



# Tax Reckoner for Investments in Mutual Fund Schemes: FY 2017-2018

Dividend Distribution Tax applicable to Schemes other than equity oriented schemes (payable by the scheme) *			
	Resident Individual / HUF	Domestic Corporates	NRI
	25% + 12% Surcharge + 3% Cess = 28.84%	30% + 12% Surcharge + 3% Cess = 34.608%	25% + 12% Surcharge + 3% Cess = 28.84%
Capital Gain Taxation applicable to Schemes other than equity oriented schemes			
	Resident Individual / HUF \$	Domestic Corporates @	NRI \$/#
Long Term Capital Gains [Units held for more than 36 months] (Listed Units)	20% with indexation + Surcharge as applicable + 3% Cess = 23.690% or 22.66%	20% with indexation + Surcharge as applicable + 3% Cess = 23.072% or 22.042%	20% with indexation + Surcharge as applicable + 3% Cess = 23.690% or 22.66%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 23.690% or 22.66%
Long Term Capital Gains [Units held for more than 36 months] (Unlisted Units)	20% with indexation + Surcharge as applicable + 3% Cess = 23.690% or 22.66%	20% with indexation + Surcharge as applicable + 3% Cess = 23.072% or 22.042%	10% without indexation and foreign currency fluctuation benefits + Surcharge as applicable + 3% Cess = 11.845% or 11.33%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 11.845% or 11.33%
Short Term Capital Gains (Units held for less than 36 months)	30% ^ + Surcharge as applicable + 3% Cess = 35.5350% or 33.99%	30% + Surcharge as applicable + 3% Cess 25% ^ ^ ^ + Surcharge as applicable + 3% Cess = 34.608% or 33.063% = 28.840% or 27.5525%	30% ^ + Surcharge as applicable + 3% Cess = 35.5350% or 33.99%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 35.5350% or 33.99% (Listed and Unlisted) ^

#### Note: Tax implication on Dividend received by Unitholder - Tax free

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. As per Finance Act, 2017, with effect from 1 April, 2016, 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.

\$ - Surcharge at 15%, is applicable where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 1 crore. As per Finance Act, 2017, surcharge at 10% is 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 NRI investors only.

^ - Assuming the investor falls into highest tax bracket.

^ ^ ^ - If total turnover or Gross receipts during the financial year 2015-16 does not exceed Rs. 50 crores.

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

**DISCLAIMER:** The information given here is as of 1st April, 2017 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. For further details, kindly refer to the Tax Reckoner 2017 - 18 available under section "Investor Corner" on [www.hdfcfund.com](http://www.hdfcfund.com)



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



# Tax Reckoner for Investments in Mutual Fund Schemes: FY 2017-2018

## Dividend Distribution Tax applicable to Equity Oriented Schemes: NIL

## Capital Gain Taxation applicable to Equity Oriented Schemes

	Resident Individual / HUF \$	Domestic Corporates @	NRI \$/#
Long Term Capital Gains <sup>##</sup> (Units held for more than 12 months)	NIL	NIL	NIL
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = NIL
Short Term Capital Gains (Units held for 12 months or less)	15% + Surcharge as applicable + 3% Cess = 17.7675% or 16.995%	15% + Surcharge as applicable + 3% Cess = 17.304% or 16.5315%	15% + Surcharge as applicable + 3% Cess = 17.7675% or 16.995%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 17.7675% or 16.995%

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 also pay securities transaction tax wherever applicable on the securities sold.

\$ - Surcharge at 15%, is applicable where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds Rs. 1 crore. As per Finance Act, 2017, surcharge at 10% is 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 gains will be deducted at the time of redemption of units in case of NRI investors only.

## - As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take fair market value of the asset as on that date. Further, it provides that 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.

### PERSONAL INCOME TAX STRUCTURE

For individual, 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%

- 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.
- In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs 500,000.
- Finance Act, 2017 provides a rebate of lower of actual tax liability or Rs. 2,500 (against earlier rebate of Rs. 5,000) in case of resident individuals having total income of less than Rs. 350,000.
- Education cess is applicable @ 3% on income tax plus surcharge.
- Surcharge at 15%, is applicable where income exceeds Rs. 1 crore. Finance Act, 2017 provides for surcharge at 10% to be levied where income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore. Marginal relief for such person is available.

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