Feature	Tax-Saving Fixed Deposit (FD)	Equity Linked Savings Scheme (ELSS)
Tax Benefit	Deduction up to ₹1.5 lakh under Section 80C	Deduction up to ₹1.5 lakh under Section 80C
Returns	Fixed and predictable (currently around 6-7.5%)	Market-linked, with the potential for higher returns (historically 14-16% over 5 years)
Lock-in Period	5 years	3 years (shortest among 80C options)
Taxation of Returns	Interest is fully taxable at your income tax slab rate (30% in your case)	Long-term capital gains (LTCG) over ₹1 lakh are taxed at 10%
Risk	Very low, with guaranteed returns	Moderate to high, as returns are dependent on the stock market
Liquidity	No premature withdrawal before 5 years	Can be redeemed after 3 years

Which is Better for the 30% Tax Bracket?

For an individual in the 30% tax bracket, the post-tax returns from a tax-saving FD are significantly reduced. For example, a 7% pre-tax return becomes a 4.9% post-tax return.

In contrast, ELSS offers the potential for higher returns that are also more tax-efficient. Even after the 10% LTCG tax on gains over ₹1 lakh, the potential for higher returns often makes ELSS a more attractive option for long-term wealth creation, provided you have a higher risk tolerance.