



By the Faujis. For the Faujis.

WEALTH INSIGNIA

MONTHLY FINANCIAL NEWSLETTER 'BY THE FAUJIS. FOR THE FAUJIS.'

Financial Micro Bytes

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HFI – Media Features





Dear Friends

As we move into the peak of summer in India, the environment around us both literally and financially feels a bit more intense than usual.

The past month highlights two important shifts - one global, one domestic.

Rising oil prices, driven by geopolitical tensions, may gradually reflect in higher fuel costs, increased prices of goods and services, and persistent inflationary pressures. This, in turn, can influence interest rates and create short-term volatility in markets.

*At the same time, a quieter but equally important shift is underway in the way taxation integrates with our financial lives. With the upcoming changes under the **Income Tax framework, taxation is moving beyond a once-a-year activity** to something that runs alongside your financial behaviour throughout the year.*

Earlier, tax planning was about how much you could save. But now, it's about how well your financial story aligns with what the system already knows.

What does this mean for you?

*Keep your financial records aligned
Plan taxes through the year or stay mindful about it
Continue your investments
Avoid reacting to short-term noise*

This is a good time to step back and ensure your financial decisions today are aligned with where you want to be tomorrow. That is how we transition from wealth to abundance.

Stay the course. Stay invested.

*Warm regards,
Col Sanjeev Govila (retd)
CEO, Hum Fauji Initiatives*

MONTHLY FINANCIAL NEWSLETTER BY THE FAUJIS. FOR THE FAUJIS.

Posting every 2–3 years but still buying a house early?

At first glance, owning a house feels like a milestone - stability, pride, and a long-term asset. But in a transferable job, especially in the armed forces, timing plays a bigger role than emotions.



The Real Challenge

When you are posted frequently, the house you buy may not remain your “home” for long. Within a couple of years, you may be moved to another city or station, while the home loan EMI continues. That means you may end up:

- Paying EMI for your own house
- Paying or managing rent/accommodation elsewhere
- Handling maintenance, tenant issues, or vacancy risk
- And when you get to really live in that house comfortably, it may be many decades old already, implying the tenants enjoyed the problem-free period of the house.

Consider this.

An officer buys a ₹75 lakh home with an EMI of ₹52,000. After a posting, the house is left behind.

If vacant - full EMI continues.

If rented at ₹20,000 - there’s still a ₹32,000 gap, plus other costs.

So, while it remains an asset, it can strain monthly cash flow.

The real question isn’t “Can you buy a house?” It’s “Is this the right time?”

A Smarter Way to Think About It Buying a house early is not wrong - buying without clarity is. A house makes more sense when there’s clarity on settlement, strong savings, and EMIs don’t disturb lifestyle or investments.

Until then, for many officers, it may be wiser to:

- build investments first,
- maintain liquidity,
- and buy a home when the timing is more practical.

For armed forces professionals, constant movements are there and the smartest decision is not the earliest one - but the right one.

(Contributed by Abhilash Rana, Relationship Manager, HNI Desk, Hum Fauji Initiatives)

AS YOUR SALARY GROWS, SO SHOULD YOUR SIP!



Every 6 months, DA (Dearness Allowance) increases to help you cope with inflation and boost your take-home income. Promotions, posting to difficult areas or assignments, Pay Commissions, annual salary increments, maybe even bonuses, also result in recurrent extra income. But here’s the catch - most of this extra income quietly gets absorbed into lifestyle expenses.

A smarter approach?

If your income goes up → your investments should also go up.

Example - Real-Life Comparison (12 Years | ~12% Return) only for the 6-monthly DA increase:

Particulars	Investor A (Fixed SIP)	Investor B (DA-Linked SIP)
Starting SIP	₹20,000/month	₹20,000/month
SIP Increase	No increase	+₹3,000 every 6 months
Investment Period	12 years	12 years
Total Investment	₹28.8 lakh	₹55-58 lakh
Approx Corpus	₹52-55 lakh	₹1.2-1.35 crore

What’s the difference?

