

ELSS - Effective way of Tax planning & creation of Wealth



PPF vs ELSS



PPF (Return = 8.83%)

Investment Dates	Investment Amount (₹)	Interest Rate
Mar-1993	1,50,000	12%
Mar-1994	1,50,000	12%
Mar-1995	1,50,000	12%
Mar-1996	1,50,000	12%
Mar-1997	1,50,000	12%
Mar-1998	1,50,000	12%
Mar-1999	1,50,000	12%
Mar-2000	1,50,000	From 01.04.1999 to 14.01.2000 - 12% From 15.01.2000 to 31.03.2000 - 11%
Mar-2001	1,50,000	From 01.04.2000 to 28.02.2001 - 11% From 01.03.2001 to 31.03.2001 - 9.5%
Mar-2002	1,50,000	From 01.04.2001 to 28.02.2002 - 9.5% From 01.03.2002 to 31.03.2002 - 9%
Mar-2003	1,50,000	From 01.04.2002 to 28.02.2003 - 9% From 01.03.2003 to 31.03.2003 - 8%
Mar-2004	1,50,000	8%
Mar-2005	1,50,000	8%
Mar-2006	1,50,000	8%
Mar-2007	1,50,000	8%
Mar-2008	1,50,000	8%
Mar-2009	1,50,000	8%
Mar-2010	1,50,000	8%
Mar-2011	1,50,000	8%
Mar-2012	1,50,000	From 01.04.2011 to 30.11.2011 - 8%, From 01.12.2011 to 31.03.2012 - 8.6%
Mar-2013	1,50,000	8.80%
Mar-2014	1,50,000	8.70%
Mar-2015	1,50,000	8.70%
Mar-2016	1,50,000	8.70%
Mar-2017	1,50,000	7.90%
Mar-2018	1,50,000	From 01.04.2017 to 30.06.2017 - 7.9%, From 01.07.2017 to 31.12.2017 - 7.8%, From 01.01.2018 to 31.03.2018 - 7.6%

Amount Invested: ₹39 lakhs
Value: ₹1.44 crores

SBI Magnum Taxgain Scheme (Return = 17.58%)

Investment Dates	Investment Amount (₹)	NAV (₹)	Units
Mar-1993	1,50,000	10.0000	15000.00
Mar-1994	1,50,000	14.2800	10504.20
Mar-1995	1,50,000	13.8500	10830.32
Mar-1995		15.0500	2414.25
Mar-1996	1,50,000	10.4300	14381.59
Mar-1996		10.4200	4079.11
Mar-1997	1,50,000	9.1989	16306.30
Mar-1998	1,50,000	10.1050	14844.14
Mar-1999	1,50,000	16.1027	9315.21
Dec-1999		36.2324	6739.49
Mar-2000	1,50,000	52.7151	2845.48
Mar-2001	1,50,000	14.3400	10460.25
Mar-2002	1,50,000	13.1000	11450.38
Mar-2003	1,50,000	10.6700	14058.11
Sep-2003		17.2300	12469.14
Jan-2004		25.8900	9020.74
Mar-2004		22.0300	11215.53
Mar-2004	1,50,000	22.3100	6723.44
Nov-2004		26.4800	18624.46
Mar-2005	1,50,000	38.5700	3889.03
Jun-2005		37.1800	56286.87
Mar-2006		44.3700	88390.15
Mar-2006	1,50,000	46.0700	3255.91
Mar-2007		42.5500	91284.26
Mar-2007	1,50,000	42.4200	3536.07
Feb-2008		47.7800	103121.99
Mar-2008	1,50,000	41.5000	3614.46
Mar-2009	1,50,000	25.1200	5971.34
May-2009		34.6600	45290.54
Mar-2010		38.7900	62482.37
Mar-2010	1,50,000	39.4000	3807.11
Mar-2011		34.2600	78483.62
Mar-2011	1,50,000	36.6700	4090.54
Mar-2012		31.5200	83811.94
Mar-2012	1,50,000	32.0500	4680.19
Mar-2013		30.8878	95554.71
Mar-2013	1,50,000	30.8836	4856.95
Mar-2014		34.5688	95546.15
Mar-2014	1,50,000	34.6545	4328.44
Mar-2015		51.8907	110609.54
Mar-2015	1,50,000	45.6143	3288.44
Mar-2016		36.4523	127011.22
Mar-2016	1,50,000	37.7949	3968.79
Mar-2017		41.1004	125394.67
Mar-2017	1,50,000	41.5127	3613.35
Mar-2018		41.3443	137136.27
Mar-2018	1,50,000	40.9647	3661.69

Amount Invested: ₹39 lakhs
Fund Value: ₹6.33 crores

Data as on: 30th November, 2018.

Note: Cumulative units given above has been adjusted for dividend reinvestment. For simplicity, we have assumed a yearly investment of ₹1.5 lakh per year. In reality, the PPF limit was different for different years, ranging from ₹60,000 to ₹1.5 lakh.

Dividend Reinvested

Record Date	% of Dividend
31-Mar-1995	10
31-Mar-1996	8
15-Dec-1999	25
29-Sep-2003	15
01-Jan-2004	15
29-Mar-2004	15
01-Nov-2004	27
13-Jun-2005	102
13-Mar-2006	150
02-Mar-2007	110
15-Feb-2008	110

Record Date	% of Dividend
29-May-2009	28
05-Mar-2010	40
18-Mar-2011	40
22-Mar-2012	35
28-Mar-2013	35
28-Mar-2014	35
27-Mar-2015	55
11-Mar-2016	40
17-Mar-2017	40
09-Mar-2018	40

Highlights

- Tax benefit on investments up to ₹1.5 lakh under Section 80 C of Income Tax Act, 1961
- 3 years lock-in period
- Available in SIP and Lump sum investment options

Low Lock-in Period of Tax Saving Investment:

Compared to traditional tax saving instruments like PPF, NSC and Bank FDs; the lock-in period of an ELSS scheme is much lower.

Investment Option	Lock-in Period (years)
Public Provident Fund (PPF)	15
National Savings Certificate (NSC)	6
Bank Fixed Deposits	5
Equity Linked Savings Scheme	3

PPF: Partial withdrawals are allowed from the 6th financial year, however the full amount can be withdrawn after 15 years.

Top 10 Holdings in SBI Magnum Taxgain Scheme

Stock Name	% of Total AUM
ICICI BANK LTD.	5.73
INFOSYS LTD.	4.92
ITC LTD.	4.66
HDFC BANK LTD.	4.12
RELIANCE INDUSTRIES LTD.	4.02
LARSEN & TOUBRO LTD.	3.57
AXIS BANK LTD.	3.27
STATE BANK OF INDIA	3.26
AMBUJA CEMENTS LTD.	3.21
HCL TECHNOLOGIES LTD.	3.12
Grand Total	39.90

Top 10 Sectors Exposure in SBI Magnum Taxgain Scheme

Industry	(%) of AUM
FINANCIAL SERVICES	27.53
CONSUMER GOODS	12.29
IT	9.38
PHARMA	8.46
ENERGY	6.85
AUTOMOBILE	6.36
CONSTRUCTION	4.75
CEMENT & CEMENT PRODUCTS	4.04
INDUSTRIAL MANUFACTURING	3.34
TELECOM	3.07

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