

SNAPSHOT OF INCOME-TAX RATES SPECIFIC TO MUTUAL FUNDS SCHEMES

Applicable for the Financial Year 2024-25 ^{\$\$}

❑ Categories of schemes as defined under Income Tax Act

Scheme Category	Definition
Equity oriented scheme **	Schemes investing $\geq 65\%^{\wedge}$ in listed domestic equity securities
Other than equity-oriented scheme	Schemes investing $< 65\%$ in listed domestic equity securities
The “Other than equity-oriented scheme” category is further sub-classified into the below categories	
a) Specified Scheme	A scheme investing $\leq 35\%^{\wedge\wedge}$ in listed domestic equity securities
b) Non-specified Scheme	A scheme investing $> 35\%$ & $< 65\%$ in listed domestic equity securities

** also includes fund of funds investing $\geq 90\%^{\wedge}$ in funds which invests $\geq 90\%^{\wedge}$ in listed domestic equity securities

$\wedge$ to be computed with reference to the annual average of the monthly averages of the opening and closing figures.

$\wedge\wedge$ to be computed with reference to the annual average of the daily closing figures.

^{\$\$} Changes in the Finance (No.2) Act, 2024 in relation to tax rates and period of holding are effective for redemption of mutual fund units on or after July 23, 2024.

Tax Reckoner – FY 2024-25



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❑ IDCW # Taxation – Applicable for all scheme categories

Investor	Tax Rate
Resident Individuals/ HUF	30%**
Domestic Corporates	30% ~~ / ^^
Non-Resident Individual	20%

IDCW – Income Distribution cum capital withdrawals

** Highest tax slab rate assumed for Individuals/HUF

~~ Domestic corporates whose total turnover or gross receipts during previous year 2022-23 does not exceed Rs. 400 crores - 25% + Surcharge as applicable^^ + 4% Health & education cess.

^^ As per Taxation Laws (Amendment) Act 2019, a lower rate of tax (i.e. 22% or 15% + 10% Surcharge + 4% Health & education cess) will be applicable for domestic corporates subject to satisfaction of certain conditions.

❑ Taxation for Capital Gains

a. Equity Oriented Scheme

Investors	Redemptions prior to July 23, 2024			Redemptions on or after July 23, 2024		
	STCG (≤12 Months)	LTCG## (>12 Months)	Indexation (LTCG)	STCG (≤12 Months)	LTCG## (>12 Months)	Indexation (LTCG)
Resident Individuals/ HUF	15%	10%	No	20%	12.5%	No
Domestic Corporates	15%	10%	No	20%	12.5%	No
Non-Resident Individual	15%	10%	No	20%	12.5%	No

##LTCG arising from transfer of units of equity-oriented schemes or equity shares (as defined in section 112A) upto Rs 1.25 lac is exempt.

❑ Taxation for Capital Gains

b. Specified Scheme

1) Listed

i. For units acquired post April 1, 2023

Investors	Redemptions prior to July 23, 2024			Redemptions on or after July 23, 2024		
	STCG (≤36 Months)	LTCG (>36 Months) ^{\$}	Indexation (LTCG)	STCG (≤12 Months)	LTCG (>12 Months) ^{\$}	Indexation (LTCG)
Resident Individuals/ HUF		30%**	No		30%**	No
Domestic Corporates		30% ~ / ^^	No		30% ~ / ^^	No
Non-Resident Individual		30%**	No		30%**	No

ii. For units acquired prior to April 1, 2023

Investors	Redemptions prior to July 23, 2024			Redemptions on or after July 23, 2024		
	STCG (≤36 Months)	LTCG (>36 Months)	Indexation (LTCG)	STCG (≤12 Months)	LTCG (>12 Months)	Indexation (LTCG)
Resident Individuals/ HUF	30%**	20%	Yes	30%**	12.5%	No
Domestic Corporates	30% ~ / ^^	20%	Yes	30% ~ / ^^	12.5%	No
Non-Resident Individual	30%**	20%	Yes	30%**	12.5%	No

** Highest tax slab rate assumed for Individuals/HUF

^{\$} Deemed to be Short Term Capital Gain

~ Domestic corporates whose total turnover or gross receipts during previous year 2022-23 does not exceed Rs. 400 crores - 25% + Surcharge as applicable^{^^} + 4% Health & education cess.

^{^^} As per Taxation Laws (Amendment) Act 2019, a lower rate of tax (i.e. 22% or 15% + 10% Surcharge + 4% Health & education cess) will be applicable for domestic corporates subject to satisfaction of certain conditions.

□ Taxation for Capital Gains

b. Specified Scheme (continuation)

2) Unlisted

i. For units acquired post April 1, 2023

Investors	Redemptions prior to July 23, 2024			Redemptions on or after July 23, 2024		
	STCG (≤36 Months)	LTCG (>36 Months) ^{\$}	Indexation (LTCG)	STCG (≤24 Months)	LTCG (>24 Months) ^{\$}	Indexation (LTCG)
Resident Individuals/ HUF		30%**	No		30%**	No
Domestic Corporates		30% ~~ / ^^	No		30% ~~ / ^^	No
Non-Resident Individual		30%**	No		30%**	No

ii. For units acquired prior to April 1, 2023

Investors	Redemptions prior to July 23, 2024			Redemptions on or after July 23, 2024		
	STCG (≤36 Months)	LTCG (>36 Months)	Indexation (LTCG)	STCG (≤24 Months)	LTCG (>24 Months)	Indexation (LTCG)
Resident Individuals/ HUF	30%**	20%	Yes	30%**	12.5%	No
Domestic Corporates	30% ~~ / ^^	20%	Yes	30% ~~ / ^^	12.5%	No
Non-Resident Individual	30%**	10%	No	30%**	12.5%	No

** Highest tax slab rate assumed for Individuals/HUF

^{\$} Deemed to be Short Term Capital Gain

~~ Domestic corporates whose total turnover or gross receipts during previous year 2022-23 does not exceed Rs. 400 crores - 25% + Surcharge as applicable^{^^} + 4% Health & education cess.