Investor B didn’t invest a lump sum - just increased SIP by a small amount with every DA hike.

Same time, same discipline - just one habit → more than 2X wealth.

Imagine you doing the same thing with every increase of your salary – you can create true generational wealth!

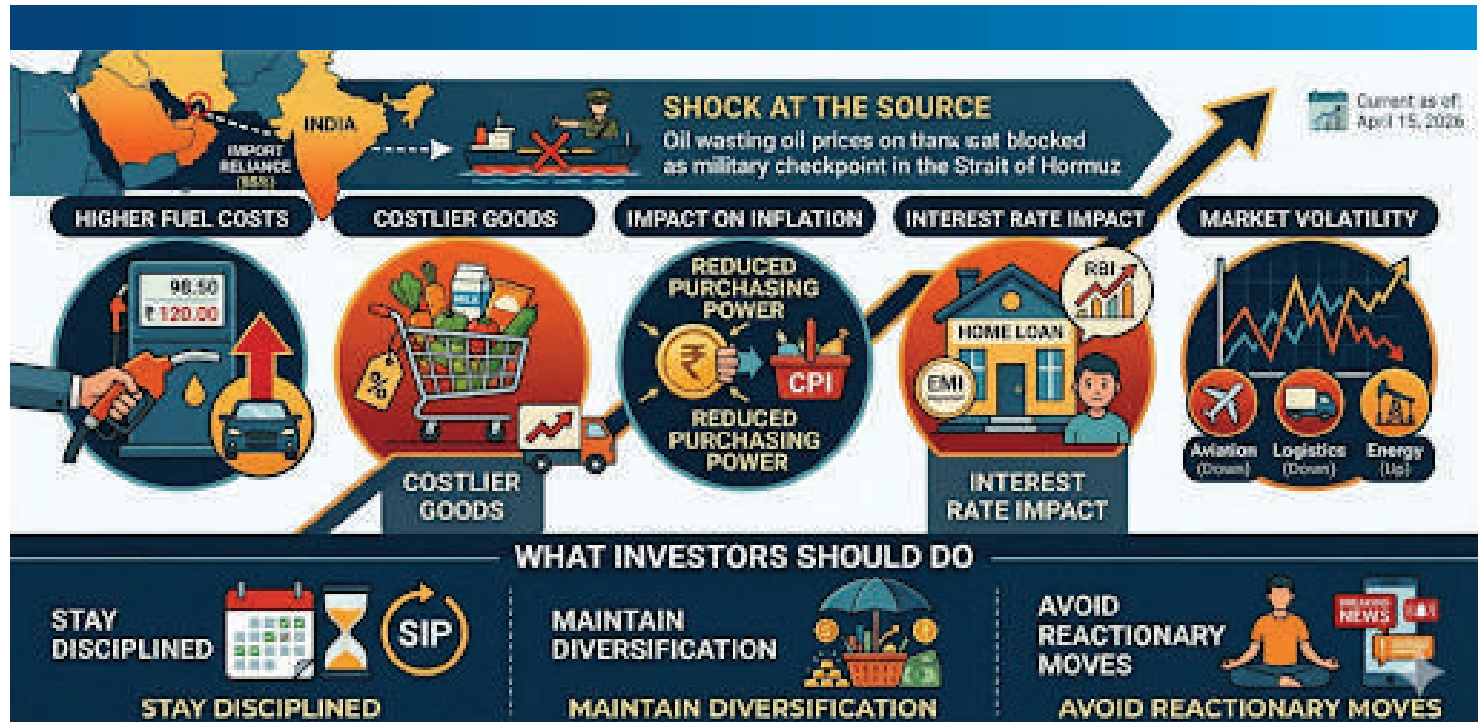
Why it matters more for Armed Forces Person like you

- Structured income growth makes planning easier
- Early retirement timelines require stronger wealth creation
- Consistency matters more than timing

Small SIP increases regularly can lead to a significantly larger corpus over 10–15 years - without feeling the pinch. A small hike is not just a small income increase - it’s an opportunity to strengthen your future.

