



# Tax Reckoner for Investments in Mutual Fund Schemes: FY 2016-2017

## 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 (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% + 15% Surcharge + 3% Cess = 17.7675%	15% + Surcharge as applicable + 3% Cess = 17.304% or 16.5315%	15% + 15% Surcharge + 3% Cess = 17.7675%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 17.7675%

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 the rate of 15% is levied in case of individual, HUF, AOP, BOI, Artificial juridical person unit holders where their income exceeds Rs 1 crore.

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

### 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)	10%
₹ 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 ₹ 3,00,000/-
- (b) In case of a resident individual of age of 80 years or above, the basic exemption limit is ₹ 5,00,000/-
- (c) A rebate of lower of actual tax liability or Rs 5,000 in case of individuals having total income of less than or equal to Rs 5,00,000/-
- (d) Education cess is applicable @ 3% on income tax plus surcharge
- (e) Surcharge @ 15% is applicable on income exceeding ₹ 1 crore; Marginal relief for such person is available

**DISCLAIMER:** The information set out 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 2016 - 17 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 2016-2017

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 + 15% Surcharge + 3% Cess = 23.690%	20% with indexation + Surcharge as applicable + 3% Cess = 22.042% or 23.072%	20% with indexation + 15% Surcharge + 3% Cess = 23.690%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 23.690%
Long Term Capital Gains [Units held for more than 36 months] (Unlisted Units)	20% with indexation + 15% Surcharge + 3% Cess = 23.690%	20% with indexation + Surcharge as applicable + 3% Cess = 22.042% or 23.072%	10% without indexation + 15% Surcharge + 3% Cess = 11.845%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 11.845%
Short Term Capital Gains (Units held for less than 36 months)	30% ^ + 15% Surcharge + 3% Cess = 35.5350%	30% + Surcharge as applicable + 3% Cess = 34.608% or 33.063%	30% ^ + 15% Surcharge + 3% Cess = 35.5350%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 35.5350% (Listed and Unlisted) ^

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

The Finance Act, 2016 provides tax exemption on any transfer by a unit holder of a capital asset, being a unit or units, held by him in the consolidating plan of a mutual fund scheme, made in consideration of the allotment to him of a capital asset, being a unit or units, in the consolidated plan of that scheme of the mutual fund.

\* 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.

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@ - 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 gain tax will be deducted at the time of redemption of units in case of NRI investors only.

^ - Assuming the investor falls into the highest tax bracket

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

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