from 0.00% to 5.00% on Life Insurance Policies bought through TCFSL. TCFSL receives commission ranging from 0.00% to 25.00% on General Insurance Policies bought through TCFSL. TCFSL receives commission ranging from 0.00% to 2.00% on Corporate Fixed deposit made through TCFSL.

Please note that the above commission may change from time to time and are exclusive of statutory levies like GST, Security Transaction tax, Stamp Duty, Exchange transaction charges, SEBI turnover fee etc. TCFSL does not recommend any transaction which is required to be dealt with on a Principal to Principal basis.

Registered office:

11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.