

# Tax Reckoner for Investments in Mutual Fund Schemes

## FY 2023-2024

### Dividend Taxation

	Resident Individual / HUF \$	Domestic Company @	Non Resident Individuals \$/#
<b>Dividend (All Schemes)</b>	30% <sup>^</sup> + Surcharge as applicable + 4% Cess = 42.744% or 39% or 35.88% or 34.32%	<ul style="list-style-type: none"> <li>30% + Surcharge as applicable + 4% Cess = 34.944% or 33.384%</li> <li>25%<sup>^^^</sup> + Surcharge as applicable + 4% Cess = 29.120% or 27.820%</li> <li>22%<sup>&amp;</sup> + 10% Surcharge<sup>&amp;</sup> + 4% Cess = 25.17%</li> <li>15%<sup>&amp;</sup> + 10% Surcharge<sup>&amp;</sup> + 4% Cess = 17.16%</li> </ul>	20% + Surcharge as applicable + 4% Cess = 28.496% or 26% or 23.92% or 22.88%
<b>Tax Deducted at Source (All Schemes)</b>	10% (if dividend income exceeds ₹ 5,000 in a financial year)	10% (if dividend income exceeds ₹ 5,000 in a financial year)	28.496% or 26% or 23.92% or 22.88%

### Capital Gain Taxation applicable to Equity Oriented Schemes

	Resident Individual / HUF \$	Domestic Corporates @	Non Resident Individual \$/#
<b>Long Term Capital Gains ## (Units held for more than 12 months)</b>	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 and foreign currency fluctuation benefits + 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%
<b>Short Term Capital Gains (Units held for 12 months or less)</b>	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%

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

	Resident Individual / HUF \$	Domestic Corporates @	Non Resident Individual \$/#
<b>Long Term Capital Gains (Units held for more than 36 months) [Listed Units] !!</b>	20% with indexation + Surcharge as applicable + 4% Cess = 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 = 23.92% or 22.88%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 23.92% or 22.88%
<b>Long Term Capital Gains (Units held for more than 36 months) [Unlisted Units] !!</b>	20% with indexation + Surcharge as applicable + 4% Cess = 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 = 11.96% or 11.44%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 11.96% or 11.44%
<b>Short Term Capital Gains (Units held for less than 36 months)</b>	30% <sup>^</sup> + Surcharge as applicable + 4% Cess = 42.744% or 39% or 35.88% or 34.32%	<ul style="list-style-type: none"> <li>30% + Surcharge as applicable + 4% Cess = 34.944% or 33.384%</li> <li>25%<sup>^^^</sup> + Surcharge as applicable + 4% Cess = 29.120% or 27.820%</li> <li>22%<sup>&amp;</sup> + 10% Surcharge<sup>&amp;</sup> + 4% Cess = 25.17%</li> <li>15%<sup>&amp;</sup> + 10% Surcharge<sup>&amp;</sup> + 4% Cess = 17.16%</li> </ul>	30% <sup>^</sup> + 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) <sup>^</sup>

# Tax Reckoner for Investments in Mutual Fund Schemes

## FY 2023-2024

### Notes:

**!!** As per Finance Act, 2023, new Section 50AA of the Act is introduced which states that the gains from transfer or redemption or maturity of unit of a Specified Mutual Fund acquired on or after 1 April 2023, will be taxed as deemed short-term capital gains at applicable rates. Specified Mutual Fund means a Mutual Fund, where not more than thirty five percent of its total proceeds is invested in the equity shares of domestic companies. Provided that the percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.

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/scheme shall be the cost of units in consolidating plan/scheme of mutual fund and period of holding of the units of consolidated plan/scheme shall include the period of holding for which the units in consolidating plan/scheme of mutual fund were held.

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.

In case of mutual fund portfolio segregation, the period of holding of segregated units shall be counted from date of holding of original units and the cost of acquisition of segregated units shall be apportioned between original units and segregated units based on net asset value prevailing immediately before segregation.