^^ As per Taxation Laws (Amendment) Act 2019, a lower rate of tax (i.e. 22% or 15% + 10% Surcharge + 4% Health & education cess) will be applicable for domestic corporates subject to satisfaction of certain conditions.

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❑ Taxation for Capital Gains

c. Non-specified Scheme

i. Listed

Investors	Redemptions prior to July 23, 2024			Redemptions on or after July 23, 2024		
	STCG (≤36 Months)	LTCG (>36 Months)	Indexation (LTCG)	STCG (≤12 Months)	LTCG (>12 Months)	Indexation (LTCG)
Resident Individuals/ HUF	30%**	20%	Yes	30%**	12.5%	No
Domestic Corporates	30% ~ ~ / ^^	20%	Yes	30% ~ ~ / ^^	12.5%	No
Non-Resident Individual	30%**	20%	Yes	30%**	12.5%	No

i. Unlisted

Investors	Redemptions prior to July 23, 2024			Redemptions on or after July 23, 2024		
	STCG (≤36 Months)	LTCG (>36 Months)	Indexation (LTCG)	STCG (≤24 Months)	LTCG (>24 Months)	Indexation (LTCG)
Resident Individuals/ HUF	30%**	20%	Yes	30%**	12.5%	No
Domestic Corporates	30% ~ ~ / ^^	20%	Yes	30% ~ ~ / ^^	12.5%	No
Non-Resident Individual	30%**	10%	No	30%**	12.5%	No

** Highest tax slab rate assumed for Individuals/HUF

~ ~ Domestic corporates whose total turnover or gross receipts during previous year 2022-23 does not exceed Rs. 400 crores - 25% + Surcharge as applicable^ + 4% Health & education cess.

^^ As per Taxation Laws (Amendment) Act 2019, a lower rate of tax (i.e. 22% or 15% + 10% Surcharge + 4% Health & education cess) will be applicable for domestic corporates subject to satisfaction of certain conditions.

□ Additional Notes

1. Tax rates as given above are base tax rates which will further increase by surcharge and Health and Education cess, as applicable.

Surcharge in case of Individual/HUF is levied at rate mentioned in below table ;

Total income	STCG/LTCG from Equity oriented funds & LTCG from Other than equity-oriented Fund	STCG from Other than equity-oriented Fund & IDCW (As per old tax regime)	STCG from Other than equity-oriented Fund & IDCW (As per new tax regime)
Less than or equal to 50 lakhs	NIL	NIL	NIL
>50 lakhs <= 1 crore	10%	10%	10%
>1 crore <= 2 crores	15%	15%	15%
>2 crores <= 5 crores	15%	25%	25%
>5 crores	15%	37%	25%

Surcharge at 7% on base tax is applicable where income of domestic corporate unit holders exceeds Rs 1 crore but does not exceed 10 crores and at 12% where income exceeds 10 crores. Surcharge rate shall be 10% in case resident companies opting taxation lower tax rate (viz. 15% or 22%) on any income earned.

2. As per section 206AA if PAN is not furnished by the investor, tax has to be deducted at the penal rate of higher of 20 per cent or rate specified under the relevant provision or rates in force.
3. In case of an equity-oriented fund, STT at 0.001% is payable on sale (redemption) of units. No STT is payable on sale (redemption) of units of a fund other than an 'equity-oriented fund'.

□ Additional Notes

4. As per section 206AB tax has to be deducted at twice the applicable rate in case of payments to specified person (except non-resident not having permanent establishment in India or person who is not required to furnish the return of income as notified by the Central Government) who has not furnished the return of income for the assessment year relevant to previous year immediately preceding the financial year in which tax is required to be deducted:

- For which time limit for filing return has expired; and
- The aggregate of tax deducted at source in his case is Rs. 50,000 or more in the said previous year.

Additionally, if provisions of section 206AA are also applicable then tax to be deducted at higher of the two rates provided i.e. rate as per section 206AB or section 206AA

5. As per Finance Act, 2020, in case of segregation of portfolio in case of Mutual Fund Schemes securities, the cost of acquisition of units allotted in the segregated portfolio would be proportionate to the net assets of the scheme prior to segregation. The period of holding for which original units were held in the main portfolio shall be included while determining the period of holding for the units held in segregated portfolio.

6. Transfer of units upon consolidation of mutual fund schemes (i.e. two or more equity-oriented schemes or two or more other than 'equity- oriented schemes') in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains tax. Transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains tax.

DISCLAIMER: The information given here is neither a complete disclosure of every material fact of Income-tax Act 1961 nor does it constitute tax or legal advice. Investors are requested to review the prospectus carefully and obtain expert professional advice with regard to specific legal, tax and financial implications of the investment/participation in the scheme.

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.