



Handbook for the  
Financial Wellbeing Journey

**BUDGET 2025**



# Introduction

Thank you for your interest in the Financial Wellness program.

Hope the program was insightful with many implementable take-aways.

Here is a Handbook which gives a glance into:

- Proposed changes and their impact
- Tax Decisions
- Other Tax matters



# Old Vs New Tax SLABS



Income Tax Slabs – Changes effective April 1<sup>st</sup> 2025

## NEW TAX REGIME (Revised\*)

**\*Change in Tax Slabs**

Current Tax slab (From Financial Year 2024 – 2025).	New Tax slab (From Financial Year 2025 – 2026)
0-3 Lakh - NIL	0-4 Lakh - NIL
3-7 Lakh - 5%	4-8 Lakh - 5%
7-10 Lakh - 10%	8-12 Lakh - 10%
10-12 Lakh - 15%	12-16 Lakh - 15%
12-15 Lakh - 20%	16-20 Lakh - 20%
15 Lakh and above - 30%	20-24 Lakh - 25%

Above 24 Lakh - 30%

## OLD TAX REGIME


INCOME	TAX RATE (%)
0-2.5 Lakh	NIL
2.5-5 Lakh	5%
5-10 Lakh	20%
Above 10 Lakh	30%



# Rebate



## Illustration with Income upto 12.75 Lakhs

- The rebate under Section 87A is now applicable up to a total income of Rs 12 lakh from 7 Lakhs.
- HUF/ firms etc not eligible for rebate
- Refer to illustration : 

sl	Particulars	Rate	Income	Tax Amount
1)	Gross Taxable Income after std deduction		12,75,000	
2)	Std Deductions		75,000	
	Taxable Income ( 1-2)		12,00,000	
	Tax slab:			
3)	Upto 4,00,000			Nil
4)	Rs. 4,00,001 – 8,00,000	5%		20,000
5)	Rs. 8,00,001 – 12,00,000	10%		40,000
6)	Total Tax chargeable ( 3+4+5)			60,000
7)	Rebate under Section 87A			60,000
8)	Tax to be paid ( 6-7)			Nil

\*This is effective April 1<sup>st</sup> 2025 only and amount in Rs.



# Marginal Relief

Refer to illustration below :

Sl	Particulars	Rate	Income	Tax Amount
1	Gross Taxable Income after std deduction		12,25,000	
2	Income from FD + Dividend		Nil	
	Taxable Income ( 1+2)		12,25,000	
	Tax slab:			
3)	Upto 4,00,000			Nil
4)	Rs. 4,00,001 – 8,00,000	5%		20,000
5)	Rs. 8,00,001 – 12,00,000	10%		40,000
6)	Rs.12,00,001 – 12,25,000	15%		3,750
7)	Total Tax chargeable ( 3+4+5+6)			63,750
8)	Marginal Relief			38,750
9)	Tax to be paid ( 7-8)			25,000

\* Marginal relief is not available if Net Taxable Income crosses 12,75,000



# Changes in TDS and TCS



	CURRENT THRESHOLD	PROPOSED THRESHOLD
Rent	₹ 2.4 lakh	₹ 6 lakh
Interest (other than interest on securities)	<ul style="list-style-type: none"> <li>▪ ₹50,000 (senior citizen)</li> <li>▪ ₹40,000 (others when payer is bank, cooperative society, post office)</li> <li>▪ ₹5,000 (other cases)</li> </ul>	<ul style="list-style-type: none"> <li>▪ ₹1 lakh (senior citizen)</li> <li>▪ ₹50,000 (others when payer is bank, cooperative society, post office)</li> <li>▪ ₹10,000 (other cases)</li> </ul>
Interest on securities	NIL	₹ 10,000
Remittance under LRS for education	0.5% over ₹7 lakh	NIL
Remittance under LRS and overseas tour program package	₹7 lakh	₹10 Lakh
Dividend for individual Shareholder	₹5,000	₹10,000
Income from mutual fund units or specified company/undertaking	₹5,000	₹10,000
Winnings from lottery, crossword puzzle, horse race	Over ₹10,000 for combined Income in a financial year	₹10,000 for single transaction
Fee for professional/technical services	₹30,000	₹50,000



# Other Changes

## Second Property

- Second property not rented out can be shown as self occupied
  - No tax to be paid
  - Earlier tax was charged based on expected rent
  - For ex: on expected rent of Rs 3 lakhs, tax saving of Rs 65,000

**ULIPs** issued after 01/04/2012 with premium > 10% of sum assured  
And  
Annual Premium > 2.5 lakhs

- Will be taxed as capital Gains (Equity)

## NPS Vatsalya for minors

- Rs 50,000 deduction under Sec 80 CCD 1(B) under old tax regime

## Updated ITR

- Time Limit to file updated returns increased to 4 years from the end of relevant assessment year
  - Additional tax to be paid
    - Return filed between 24-36 months from the end of relevant assessment year : 60%
    - Return filed between 36-48 months from the end of relevant assessment year : 70%



# Optimizing Wealth

Illustrative example for Prepay Vs Invest

## Prepay 1 extra EMI every Year

EMI	Rs. 43,000
Interest reduced due to prepayment	8.5 Lakhs
Tenure reduced	2 years 2 months

## SIP

Monthly Investment	Rs. 3,700
Investment Period	20 Years
Approx return	12% p.a
Approx maturity value	36.96 lakhs

← Or →

## Set Up SIP

Monthly Investment	Rs. 3,700
Investment Period	20 Years
Approx return	12% p.a
Annual Increase	5%
Approx maturity value	53.60 Lakhs

\*Details : Loan Amount 50 Lakhs, Tenure 20 years, Interest 9% p.a, EMI Rs. 43,000 pm





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