**\$** In case of Individual, HUF, AOP, BOI, AJP- (a) surcharge at 10% where income exceeds ₹ 50 Lakh but does not exceed ₹ 1 Crore and surcharge at 15% where income exceeds ₹ 1 Crore but does not exceed ₹ 2 Crore (including dividend income on shares or capital gains u/s 111A, 112 and 112A); (b) surcharge at the rate 25% where income exceeds ₹ 2 Crore but does not exceed ₹ 5 Crore and surcharge at 37% where income exceeds ₹ 5 Crore (excluding dividend income on shares or capital gains u/s 111A, 112 and 112A); (c) surcharge at 15% where income exceeds ₹ 2 Crore (including dividend income on shares or capital gains u/s 111A, 112 and 112A) and not covered in (b). Provided surcharge not to exceed 15% in case of income by way of dividend income on shares or capital gains u/s 111A, 112 and 112A. Provided further that where the taxpayer has opted for taxation under the new tax regime, the surcharge rate not to exceed 25%. **#** Short term/ long term capital gain tax will be deducted at the time of redemption of units in case of NRI investors only. As per amendment made vide Finance Act, 2023, the withholding tax would be lower of 20% (plus applicable surcharge and cess) or the rate provided under the relevant tax treaty, subject to eligibility and compliance with applicable conditions. **@** Surcharge at the rate of 7% is levied for domestic corporate unit holders where the income exceeds ₹ 1 Crore but is less than ₹ 10 Crore and at the rate of 12%, where income exceeds ₹ 10 Crore. **^** Assuming the investor falls into highest tax bracket. **^^^** If total turnover or Gross receipts during the financial year 2021-22 does not exceed ₹ 400 Crore. **&** Corporate tax rates for domestic companies (not claiming specified incentives and deductions) is 22% u/s 115BAA and for domestic manufacturing companies (not claiming specified incentives and deductions) set-up and registered on or after 1 October 2019 is 15% u/s 115BAB. Surcharge at the rate of 10% applicable. **##** 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.

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

The Income-tax Act, 1961 provides for 2 options for computation of income and tax payable. The tax payers need to select any of the following options at the time of filing of return of income-

PERSONAL INCOME TAX STRUCTURE (OPTION A)		(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 ₹ 12,500 in case of resident individuals having total income of less than ₹ 5,00,000. (d) Health and Education cess shall be applicable @ 4% on aggregate of base income tax plus surcharge. (e) In case of Individual, HUF, AOP, BOI, AJP, (a) surcharge at 10% where income exceeds ₹ 50 Lakh but does not exceed ₹ 1 Crore and surcharge at 15% where income exceeds ₹ 1 Crore but does not exceed ₹ 2 Crore (including dividend income on shares or capital gains u/s 111A, 112 and 112A); (b) surcharge at the rate 25% where income exceeds ₹ 2 Crore but does not exceed ₹ 5 Crore and surcharge at 37% where income exceeds ₹ 5 Crore (excluding dividend income on shares or capital gains u/s 111A, 112 and 112A); (c) surcharge at 15% where income exceeds ₹ 2 Crore (including dividend income on shares or capital gains u/s 111A, 112 and 112A) and not covered in (b). Provided surcharge not to exceed 15% in case of income by way of dividend income on shares or capital gains u/s 111A, 112 and 112A.	PERSONAL INCOME TAX STRUCTURE (OPTION B) - Default option		(a) New tax regime to be considered as default tax regime. Tax payers will be required to specifically opt for old tax regime (b) Section 115BAC provides an option to apply lower tax rates under the new tax regime. Specific exemptions / deductions restricted to the following - i. Standard deduction of ₹ 50,000 ii. Family pension of ₹ 15,000 iii. Employer's contribution to NPS iv. Contribution to Agnipath Corpus Fund v. Deduction under section 80JJAA (c) Rebate of lower of actual tax liability or ₹ 25,000 (against earlier rebate of ₹ 12,500) in case of resident individuals having total income not exceeding ₹ 7,00,000 (against earlier total income of ₹ 5,00,000). Further, marginal relief, to the extent the income-tax payable on total income exceeds the total income above ₹ 7,00,000. (d) The option between the current tax regime and new tax regime shall be exercised at the time of filing of return of income. The option shall be exercised for every previous year where the tax payer has no business income, and in other cases the option once exercised for a previous year shall be valid for that previous year and all subsequent years. (e) Tax payers having business income who have opted for such a regime can opt out only once and would not be eligible to exercise such an option again, unless the Individual ceases to have business income.
Total Income	Tax Rates		Total Income	Tax Rates	
For Individuals, Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial Juridical Persons (current tax regime)		For Individuals, Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial Juridical Persons (new tax regime)			
Up to ₹ 2,50,000 (a) (b)	Nil	Up to ₹ 3,00,000	Nil		
₹ 2,50,001 to ₹ 5,00,000 (c) (d)	5%	₹ 3,00,001 to ₹ 6,00,000	5%		
₹ 5,00,001 to ₹ 10,00,000 (d)	20%	₹ 6,00,001 to ₹ 9,00,000	10%		
₹ 10,00,001 and above (d) (e)	30%	₹ 9,00,001 to ₹ 12,00,000	15%		
		₹ 12,00,001 to ₹ 15,00,000	20%		
		₹ 15,00,001 and above	30%		

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