(Contributed by Shruti Goyal, Relationship Manager, Team Vikrant, Hum Fauji Initiatives)

OIL PRICES ARE CLIMBING – IS YOUR BUDGET READY?



You may not track global oil prices daily - but they quietly impact your **monthly budget**.

With rising tensions in the Middle East, crude oil prices have surged. For India, which imports nearly **85% of its oil**, this has a direct ripple effect.

While the impact may seem distant initially, higher oil prices gradually translate into increased cost pressures across your monthly budget.

How does this affect you?

- 01 Higher Fuel Costs:** Petrol and diesel prices rise → daily travel costs go up
- 02 Costlier Goods and Services:** Higher diesel prices increase transportation costs → groceries and essentials become expensive
- 03 Impact on Inflation:** Higher fuel costs push overall inflation upward, reducing purchasing power and making everyday living more expensive.
- 04 Interest Rate Impact:** If inflation rises, interest rates may not fall easily → loans remain expensive
- 05 Impact on Investments:** Rising oil prices can create short-term market volatility. Fuel-sensitive sectors like aviation and logistics may face pressure, while energy companies may benefit.

What Should Investors Do?

Global events like these create **short-term noise, not long-term change**. What you should do is:

- Continue SIPs
- Stay diversified
- Avoid reacting to headlines

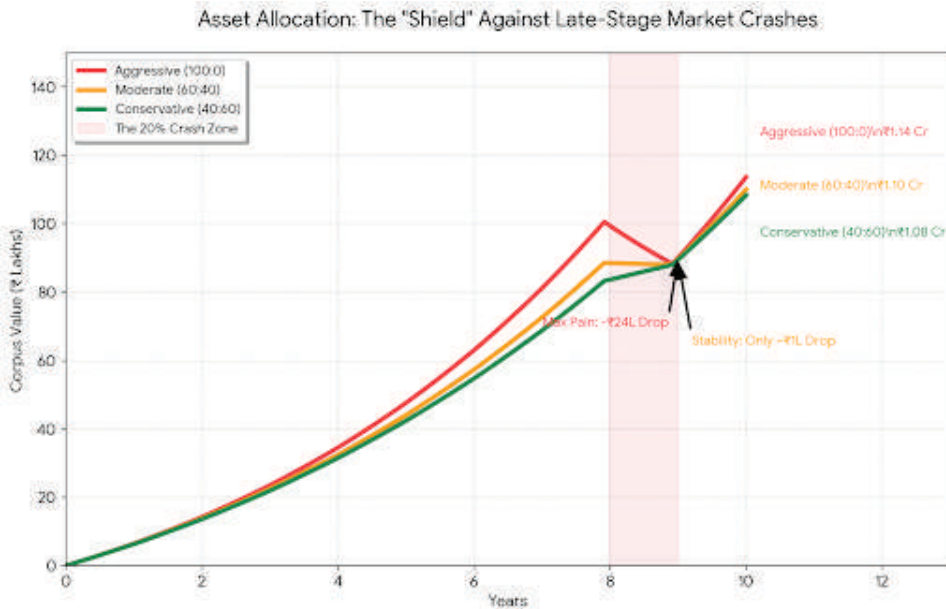
Oil prices may rise and fall - but reacting to every event can hurt more than help.

Stability in approach matters more than volatility in markets.

(Contributed by MF Alam, Lead Research Analyst, Hum Fauji Initiatives)

TOP CLIENT QUERIES OF THE MONTH

WHAT DID OUR CLIENTS ASK US?



QUESTION

How can the right Asset Allocation save my Portfolio during market falls?

OUR REPLY

This is a very practical question and something many investors experience during market volatility. This can be clearly validated through the chart above, where in the initial years, all three portfolios grow at different paces. Naturally, it feels like a fully aggressive approach is better.

