

# Tax Reckoner for Investments in Mutual Fund Schemes: FY 2019-2020

## Dividend Distribution Tax applicable to Schemes other than equity oriented schemes (payable by the scheme) \*

Resident Individual / HUF	Domestic Corporates	Non Resident Individual
25% + 12% Surcharge + 4% Cess = 29.12%	30% + 12% Surcharge + 4% Cess = 34.944%	25% + 12% Surcharge + 4% Cess = 29.12%

## Capital Gain Taxation applicable to Schemes other than equity oriented schemes

	Resident Individual / HUF \$	Domestic Corporates @	Non Resident Individual \$/#
Long Term Capital Gains [Units held for more than 36 months] (Listed Units)	20% with indexation + Surcharge as applicable + 4% Cess = 28.496% or 26% or 23.92% or 22.88%	20% with indexation + Surcharge as applicable + 4% Cess = 23.296% or 22.256%	20% with indexation + Surcharge as applicable + 4% Cess = 28.496% or 26% or 23.92% or 22.88%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 28.496% or 26% or 23.92% or 22.88%
Long Term Capital Gains [Units held for more than 36 months] (Unlisted Units)	20% with indexation + Surcharge as applicable + 4% Cess = 28.496% or 26% or 23.92% or 22.88%	20% with indexation + Surcharge as applicable + 4% Cess = 23.296% or 22.256%	10% without indexation and foreign currency fluctuation benefits + Surcharge as applicable + 4% Cess = 14.248% or 13% or 11.96% or 11.44%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 14.248% or 13% or 11.96% or 11.44%
Short Term Capital Gains (Units held for less than 36 months)	30% ^ + Surcharge as applicable + 4% Cess = 42.744% or 39% or 35.88% or 34.32%	30% + Surcharge as applicable + 4% Cess = 34.944% or 33.384% 25% ^ ^ ^ + Surcharge as applicable + 4% Cess = 29.120% or 27.820%	30% ^ + Surcharge as applicable + 4% Cess = 42.744% or 39% or 35.88% or 34.32%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 42.744% or 39% or 35.88% or 34.32% (Listed and Unlisted) ^

Transfer of units upon consolidation of mutual fund schemes of two or more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains.

Transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains. The cost of acquisition of the units in the consolidated plan shall be the cost of units in consolidating plan of mutual fund scheme and period of holding of the units of consolidated plan shall include the period of holding for which the units in consolidating plan of mutual fund scheme were held.

\* For the purpose of determining the tax payable, the amount of distributed income 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. The impact of the same has not been reflected above.

\$ - Finance (No. 2) Act, 2019 provides surcharge at 37%, where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 5 crores and surcharge at the rate 25%, where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 2 crores but does not exceed Rs. 5 crores. As per the existing rates, surcharge at 15%, where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 1 crore but does not exceed Rs. 2 crores and surcharge at 10% to be levied in case of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders where income of such unit holders exceeds Rs 50 lakhs but does not exceed Rs. 1 crore.

@ - Surcharge at the rate of 7% is levied for domestic corporate unit holders where the income exceeds Rs 1 crore but is less than Rs 10 crores and at the rate of 12%, where income exceeds Rs 10 crores.

# - Short term/ long term capital gains tax will be deducted at the time of redemption of units in case of Non Resident Individual investors only.

^ - Assuming the investor falls into highest tax bracket.

^ ^ ^ - If total turnover or Gross receipts during the financial year 2017-18 does not exceed Rs. 400 crores.

Health and Education cess shall be applicable @ 4% on aggregate of base income tax plus surcharge.

**DISCLAIMER:** The information given here is w.e.f. 1 April, 2019 and is neither a complete disclosure of every material fact of Income-tax Act 1961 nor does it constitute tax or legal advice. In view of the individual nature of the tax consequences, each investor is advised to consult his/her own professional tax advisor.

