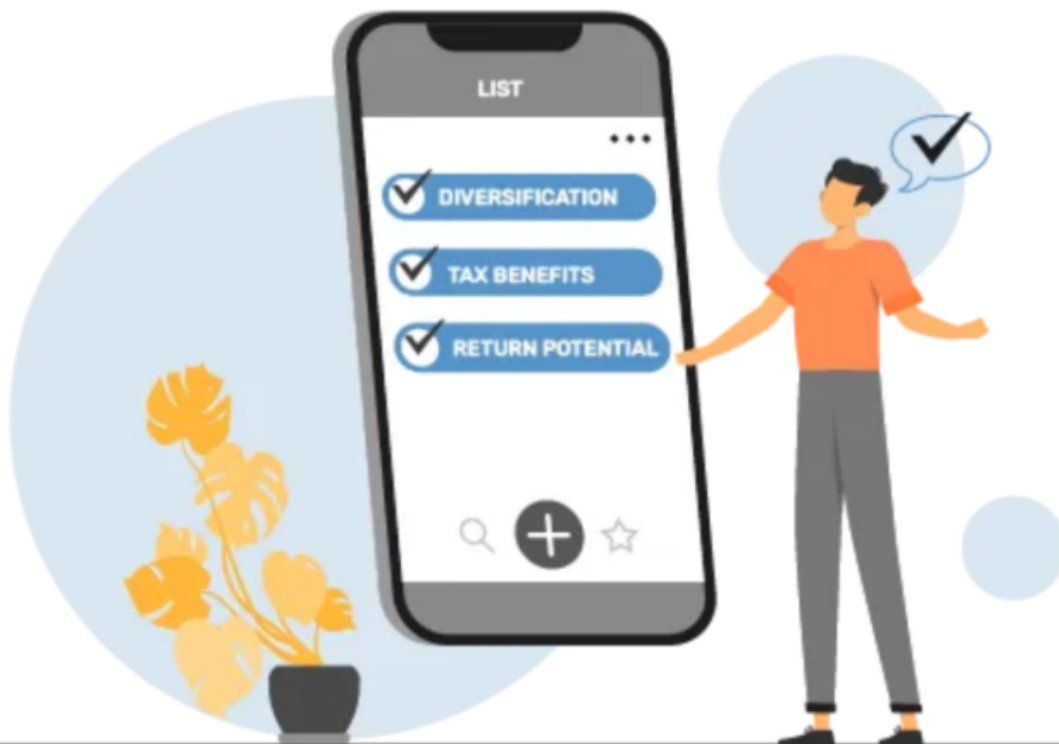


Combining tax savings with growth potential: Bajaj Finserv ELSS Tax Saver Fund

Category: Business

written by | December 24, 2024



As we step into the fourth quarter of the financial year, tax planning takes centre stage for many investors. However, people often view tax saving and wealth growth as two separate investment buckets.



Bajaj Finserv ELSS Tax Saver Fund

What if there was a way to get both benefits in one place ELSS mutual funds give investors an option to bridge this gap, combining the benefit of tax savings under Section 80C of the Income Tax Act, 1961 (eligible for Old Regime) and long-term growth potential through equities.

The newest entrant in this space is the [Bajaj Finserv ELSS Tax Saver Fund](#). Launched by Bajaj Finserv Asset Management Limited, Period, this scheme opened for subscription on December 24, 2024. The NFO period will on till January 22, 2025.

This article tells you more about ELSS funds and Bajaj Finserv AMC's latest scheme.

Why ELSS is your best tax-saving partner

For Indian investors, Section 80C of the Income Tax Act, 1961, has long been an effective way to reduce taxable income and continues to be a popular choice for investors who have opted for the old regime of the Income Tax Act, 1961. Under this

section, investments of up to Rs. 1.5 lakh per scheme in various schemes can be deducted from the taxpayer's taxable income. There are several schemes eligible for this benefit, including:

- Contribution towards PPF.
- Employees Provident Fund (EPF)
- Tax Saver Fixed Deposits.
- Life insurance premiums
- National Savings Certificate

However, these traditional avenues usually prioritise stability and offer low or moderate return potential. ELSS funds, on the other hand, provide market-linked returns while also offering tax benefits. They invest at least 80% of their portfolio in equities. As a result, they offer investors the potential to build wealth over time, though they come with high risk, unlike the more traditional avenues.

What makes the Bajaj Finserv ELSS Tax Saver fund different

The new Bajaj Finserv ELSS Tax Saver Fund combines these benefits with a long-term stock selection process, seeking investments in stocks that show the potential for relatively stable growth over time.

1. **Stock selection:** Fund managers will analyse companies based on fundamentals like revenue growth, profitability, and industry position to identify businesses that have the potential to offer steady growth over the long term.
2. **Diversified portfolio:** By spreading investments across industries and sectors, the fund will seek to provide an optimal risk-return balance.

3. **Long-term focus:** Equity markets can be unpredictable in the short term, but over a longer horizon, quality investments have the potential to yield high returns. ELSS funds encourage disciplined investing by locking in your capital for three years, giving your money time to potentially grow.
4. **InQube edge:** The fund leverages Bajaj Finserv AMC's in-house InQuBe philosophy – the Information edge, Quantitative Edge and Behavioural Edge. This approach seeks to combine superior information collection with advanced data processing models and insights from behavioural finance to seek to stay a step ahead of the curve and potentially outperform the market in the long term.

Timing matters

With January almost here, the race to meet tax-saving goals for FY25 is on. Many taxpayers leave their tax-saving decisions for the last minute, often leading to hasty investments. The Bajaj Finserv ELSS Tax Saver Fund offers an opportunity to plan investments in a more structured manner.

By choosing ELSS, you're not just ticking off a box but also setting the stage for long-term financial growth potential.

How to invest in the Bajaj Finserv ELSS Tax Saver Fund

The NFO period for this scheme is on till January 22, 2025. Investors can purchase units at a face value of Rs. 10 during this period. Investments start at Rs. 500 for Systematic Investment Plan as well as lumpsum. Both Growth and IDCW (Income Distribution cum Capital Withdrawal) options are available.

Once the NFO period ends, the fund will re-open for subscription in a few business days. Investors can then

purchase units at the prevailing Net Asset Value (NAV).

You can invest directly with Bajaj Finserv Asset Management Ltd. on www.bajajamc.com or by visiting your nearest branch. You can also invest through Registrar and Transfer Agent KFin Technologies Ltd, both online and offline. Moreover, you can invest through a mutual fund distributor or a registered aggregator.

Here's how you can get started:

1. Identify how much you need to invest to meet section 80C of the Income Tax Act, 1961, deduction limit. You can also invest more for your long-term goals.
2. Choose between lumpsum and [SIP investment](#).
3. Open an account: Choose whether you want to invest online or offline, through Bajaj Finserv AMC or a third party.
4. Track and review: While your money is locked in for three years, regular reviews of your portfolio's performance can help you stay aligned with your financial goals.

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

