

EQUITY LINKED SAVINGS SCHEME

SECTION 80C

SHORT LOCK-IN

TAX SAVINGS

CONVENIENT

MUTUAL FUND

SIP

ELSS

EQUITY LINKED SAVINGS SCHEME

WEALTH CREATION

GROWTH EQUITY

INVESTOR EXPECTATION



SHORT LOCK-IN

(3 years)

TAX SAVINGS

(Deductible under Section 80C up to ₹1.5 lakh in a year)



CHOICE

(There are many ELSS funds to invest)



EQUITY EXPOSURE

(Minimum 80% equity allocation)



FLEXIBILITY

(No predefined commitment, can invest through SIPs)



WEALTH CREATION

(Possibility in long run)



WHAT IS



- ✓ The ELSS is an equity mutual fund category
- ✓ Investments in ELSS qualify for tax deductions under Section 80C of the income tax up ₹1.5 lakh limit in a financial year
- ✓ Investments in ELSS have a minimum equity exposure of 80%, which technically can go up as high as 100%
- ✓ ELSS has the flexibility to invest across market capitalisation
- ✓ There are over 30 different ELSS instruments to choose from
- ✓ Do check the stated objective of the fund scheme when investing to know specifics

HOW TO INVEST IN AN



You need to have the
KYC (*know your client*)
compliance

You can invest in lump sum
or through monthly SIPs of
as less as ₹500



You need to fill the
investment application
by selecting the
appropriate investment
option (SIP or lump sum)
and you are ready

On completion of the
investment process, an
account statement is
sent by the AMC, which
can be used as a record
of investment made for
tax savings purposes



UNIQUENESS



The ELSS has two unique features - high equity exposure and short investment lock-in of three years

The three-year lock-in means that you cannot sell your investment before three years from the date of purchase

There is convenience to start an SIP with ELSS to make tax savings a regular exercise than rush towards end of the financial year

In case of an ELSS SIP, each SIP instalment is locked in for a period of 3 years

TAX EFFICIENT



- ☒ Except the PPF, gains in case of all other tax savings avenues are taxed partially or totally. ELSS offers better post-tax returns
- ☒ Long term capital gains of up to ₹1 lakh a year from ELSS mutual funds (including all equity investments) are exempt from income tax, with gains above this limit being taxed at 10%.
- ☒ Maximum potential tax saving of ₹46,800 per annum at the 30% tax slab (including 4% cess on income tax)

KEY BENEFITS



Tax
deduction
under
Section
80C

Short
lock-in of
3 years

Equity
exposure

You can
invest
through
SIPs

No
maturity
date

KEY BENEFITS



Choice
of funds

Inculcates
savings
discipline

Potential
higher
returns

Tax
efficient
on exit*

Wealth
creation

*Long term capital gains (LTCG) of up to ₹1 lakh in a year will be tax free (including all equity investments). Gains above this limit will be taxed at 10%

Mutual Fund investments are subject to market risks, read all
scheme related documents carefully.