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

# Tax Reckoner for Investments in Mutual Fund Schemes: FY 2019-2020

## Dividend Distribution Tax applicable to Equity Oriented Schemes (payable by the scheme) \*

	Resident Individual / HUF	Domestic Corporates	Non Resident Individual
	10% + 12% Surcharge + 4% Cess = 11.648%	10% + 12% Surcharge + 4% Cess = 11.648%	10% + 12% Surcharge + 4% Cess = 11.648%

## Capital Gain Taxation applicable to Equity Oriented Schemes

	Resident Individual / HUF \$ ^	Domestic Corporates @	Non Resident Individual \$/# ^
Long Term Capital Gains <sup>##</sup> (Units held for more than 12 months)	10% without indexation + Surcharge as applicable + 4% Cess = 11.96% or 11.44%	10% without indexation + Surcharge as applicable + 4% Cess = 11.648% or 11.128%	10% without indexation + Surcharge as applicable + 4% Cess = 11.96% or 11.44%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 11.96% or 11.44%
Short Term Capital Gains (Units held for 12 months or less)	15% + Surcharge as applicable + 4% Cess = 17.94% or 17.16%	15% + Surcharge as applicable + 4% Cess = 17.472% or 16.692%	15% + Surcharge as applicable + 4% Cess = 17.94% or 17.16%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 17.94% or 17.16%

\* For the purpose of determining the tax payable, the amount of distributed income 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. The impact of the same has not been reflected above.

Securities transaction tax (STT) will be deducted on equity oriented scheme at the time of redemption/ switch to the other schemes/ sale of units. Mutual Fund would pay securities transaction tax wherever applicable on the securities sold.

\$ - Finance (No. 2) Act, 2019 provides surcharge at 37%, where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 5 crores and surcharge at the rate 25%, where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 2 crores but does not exceed Rs. 5 crores. As per the existing rates, surcharge at 15%, where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 1 crore but does not exceed Rs. 2 crores and surcharge at 10% to be levied in case of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders where income of such unit holders exceeds Rs 50 lakhs but does not exceed Rs. 1 crore.

@ - Surcharge at the rate of 7% is levied for domestic corporate unit holders where the income exceeds Rs. 1 crore but less than Rs. 10 crores and at the rate of 12% where income exceeds Rs. 10 crores.

# - Short term/ long term capital gain tax will be deducted at the time of redemption of units in case of Non Resident Individual investors only.

## - The cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as fair market value as on 1 April 2001.

Long term capital gains arising from transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10% without indexation and without foreign currency fluctuation benefit of such capital gains exceeding one lakh rupees. The concessional rate of 10% shall be available only if securities transaction tax (STT) has been paid on both acquisition and transfer in case of equity shares and on transfer in case of units of equity-oriented mutual funds or units of business trust. Further, grandfathering benefit has been provided for long term capital gains up to January 31, 2018.

^ The enhanced surcharge levied by Finance (No. 2) Act, 2019 on tax payable by both domestic as well as foreign investors at special rate on income in the nature of long-term and short term capital gains arising from the transfer of equity share/unit referred to in section 111A and section 112A of the Act from the current FY 2019-20 has been withdrawn vide Press Release dated 24th August 2019. The enhanced surcharge of 37%, where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 5 crores and surcharge at the rate 25%, where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 2 crores but does not exceed Rs. 5 crores levied by Finance (No. 2) Act, 2019.

## PERSONAL INCOME TAX STRUCTURE

For individuals, Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial Juridical Persons.

Taxable Income	Tax Rates (%)
Up to ₹ 2,50,000 (a) (b)	Nil
₹ 2,50,001 to ₹ 5,00,000 (c) (d)	5%
₹ 5,00,001 to ₹ 10,00,000 (d)	20%
₹ 10,00,001 and above (d) (e)	30%

(a) In the case of a resident individual of the age of 60 years or above but below 80 years, the basic exemption limit is Rs. 300,000.

(b) In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs 500,000.

(c) A rebate of lower of actual tax liability or Rs. 12,500 in case of resident individuals having total income of less than Rs. 500,000.

(d) Health and Education cess shall be applicable @ 4% on aggregate of base income tax plus surcharge.

(e) Finance (No. 2) Act, 2019 provides surcharge at 37%, where income exceeds Rs. 5 crores and surcharge at the rate 25%, where income exceeds Rs. 2 crores but does not exceed Rs. 5 crores. As per the existing rates, surcharge at 15%, where income exceeds Rs. 1 crore but does not exceed Rs. 2 crores and surcharge at the rate 10% to be levied where income exceeds Rs 50 lakhs but does not exceed Rs. 1 crore. Marginal relief for such persons is available.

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