



Varaiya and Shah LLP

Chartered Accountants

Tax Alert

Deduction under section 80-C of the Income-tax Act, 1961

Dear All,

Often at every year end, you invest in PPF and various tax saving schemes in order to claim deduction from taxable income and thereby reduce your tax liability. However, we suggest making these investments at the beginning of the year instead of at the end of the year.

PPF (Public Provident Fund) is one of the most common investments to claim deduction on the contribution made and also to earn interest thereon which is tax free. By investing in PPF at the beginning of the year, you can thereby increase your (tax free) interest income as you will earn interest for the full year on the amount deposited at the beginning of the year.

Apart from PPF, there are also various Tax Savings Schemes/ELSS to invest in, to get deduction u/s. 80C. By investing in these schemes at the beginning of the year, the maturity/ redemption will be earlier, resulting in an early inflow of funds.

Thus, we strongly suggest to you to make your deductible investments at the beginning of each financial year thereby reaping the benefits of early investments.

Thanking You,

We, at Varaiya & Shah LLP

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Varaiya & Shah LLP

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