

Tips to Save



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Income Tax Saving Tips for Beginners :

- Many of us have the habit of finalizing our tax-saving investment decisions at the last moment. Since companies have started asking for proof of investment declaration, now many people might be running around to make those investments.
- Availing income tax saving tips from experts is a must when you decide to invest in some of the smartest investment plans.



Tips To Invest To Save Tax :

Tips

- Decide about how much amount you want to invest to save tax.
- Research about all different types of tax saving investments .
- Compare the features of all tax saving products and match them to personal investing goals.
- Calculate the returns from investments before investing in any product.
- At times, facing a loss can be very beneficial when you plan your tax savings.
- Be ready with your credit reports and status.



Mutual Funds-Best Tax Saving Options :

- When it comes to tax saving options, mutual funds are the smartest products available in the Indian investment market.
- Availability of all tax saver mutual funds online is the icing on the cake for all investors. Tax saving mutual funds like Equity Linked Saving Schemes ELSS have always attracted many investors, they still do.



ELSS Fund-One Of The Best Tax Saving Mutual Funds :

- Equity Linked Saving Scheme ELSS fund, in other words, the tax saving mutual fund, is one of the favorite investments amongst beginners and professionals.
- An ELSS is a dedicated mutual fund scheme that invests in shares and comes with a lock-in period of three years. You can invest up to Rs 1 lakh in an ELSS and claim tax deduction under section 80C of the I-T Act 1961.
- This 3 year lock in is the lowest lock in period among all other Section 80C investments.



What should you look in an ELSS fund?

- Remember to do thorough research when you invest in an ELSS fund.
- You must look at the long term performance of the fund before putting your money in it.
- Also remember to look at the fund details like the fund manager's investment approach, portfolio of the fund, the expense ratio of the fund and how volatile the fund has been in the past.



Advantages of ELSS over other Tax Saving Instruments :

- Compared to traditional tax saving instruments like Public Provident Fund, National Savings Certificate and bank fixed deposits; the lock in period of an ELSS fund is much lower.
- While ELSS investment is locked in for three years, PPF investments are locked in for 15 years, NSC investments are locked in for 6 years, and bank fixed deposits eligible for tax deduction are locked in for 5 years.
- As ELSS is an investment in equity markets and investing in this for a long term can give you better returns compared to other asset classes over the long term.
- You can also opt for SIP investments, which bring about discipline in regular investing. You can also get income from your investment amount in the lock in period if you opt for dividend schemes.



Disadvantages of ELSS Fund :

- ELSS is not for risk averse investors.
- As ELSS investments are per se stock market investments, all risks associated with equity investments pertain to ELSS.
- So you are better off avoiding ELSS if you do not wish to take this risk.
- Another disadvantage of ELSS is that you cannot withdraw your funds before the maturity date.
- Other instruments like PPF and bank deposits permit premature withdrawal, subject to certain conditions.



Best Performing Tax Saving Mutual Funds :

- Reliance Mutual Fund
- Icici Pru Mutual Fund
- Axis Mutual Fund
- Hdfc Mutual Fund
- TataMutual Fund



Thank You



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