

## **My Iris Chat Session with Mr. Anil Rego, CEO & Founder, Right Horizons**

**Date: 30<sup>th</sup> Jan 2009**

Rajeev\_76:025926 : Good Afternoon !!!

anil.rego:030146 : Good Afternoon. This is Anil - I am ready to take your questions.

Pushpa:025527 : Dear Sir, We are a newly wed couple. My husband is an analyst and earns around Rs. 30k a month. I work as a lecturer and get around 18k per month. This month my husband has lost his job as the company he was working for has decided to close shop due to some reasons. Do you think there is some way in which we can save on our taxes this year as it might be a little difficult, especially with him having to search for a new job and hence we would need a little cushion ourselves for the days ahead. What is your advise?

Namitha:025114 : if am getting 25. 000 every month, how much tax shuld i pay and how can i plan for that

anil.rego:030743 : Dear Pushpa. Job losses are a sad reality today. You definately need to look at optimise on tax savings and bring it down to zero at your income level. First look for exemptions like HRA to save tax. After that you can look at deductions and make as much of investment as is required to bring taxes to zero. At times like these apart from saving taxes, you need to keep a close tab on expenses. I wish your husband all the best in finding a new job.

Pooja.patel:030916 : How do you aviod overcommitting to investments in the name of tax planning? what are the things that need to be given importance to before planning for taxes?

anil.rego:031053 : Hi Namitha. For women the tax slab is 10% between Rs 1.8 lakh to Rs 3 lakh. You have an option to look at exemptions after which your tax will be calculated. There are exemptions like conveyance and HRA which you can use to reduce the taxable income. Further, you can invest in tax saving options upto Rs 1 lakh. At your tax slab you can reduce your taxes to zero. Through a combination of exemptions and tax saving investments. Your tax saving investments can be in a combination of safer avenues like bank fixed deposits, insurance and PPF. You can also use some into market linked avenues like Tax saving ELSS mutual funds or even ULIPs.

anil.rego:031239 : Hi Pooja - The best way to avoid overcommitting investments to tax planning is by studying in detail your tax liability. You can also use exemptions and reimbursements that are tax free and require no investmetns. Balance you can invest into tax saving investments only to the extent you need to. Other investmetns can be in non tax saving avenues that are more flexible.

[Leenachandan:030934](#) : Sir, What are good from the tax planning perspective..ULIPS or term insurance?

[Deepak.kumar:030848](#) : Should i invest in Bhavishya Nirman Bonds by nabard ?

[KYV:030751](#) : how ULIPs are beneficial for tax savings?

[anil.rego:031822](#) : Hi Leenachandan- ULIPs and Mutual Funds have two types of costs - upfront charges and fund management charges. In the short term, it is always better to go for Mutual funds Term cover as an alternative for ULIPs. If your time horizon is above 6 years, then you can consider ULIPs since their Fund Management Charges(FMC) are lower. FMC though a small percentage is calculated on the accumulated fund value and hence goes up exponentially in the long term. If you choose a ULIP, look for one which has FMC lower than a Mutual Fund

[anil.rego:031944](#) : Bhavishya Nirman bonds are a good option if you are ok with long term investmetns that are secure. Interest rates are likely to go down due to lower inflation rates and hence these would be good options to use.

[KYV:030229](#) : what are the 3 top performing ULIPs according to you?

[KYV:030203](#) : Which 1 is better amongst ULIPs and insurance?

[Leenachandan:031823](#) : Can u suggest some good ULIP plans for the current tax planning season?

[anil.rego:032449](#) : KVV - ULIPs are covered under section 80C along with other tax saving investments like PPF, ELSS Mutual Funds, NSCs, Insurance, etc. All these avenues save the similar amount of tax. The tax savings depends on the tax bracket you are in. If you are in the 30% bracket, you will save tax of 30% on the amount you invest since your taxable income will get reduced to the extent of your investment. Regarding your other question, I have answered the previous question on when you should go in for a ULIP. I would not like to talk specifically about companies on this chat so that there is no bias. Objective would be to go for a ULIP that has low FMC as mentioned earlier.

[Sarthak:030715](#) : Would FDS be a gud option or ULIPS in the present scenario to asve tax..pls advise..

