

Investment Tax Benefits Guide

Financial Year 2024-25

Comprehensive guide to tax-saving investments and deductions

Ø=Ü° Section 80C Investments

Public Provident Fund (PPF)

Maximum Deduction: ₹1,50,000

Long-term savings scheme with government backing and tax-free returns.

Key Benefits:

- Tax-free interest at 7.1% p.a.
- 15-year lock-in period
- Partial withdrawals allowed from 7th year

Equity Linked Savings Scheme (ELSS)

Maximum Deduction: ₹1,50,000

Tax-saving mutual funds with potential for higher returns.

Key Benefits:

- 3-year lock-in period
- Potential for higher returns
- Systematic Investment Plan (SIP) available

National Savings Certificate (NSC)

Maximum Deduction: ₹1,50,000

Fixed income investment with government guarantee.

Key Benefits:

- Interest rate of 7.7% p.a.
- 5-year lock-in period
- Compounding interest

Ø<ßà Health Insurance (Section 80D)

Self, Spouse & Children

Maximum Deduction: ₹25,000

Health insurance premium for self, spouse, and dependent children.

Key Benefits:

- Additional ₹25,000 for parents
- Additional ₹50,000 for senior citizen parents
- Preventive health check-up up to ₹5,000

Ø<ßà Home Loan Benefits

Home Loan Interest (Section 24)

Maximum Deduction: ₹2,00,000

Deduction on interest paid on home loan for self-occupied property.

Key Benefits:

- Separate from Section 80C limit
- Available for under-construction properties
- Pre-EMI interest also eligible

Principal Repayment (Section 80C)

Maximum Deduction: ₹1,50,000

Deduction on principal repayment of home loan.

Key Benefits:

- Part of Section 80C limit
- Available only after possession
- Can be claimed along with interest deduction

Equity Linked Savings Scheme (ELSS)

NPS Tier I Account (Section 80CCD)

Maximum Deduction: ₹50,000

Additional deduction for NPS contributions beyond Section 80C limit.

Key Benefits:

- Tax-free returns up to 60%
- Pension after retirement
- Flexible contribution options

Important Notes

- Total deduction under Section 80C is capped at ₹1,50,000
- Some investments have lock-in periods
- Returns and tax benefits vary by investment type
- Consider your risk appetite before investing
- Consult a financial advisor for personalized advice

Pro Tips:

1. Start tax planning early in the financial year
2. Diversify your investments across different instruments
3. Keep all investment proofs and receipts safely

For more information, visit: www.savvyaccountantconnect.com