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Aug 2025



>>> NEWSLETTER

# KNOWLEDGE INITIATIVE



## >>> 1. Use Your Tax Savings to Build Long-Term Wealth:

The Union Budget FY2025-26 brings welcome relief for taxpayers under the New Tax Regime, offering higher exemptions and lower liabilities. Many will see extra money in hand this year.

As we mark Independence Day this August, it's the right time to work toward financial freedom. Choose wisely—spend more or invest for long-term wealth.

## 2. Cost of Delay in Investment (SIPs):

Delaying investments, whether SIP or lump sum, can significantly impact long-term wealth. Even investing a larger amount later can't match the gains of starting early. Many underestimate the true cost of delay, assuming a few years won't matter.

In reality, postponing investments could mean losing out on crores over time.



## >>> 3. LIST OF TOP MUTUAL FUNDS

Check the best performing mutual funds in their respective categories



## 1. Use Your Tax Savings to Build Long-Term Wealth:

The Union Budget FY2025-26 brings relief for taxpayers under the New Tax Regime, leaving many with more money in hand. With increased exemption limits and reduced tax liabilities, salaried individuals have greater flexibility in managing their finances.

This August, as we celebrate Independence Day, it's a great time to take a step toward your own financial freedom. Use your tax savings wisely—either spend more or invest for long-term wealth. The choice you make today can shape a secure tomorrow.

### Budget Comparison: New Tax Regime (FY 2024-25 vs FY 2025-26)

FY 2024-25		FY 2025-26	
Income Tax Slabs	Tax Rates	Income Tax Slabs	Tax Rates
Up to Rs. 3 lakhs	NIL	Up to Rs. 4 lakhs	NIL
Rs. 3 lakh - Rs. 7 lakhs	5%	Rs. 4 lakh - Rs. 8 lakhs	5%
Rs. 7 lakh - Rs. 10 lakhs	10%	Rs. 8 lakh - Rs. 12 lakhs	10%
Rs. 10 lakh - Rs. 12 lakhs	15%	Rs. 12 lakh - Rs. 16 lakhs	15%
Rs. 12 lakh - Rs. 15 lakhs	20%	Rs. 16 lakh - Rs. 20 lakhs	20%
Above Rs. 15 lakhs	30%	Rs. 20 lakh - Rs. 24 lakhs	25%
		Above Rs. 24 lakhs	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 FY 25-26*

### What if you invest this savings through SIP in Mutual Funds?

Annual Tax Saved	Monthly SIP	Wealth in 5 Yrs	Wealth in 10 Yrs	Wealth in 15 Yrs	Wealth in 20 Yrs
₹44,200	₹3,683	₹3,03,797	₹8,55,706	₹18,58,353	₹36,79,863
₹83,200	₹6,933	₹5,71,879	₹16,10,808	₹34,98,225	₹69,27,094
₹85,800	₹7,150	₹5,89,779	₹16,61,224	₹36,07,718	₹71,43,909
₹1,14,400	₹9,533	₹7,86,344	₹22,14,888	₹48,10,123	₹95,24,877

*This table shows how small, consistent investments of saved tax can compound into meaningful wealth over time. Assuming CAGR of 12% on equity mutual fund investments.*

**Conclusion:** The revised New Tax Regime for FY2025-26 not only helps you save more but also gives you a chance to build wealth - 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. Get in touch with us at [mail@netbrokers.co.in](mailto:mail@netbrokers.co.in) to start investing.



## 2. Cost of Delay in Investment (SIPs):

If you delay your investments, whether through SIP or in lump sum, and invest a higher amount at a future date, still you will not be able to catch up with someone who started investing say five or 10 years before you. People tend to delay their investment each day to the following day with a mindset that it hardly makes any difference. A delay of even a few years could cost you crores of rupees.

Surprisingly, people think the cost of delaying investing is not as significant of a figure as what it truly is.

### Illustration Explaining Cost of Delay:

The table illustrates the SIP amounts needed at various ages to attain a corpus of INR 5 Crore by retirement (at age 60) and how investment requirements increase significantly with age, reflecting the 'Cost of Delay' – the higher amounts needed to reach the same corpus as one's age advances.

#### Cost of Delay in Starting SIP to Reach ₹5 Crore by Age 60

Start Age	Monthly SIP (₹)	Delay by	Revised SIP (₹)	Extra Monthly Investment (₹)	% Increase
25	7,700	5 years	14,165	6,465	84%
25	7,700	10 years	26,350	18,650	242%
30	14,165	5 years	26,350	12,185	86%
30	14,165	10 years	50,050	35,885	253%
35	26,350	5 years	50,050	23,700	90%
35	26,350	10 years	1,00,000	73,650	280%

*(Assuming 12% CAGR on equity mutual funds)*

- ❖ **Early Start = Lower SIP:** A 25 year old needs to invest just ₹7,700/month to reach ₹5 crore by 60.
- ❖ **5-Year Delay Doubles SIP:** Delaying by 5 years (starting at age 30) increases the required SIP to ₹14,165—a jump of 84%.
- ❖ **10-Year Delay Is Costly:** Starting at the age of 35 means you'll need ₹26,350/month—242% more than if you had started at 25.
- ❖ **Every 5-Year Delay = Exponential Rise:** A 10-year delay at age 30 i.e. if the person starts monthly SIP at the age of 40, he needs to invest ₹50,050/month, nearly 3.5x the original SIP.
- ❖ **Delay = Heavy Burden:** Starting at 35 and delaying by 10 years requires ₹1,00,000/month to meet the same ₹5 crore target.

**The longer you wait, the steeper the cost. Start early and invest consistently to reduce financial pressure. Get in touch with us at [mail@netbrokers.co.in](mailto:mail@netbrokers.co.in) to start your SIP 'now' as there is no good or bad time to do it.**

### 3. LIST OF TOP MUTUAL FUNDS

Check the best performing funds in their respective categories.

CATEGORY	TOP SCHEMES
LARGE CAP	ICICI Prudential Bluechip Fund Nippon India Large Cap Fund
LARGE AND MID CAP	Franklin India Opportunities Fund WhiteOak Capital Large & Mid Cap Fund
FLEXI CAP	WhiteOak Capital Flexi Cap Fund Parag Parikh Flexi Cap Fund
MULTI CAP	Nippon India Multi Cap Fund Kotak Multi Cap Fund
FOCUSED	SBI Focused Equity Fund Invesco India Focused Equity Fund
MID CAP	Motilal Oswal Midcap Fund WhiteOak Capital Mid Cap Fund
SMALL CAP	Bandhan Small Cap Fund Franklin India Small Cap Fund
ELSS	DSP ELSS Tax Saver Fund Motilal Oswal ELSS Tax Saver Fund
HYBRID AGGRESSIVE	DSP Aggressive Hybrid Fund SBI Equity Hybrid Fund
BALANCED ADVANTAGE FUND	DSP Dynamic Asset Allocation Fund WhiteOak Capital Balanced Advantage Fund
MULTI ASSET FUND	WhiteOak Capital Multi Asset Allocation Fund DSP Multi Asset Allocation Fund

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