

USE YOUR FY 2025 - 2026 TAX SAVINGS TO BUILD LONG-TERM WEALTH



LM FINANCIALS

AMFI-Registered Mutual Fund Distributor | ARN-30862

 info@lmfinancials.in  8750066001  www.Lmfinancials.in



Introduction

The Union Budget for FY2025-26 brought good news for taxpayers under the New Tax Regime. With higher tax exemption limits and lower liability at various income levels, many salaried individuals will find extra money in their hands this financial year.

Taxpayers have two choices with this extra tax savings – either to increase their lifestyle spending or to invest systematically and create long-term wealth. Making the right choice can define their financial future.



LM FINANCIALS

AMFI-Registered Mutual Fund Distributor | ARN-30862

 info@lmfinancials.in  8750066001  www.Lmfinancials.in



Budget Comparison: New Tax Regime (FY2024-25 vs FY2025-26)

| FY 2024 -2025 | | FY 2025 -2026 | |
|---------------------------|-----------|---------------------------|-----------|
| Income Tax Slabs | Tax Rates | Income Tax Slabs | Tax Rates |
| Up to Rs. 3 lakh | NIL | Up to Rs. 4 lakh | NIL |
| Rs. 3 lakh - Rs.7 lakh | 5% | Rs. 4 lakh - Rs.8 lakh | 5% |
| Rs. 7 lakh - Rs. 10 lakh | 10% | Rs. 8 lakh - Rs.12 lakh | 10% |
| Rs. 10 lakh - Rs. 12 lakh | 15% | Rs.12 lakh - Rs.16 lakh | 15% |
| Rs. 12 lakh - Rs. 15 lakh | 20% | Rs.16 lakh - Rs. 20 lakh | 20% |
| Above Rs. 15 lakh | 30% | Rs. 20 lakh - Rs. 24 lakh | 25% |
| | | Above Rs. 24 lakh | 30% |

Hypothetical Tax Savings at Different Income Levels (New Tax Regime)

| Gross Salary Income | Tax Payable FY 24 - 25 | Tax Payable FY 25 - 26 | Savings |
|---------------------|------------------------|------------------------|-----------|
| ₹10,00,000 | ₹44,200 | ₹0 | ₹44,200 |
| ₹12,75,000 | ₹83,200 | ₹0 | ₹83,200 |
| ₹20,00,000 | ₹2,78,200 | ₹1,92,400 | ₹85,800 |
| ₹25,00,000 | ₹4,34,200 | ₹3,19,800 | ₹1,14,400 |
| ₹30,00,000 | ₹5,90,200 | ₹4,75,800 | ₹1,14,400 |

Note: Standard deduction of ₹75,000 and Cess of 4% is considered in all cases. Sec 87A rebate of ₹60,000 is considered for FY2025-26.

What If You Invest This Tax Saving Through SIP?

Let's see how much wealth you could build by investing your saved tax as a monthly SIP. Assumption: 12% annual return.

| Annual Tax Saved | Monthly SIP | Wealth in Yrs (₹) | | | |
|------------------|-------------|-------------------|------------|------------|------------|
| | | 5 | 10 | 15 | 20 |
| ₹44,200 | ₹3,683 | ₹2,98,732 | ₹8,25,199 | ₹17,53,014 | ₹33,88,141 |
| ₹83,200 | ₹6,933 | ₹5,62,318 | ₹15,53,316 | ₹32,99,791 | ₹63,77,678 |
| ₹85,800 | ₹7,150 | ₹5,79,891 | ₹16,01,857 | ₹34,02,910 | ₹65,76,980 |
| ₹1,14,400 | ₹9,533 | ₹7,73,188 | ₹21,35,809 | ₹45,37,213 | ₹87,69,307 |

This table shows how small, consistent investments of saved tax can compound into meaningful wealth over time. Please note returns are not guaranteed, and the above table is for illustration purposes only.

Conclusion

The revised New Tax Regime for FY2025-26 not only helps you save more but also gives you a chance to **build long-term financial security** – if you take the next step and invest that surplus.

Don't let this opportunity slip into **untracked spending**. Instead, treat your tax savings like a bonus and put them to work through smart investing.

Disclaimer: Mutual Fund investments are subject to market risks. Please read the scheme related documents carefully before investing. Returns are not guaranteed. The provided SIP chart is purely for illustration purposes, and note that real-world circumstances may cause variations from these projected figures. This is not a piece of financial advice and it's for educational purposes only.