But the real test comes during a market fall.

In the crash phase:

- ★ The Aggressive portfolio sees a sharp drop (around ₹17–24 lakh)
- ★ The Moderate portfolio falls much less (around ₹6 lakh)
- ★ The Conservative portfolio remains relatively stable

From a real-life perspective, a larger fall doesn't just impact returns - it impacts decisions. Bigger losses often lead to panic and early exits.

On the other hand, when the fall is controlled, it becomes easier to stay invested and allow the portfolio to recover.

So while asset allocation may slightly reduce upside in strong markets, it plays a critical role in limiting downside during tough phases.

And in the long run, avoiding large setbacks is what helps you stay on track toward your goals.

(Contributed by Lt Col Rahul Pawar, SM (Retd), AVP, Hum Fauji Initiatives)



QUESTION

How does the new Income Tax Act 2025 affect my taxes?

OUR REPLY

From 1 April 2026, the New Income Tax Act, 2025 will replace the 1961 Act, with a focus on making taxation simpler, more transparent, and digital-first, while keeping most core principles unchanged.

What has changed?

Introduction of “**Tax Year**”: A single concept (1 April – 31 March) replaces the earlier Financial Year (FY) and Assessment Year (AY) concept, reducing a lot of confusion.

New Tax Slabs (New Regime)

- ★ ₹0 – ₹4 lakh → 0%
- ★ ₹4 – ₹8 lakh → 5%
- ★ ₹8 – ₹12 lakh → 10%
- ★ Higher slabs → 15%, 20%, 25%, 30%

Major Relief for Salaried Individuals

- ★ Standard Deduction increased to ₹75,000 (earlier ₹50,000)
- ★ Rebate (New Section 156): Income up to ₹12–₹12.75 lakh ≈ Near Zero Tax

Compliance & Filing Updates

- ★ More digital, pre-filled ITRs
- ★ Filing deadlines remain structured:
 - Salaried: 31 July
 - Professionals: 31 August

Other Important Updates

- ★ Forms 15G & 15H merged into Form 121
- ★ Simplified TDS provisions
- ★ Stricter foreign asset reporting for NRIs (NRE interest still tax-free)
- ★ HRA benefits expanded (with tighter documentation)
- ★ F&O trading under increased scrutiny
- ★ SGB tax-free maturity only if held for full 8 years (RBI issue)

What This Means for You

- Simpler tax system
- Higher benefit under new regime
- The direction is clear - less complexity, more clarity.
- Now is a good time to align your finances with a long-term, tax-efficient strategy.
- Reduced dependency on deductions
- Greater focus on structured financial planning

(Contributed by Team Vikrant, Hum Fauji Initiatives)

REVOLUTIONIZING DEFENCE

Building financial awareness at the grassroots level continues to be a key focus area, with our Investor Awareness Programs (IAPs) steadily empowering soldiers and their families to take confident and informed financial decisions.

around practical aspects of personal finance—ranging from managing day-to-day finances to building long-term wealth through disciplined and goal-oriented investing. The sessions were designed to simplify financial concepts and make them relevant to the unique lifestyle and commitments of soldiers and their families.

Stations Covered & Outreach

- ◆ **Locations:** Ahmednagar, Kamptee, Jabalpur & Wellington
- ◆ **Sessions Conducted:** 7 IAP lectures
- ◆ **Total Outreach in March:** 717 jawans
- ◆ **Overall Impact:** 92,398 jawans educated through 740 IAPs conducted so far



The interactive nature of these sessions, along with the thoughtful queries raised, reflects a growing awareness and proactive approach towards financial planning among soldiers and their families. Each session contributes to building a stronger foundation of financial preparedness and long-term security.



Planning an IAP for your unit?

Partner with us to bring practical, need-based financial awareness sessions to your personnel.