[Amit:030403](#) : In present scenario how much can i invest if my ctc is 4.0lakh per Annum

[keshvi:030401](#) : Hi Sir, I have to invest 50k in the month of feb for tax saving purpose..whr shud I invest currently as I am scared of investing in elss currently

**anil.rego:033122** : Dear Sarthak- If you can take risk then ULIPs or even Tax Saving ELSS mutual funds can be considered because a 3 year time frame when the index has fallen over 50% is likely to do well. If you would like to play safe, then you can use Bank FDs of 5 years or more. However keep in mind that if you are in the higher tax brackets, you will lose a good part of the interest into tax on the interest you receive.

**anil.rego:033243** : Amit- We have a tax calculator on [www.righthorizons.com](http://www.righthorizons.com) that you can use. It is not so simple to give you the projection because there are various components of your salary that can be tax free. Reimbursements also are not added to income as most of them are subject to Fringe Benefit Tax where liability is on the company.

**Pushpa:031044** : Do you think it is mandatory to have a medical insurance other than the one provided by our employers?

**anil.rego:033422** : Hi Keshvi- I would suggest you break up your investmetns. Put some portion into ELSS funds, some into Infrastructure Bonds/PPF/Bank Deposits and if you need insurance for any needs that you would like to cover then you can use ULIPs or lower risk traditional insurance as well.

**Pooja Chopra:031719** : There are ample new ELSS (equity linked saving schemes) schemes floating in the market. Which ELSS should I buy?

**anil.rego:033854** : Hi Pushpa- We strongly recommend having a separate medical insurance other than provided by the employer because today job changes are common. Considering the high medical costs today, we have run into a lot of customers whose company cover was insufficient. If one is above 45 years, then we recommend cover so that you have a policy that takes care of you post retirement. I would suggest a family floater policy so as to optimise the cost and get all your family members covered though just one policy. what makes it easier is that there is a separate tax saving limit for medical insurance. Rs 15,000 for self and an additional 15,000 for premiums paid for parents. The tax thus saved will lessen your burden.

**Pooja Chopra:033748** : What are the smart ways for salaried individuals to save taxes?

**Deepak.kumar:033722** : Hi, i book loss in Share Market(Cash and Derivatives), How can i show it in my tax statmemnt and how i can reduce in my tax liablity using loss in Stock market.

**anil.rego:034215** : Pooja- ELSS Funds that you can consider are Sundaram Tax Saver, HDFC Tax Saver, Franklin India Tax Shield, Canara Robeco Tax Saver and SBI Magnum tax gain. You can invest in a combination of ELSS funds.

[anil.rego:034449](#) : Pooja- One would suggest a combination of options - High Risk/Return options and Low Risk/Return options. This approach could be used irrespective of markets. When equity markets do well, your equity linked options will do well and when markets are down, low risk options will give you good returns. I have covered these options earlier.

[Harendra:033441](#) : Could you suggest me any index mutual fund which comes under tax saving scheme ?

[anil.rego:034633](#) : Losses that you book on the stock market cannot be set off against other heads of income. It can be carried forward and when you do make profits you can adjust the same (ie set off your losses).

[Abdul:034931](#) : Sir, what amongst various instruments should form major part of our 80C tax planning portfolio

[Leena:033648](#) : Sir, Can u suggest some government instruments that can form part of tax planning scheme for the year

[anil.rego:035153](#) : Franklin India Index Tax was an option which was closed. In India non index funds (diversified ELSS funds- as indicated earlier) normally outperform the index funds and hence you can use them.

[anil.rego:035429](#) : Leena - PPF, NSCs, Tax saving bonds from organizations like NABARD, Insurance from companies like LIC (they had a guaranteed return plan that just closed) and PSU Banks. PSU's options that I have indicated can also be used if you are looking for safety.

[Sourabh:033554](#) : What are other ways to save taxes besides investments?

[anil.rego:035728](#) : Sourabh - As mentioned earlier, exemptions(eg HRA, Conveyance, LTA) and reimbursements can be used. Even within section 80C there are a couple of options like children's tuition fees and principal repayment on home loan that could be used.

[Amit:030337](#) : PPF A/C of my HUF is completing 15 5yrs in feb.will i have to close this account

[Lovina:035814](#) : I am 44 years. I wish to retire at 60. My current income is 1.4 L pm post tax. I have around 35Lakhs and minimal insurance. 2 SIPS with TATA AIG and ICICI Prudential total investment of 2.4 L per year. My current expense per month is 81 L including a home loan of 30L. I worry If I am on the right track for a reasonably comfortable retirement. Please guide me.

[anil.rego:040209](#) : thank you for your overwhelming response. I wish I could have answered more questions, but we have run out of time.