

### Tax Structure Mutual Fund Investment

#### Tax Reckoner 2018 - 2019

#### Snapshot of Tax rates specific to Mutual Funds

**The rates are applicable for the financial year 2018-19 Tax Implications on Dividend received by Unit holders.**

	Individual/HUF	Domestic Company	NRI
<b>Dividend</b>			
Equity oriented scheme	NIL	NIL	NIL
Debt oriented schemes	NIL	NIL	NIL

#### Tax on distributed income (payable by the scheme) rates\*\*

	Individual/HUF	Domestic Company	NRI
Equity oriented schemes*	10% + 12% Surcharge + 4% cess = 11.65%	10% + 12% Surcharge + 4% cess = 11.65%	10% + 12% Surcharge + 4% cess = 11.65%
Money market and Liquid schemes	25% + 12% Surcharge + 4% cess = 29.12%	30% + 12% Surcharge + 4% cess = 34.94%	25% + 12% Surcharge + 4% cess = 29.12%
Debt schemes (other than Infrastructure Debt Fund)	25% + 12% Surcharge + 4% cess = 29.12%	30% + 12% Surcharge + 4% cess = 34.94%	25% + 12% Surcharge + 4% cess = 29.12%
Infrastructure Debt Fund	25% + 12% Surcharge + 4% cess = 29.12%	30% + 12% Surcharge + 4% cess = 34.94%	5% + 12% Surcharge + 4% cess = 5.82%

\* Securities transaction tax (STT) will be deducted on equity funds at the time of redemption/ switch to the other schemes/ sale of units

\*\* With effect from 1 October 2014, for the purpose of determining the tax payable, the amount of distributed income has to be increased to such amount as would, after reduction of tax from such increased amount, be equal to the income distributed by the Mutual Fund.

Note: As per Finance Act, 2018, 'Education cess' of 3% will be replaced by 'Health and Education cess' of 4% w.e.f. 1st April 2018.

#### Capital Gains Taxation

	Individual/HUF \$	Domestic Company\$\$	NRI\$ / #
<b>Equity Oriented Schemes</b>			
<b>• Long Term Capital Gains (units held for more than 12 months) • Short Term Capital Gains (units held for 12 months or less)</b>			
Long Term Capital Gains	10% <sup>##</sup>	10% <sup>##</sup>	10% <sup>##</sup>
Short Term Capital Gains	15%	15%	15%

#### Other Than Equity Oriented Schemes - For the period July 11, 2014 onwards

#### Long Term Capital Gains (units held for more than 36 months) • Short Term Capital Gains (units held for 36 months or less)

Long Term Capital Gains	20% <sup>&amp;</sup>	20% <sup>&amp;</sup>	Listed - 20% <sup>&amp;</sup> Unlisted - 10*
Short Term Capital Gains	30% <sup>^</sup>	30% / 25% <sup>^^</sup>	30% <sup>^</sup>

\$ Surcharge at 15%, is applicable where income of Individual/HUF unit holders exceeds ` 1 crore. Surcharge at 10% to be levied in case of individual/ HUF unit holders where income of such unit holders exceeds ` 50 lakhs but does not exceed ` 1 crore.

\$\$ Surcharge at 7% to be levied for domestic corporate unit holders where income exceeds ` 1 crore but less than ` 10 crores and at 12%, where income exceeds ` 10 crores.

# Short term/long term capital gain tax will be deducted at the time of redemption of units in case of NRI investors only

& After providing indexation.

\* Without indexation

^ Assuming the investor falls into highest tax bracket

^^ If total turnover or gross receipts during the financial year 2016-17 does not exceed ` 250 crores

## Exemption granted w.r.t. equity oriented fund u/s 10(38) of the income tax act is proposed to be withdrawn and tax at 10% (without indexation) will be charged on capital gain exceeding Rs. 1 lakh rupees provided that transfer of such units is subject to STT.

Health and Education cess @4% would apply on aggregate of tax and surcharge w.e.f. 1st April 2018

Disclaimer: The tax rates mentioned above are only intended to provide general information and are neither designed nor intended to be a substitute for professional tax advice. Applicability of the tax rates would depend upon nature of the transaction, the tax consequences thereon and the tax laws in force at the relevant point in time. Therefore, users are advised that before making any decision or taking any action that might affect their finances or business, they should take professional advice.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**