

# TAX IMPLICATION FOR MUTUAL FUND

## Snapshot of Tax Rates specific to Mutual Funds

The rates are applicable for the financial year 2014-15 and are subject to enactment of the Finance Bill, 2014

### Tax Implications on Dividend received by Unitholders (Effective: 1st October 2014).

	Individual/ HUF\$	Domestic Company#	NRIs\$
Equity oriented schemes	Nil	Nil	Nil
Debt oriented schemes	Nil	Nil	Nil

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

	Individual/ HUF\$	Domestic Company#	NRIs\$
Equity oriented schemes **	Nil	Nil	Nil
Money market and Liquid schemes	25%+10% Surcharge+3% Cess = 28.325 %	30%+10% Surcharge+3% Cess = 33.99%	25%+10% Surcharge+3% Cess = 28.325 %
Debt schemes (other than Infrastructure Debt Fund)	25%+10% Surcharge+3% Cess = 28.325 %	30%+10% Surcharge+3% Cess = 33.99%	25%+10% Surcharge+3% Cess = 28.325 %
Infrastructure Debt Fund	25%+10% Surcharge+3% Cess = 28.325 %	30%+10% Surcharge+3% Cess = 33.99%	5%+10% Surcharge+3% ccess = 5.96%

Note : The effective tax rate works out to be higher, due to grossing up of tax rates, introduced in the Finance Bill 2014

## Capital Gains Taxation

### Long Term Capital Gains (units held for more than 36 months)

	Individual/ HUF\$	Domestic Company#	NRIs \$
Equity oriented schemes**	Nil	Nil	Nil
Other than equity oriented schemes	20% with indexation ***	20% with indexation ***	Listed - 20% with indexation *** Non - listed - 10% without indexation ***

### Short Term Capital Gains (units held for 36 months or less)

	Individual/ HUF\$	Domestic Company#	NRIs \$
Equity oriented schemes**	15%	15%	15%
Other than equity oriented schemes	30% ^	30% ^	30% ^

### Tax Deducted at Source (Applicable only to NRI investors)

	Short Term Capital Gain	Long Term Capital Gain
Equity oriented schemes**	15%	Nil
Other than equity oriented schemes	30% ^	Listed - 20% with indexation *** Non - listed - 10% without indexation ***

\$ In case of a Individual / HUF surcharge of @ 10 % shall be levied if the total income exceeds Rs. 1 Crore.

# In case of a domestic company surcharge of @ 5% shall be levied if the total income exceeds Rs. 1 Crore.

\*The short term/long term capital gain tax will be deducted at the time of redemption of units in case of NRI investors only.

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

^ Assuming the investor falls into highest tax bracket. Education cess @3% will continue to apply on tax, plus surcharge

\*\*\* Applicable from 11th July 2014, as clarified by the Finance Ministry

The above is for the purpose of understading the tax implications generally. Investors are advised to consult their Tax Advisor for tax matters

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY