

MUTUAL FUND TAX RECKONER 2015-16



TAX IMPLICATIONS ON DIVIDEND RECEIVED BY UNIT HOLDERS

	Individual/HUF	Domestic Company	NRI
Dividend			
Equity oriented schemes	Nil	Nil	Nil
Debt oriented schemes	Nil	Nil	Nil
Tax on distributed income (payable by the scheme) rates			
Equity oriented schemes*	Nil	Nil	Nil
Money market and Liquid schemes	28.84%	34.608%	28.84%
Debt schemes (other than infrastructure debt fund)	28.84%	34.608%	28.84%

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

CAPITAL GAINS TAXATION

	Individual/HUF [§]	Domestic Company [@]	NRI ^{§/#}
Equity Oriented Schemes			
Long Term Capital Gains (units held for more than 12 months) • Short Term Capital Gains (units held for 12 months or less)			
Long Term Capital Gains	Nil	Nil	Nil
Short Term Capital Gains	15%	15%	15%
Other Than Equity Oriented Schemes			
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% [§]	20% [§]	Listed - 20% [§] Unlisted - 10% [‡]
Short Term Capital Gains	30% [^]	30%	30% [^]

Tax Deducted at Source (Applicable only to NRI Investors)

	Short term capital gains	Long term capital gains
Equity oriented schemes	15%	Nil
Other than equity oriented schemes	30% [^]	10% [‡] (for unlisted) & 20% [§] (for listed)

Education Cess at 3% will continue to apply on tax plus surcharge.

§ Surcharge at 12% to be levied in case of individual/HUF unit holders where their income exceeds Rs.1 crore. @ Surcharge at 7% to be levied for domestic corporate unit holders where income exceeds Rs.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.

SECURITIES TRANSACTION TAX (STT)

STT is levied on the value of taxable securities transactions as under.

Transaction	Rates	Payable By
Purchase of units of equity oriented mutual fund (delivery based)	Nil	Purchaser
Sale of units of equity oriented mutual fund (delivery based)	0.001%	Seller
Sale of units of equity oriented mutual fund (non-delivery based)	0.025%	Seller
Sale of units of an equity oriented fund to the Mutual Fund	0.001%	Seller

Disclaimer : The information set out above is included for general information purposes only and does not constitute legal or tax advice. In view of the individual nature of the tax consequences, each investor is advised to consult his or her own tax consultant with respect to specific tax implications.

The Finance Bill, 2015 proposes to provide tax exemption to unit holders upon consolidation or merger of mutual fund schemes, provided consolidation is of two or more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund.

Dividend Stripping: The loss due to sale of units in the schemes (where dividend is tax free) will not be available for set off to the extent of the tax free dividend declared; if units are: (A) bought within three months prior to the record date fixed for dividend declaration; and (B) sold within nine months after the record date fixed for dividend declaration.

Bonus Stripping: The loss due to sale of original units in the schemes, where bonus units are issued, will not be available for set off; if original units are: (A) bought within three months prior to the record date fixed for allotment of bonus units; and (B) sold within nine months after the record date fixed for allotment of bonus units. However, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such unsold bonus units.

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