YOUR GUIDE TO TAX PLANNING

YOUR TAX FILE NOW KNOWS MORE THAN YOU THINK

Tax is no longer a once-a-year activity—it now runs quietly alongside your financial life. With the Income Tax Act, 2025 (effective April 2026), the shift is subtle but impactful.

What's Changing at the Core?

The terms Previous Year and Assessment Year are being replaced with a single concept—“**Tax Year**”. A small change that signals a move towards simplicity and real-time alignment.

Salary & Daily Benefits – A Quiet Boost

There are meaningful updates that can impact your take-home:

- ▶ Children's education allowance: up to ₹3,000/month
- ▶ Hostel allowance: up to ₹9,000/month
- ▶ Meal benefits: up to ₹200 per meal
- ▶ Gifts: up to ₹15,000 annually

Additionally, **HRA rules are evolving**:

- ▶ Under the old regime, the higher exemption bracket (earlier 50% for metros) is being **extended up to 60% for specified cities**, and coverage of cities is expanding.

This could directly increase your tax-free salary component without any extra effort.

Where You Need to Be Careful?

- ▶ Cash transactions exceeding ₹10 lakh annually → PAN mandatory
- ▶ Property transactions above ₹20 lakh → PAN required
- ▶ Hotel or travel cash payments above ₹1 lakh → under reporting radar

Spending patterns are now part of your tax footprint.

Tax is Becoming Event-Driven

Certain life events, like leaving India, may require tax declarations. Your financial life and tax reporting are now closely linked.

Compliance Gets Simpler... But Stricter

- ▶ Forms 15G & 15H are being merged into a single form.

Earlier, tax planning was about how much you could save. Now, it's about how well your financial story aligns with what the system already knows.

The real question is:

Are you managing your taxes once a year... or managing your financial life throughout the year?



2026 tax filing made simple. File your ITR with Hum Fauji Initiatives:

<https://humfauji.in/income-tax-filing/>

(Contributed by Gagandeep Kaur, Deputy Manager, Financial Planning)

SNEAK PEEK

INTO HUM FAUJI INITIATIVES

SIP Ke Sikandar 3.0 | 2026 Felicitation

Awards are special and this one celebrates commitment in action.

SIP Ke Sikandar 3.0 honours our teams for their dedication, consistency, and the value they create for clients.

Proud to celebrate our winners.



CELEBRATING THE JOURNEY, EVERY MONTH



At Hum Fauji Initiatives, every month ends with gratitude and celebration. These moments bring the team together to unwind, reconnect, and move forward with renewed motivation for what's next.

Here's a glimpse of the good times.

MEDIA FEATURES



Read the full article on Outlook Money:
<https://shorturl.at/XErIO>

How to Steady Your Life & Savings on an Irregular Income

For freelancers and gig professionals, financial stability is less about fixed monthly planning and more about managing income cycles. “Individuals with irregular income should think in terms of ‘income cycles’ rather than months,” shares Col. Sanjeev Govila (Retd.), CEO, Hum Fauji Initiatives. Building a baseline for essential expenses and using high-income phases wisely becomes critical in such scenarios.

A strong financial buffer is key to navigating volatility—3 months of expenses in a savings account, 6 months in liquid funds, and additional reserves in low-risk debt instruments. Importantly, this should be calibrated to income volatility, not just expenses, with highly cyclical professions requiring buffers of up to 18 months.

Markets Price Uncertainty, Not Just Conflict

Geopolitical events may trigger short-term volatility, but markets often react more to uncertainty than the conflict itself. Col. Sanjeev Govila (Retd.), CEO, Hum Fauji Initiatives, highlights that while such phases can unsettle investors, they rarely derail long-term wealth creation.

He emphasises that staying disciplined, diversified, and focused on fundamentals helps investors navigate uncertainty more rationally rather than reacting to headlines.

Read the full article on Mint:
<https://shorturl.at/L6FHN>

mint



COL SANJEEV GOVILA (RETD.)

CEO,
Hum Fauji Initiatives





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