

TYPES OF INVESTORS	CAPITAL GAINS						DIVIDEND INCOME	DIVIDEND DISTRIBUTION TAX		
	Equity Schemes (Note 3)			Other Schemes			In the hands of Investors	Paid by Fund House		
	Short Term	Long Term (Refer Note 16)	TDS	Short-Term	Long-Term	TDS	Equity/Other Schemes	Equity Schemes	Money Market & Liquid Schemes	Other Schemes (Including Infrastructure Debt Scheme) (Note 8)
	(April 1, 2019 to March 31, 2020)	(April 1, 2019 to March 31, 2020)		(April 1, 2019 to March 31, 2020)	(April 1, 2019 to March 31, 2020)			(April 1, 2019 to March 31, 2020)	(April 1, 2019 to March 31, 2020)	(April 1, 2019 to March 31, 2020)
Resident Individual/ HUF	15% + 4% education cess + Surcharge ⁵	10% without indexation + 4% education cess + Surcharge ⁵	NIL	Applicable income tax as per slab + 4% education cess + Surcharge ⁵	20% with indexation + 4% education cess + Surcharge ⁵	NIL	NIL	10% + 12% surcharge + 4% education cess on gross basis	25% + 12% surcharge + 4% education cess on gross basis	25% + 12% surcharge + 4% education cess on gross basis
Partnership Firms / FPI registered as LLP	15% + 4% education cess + Surcharge ¹	10% without indexation + 4% education cess + Surcharge ¹	NIL	30% + 4% education cess + Surcharge ¹	20% with indexation + 4% education cess + Surcharge ¹	NIL	NIL	10% + 12% surcharge + 4% education cess on gross basis	30% + 12% surcharge + 4% education cess on gross basis	30% + 12% surcharge + 4% education cess on gross basis
AOP / BOI / FPI registered as Trust	15% + 4% education cess + Surcharge ⁵	10% without indexation + 4% education cess + Surcharge ⁵	NIL	Applicable income tax as per slab + 4% education cess + Surcharge ⁵	20% with indexation + 4% education cess + Surcharge ⁵	NIL	NIL	10% + 12% surcharge + 4% education cess on gross basis	30% + 12% surcharge + 4% education cess on gross basis	30% + 12% surcharge + 4% education cess on gross basis
Domestic Companies	15% + 4% education cess + Surcharge ⁸	10% without indexation + 4% education cess + Surcharge ⁸	NIL	30% + 4% education cess + Surcharge ⁸	20% with indexation + 4% education cess + Surcharge ⁸	NIL	NIL	10% + 12% surcharge + 4% education cess on gross basis	30% + 12% surcharge + 4% education cess on gross basis	30% + 12% surcharge + 4% education cess on gross basis
NRI's	15% + 4% education cess + Surcharge ⁵	10% without indexation + 4% education cess + Surcharge ⁵	STCG - 15% + 4% education cess + Surcharge LTCG - 10% without indexation + 4% education cess + Surcharge	Applicable income tax as per slab + 4% education cess + Surcharge ⁵	Unlisted Units: 10% without indexation + 4% education cess + Surcharge ⁵ Listed Units: 20% with indexation + 4% education cess + Surcharge ⁵	STCG - 30% + 4% education cess + Surcharge LTCG - Unlisted Units: 10% without indexation + 4% education cess + Surcharge Listed Units: 20% with indexation + 4% education cess + Surcharge	NIL	10% + 12% surcharge + 4% education cess on gross basis	25% + 12% surcharge + 4% education cess on gross basis	25% + 12% surcharge + 4% education cess on gross basis 5% + 12% surcharge + 4% education cess for IDFs
Foreign Companies	15% + 4% education cess + Surcharge ⁸ In case of FPI - 15% + 4% education cess + Surcharge ⁸	10% without indexation + 4% education cess + Surcharge ⁸ In case of FPI - 10% without indexation + 4% education cess + Surcharge ⁸	STCG - 15% + 4% education cess + Surcharge ⁸ LTCG - 10% + 4% education cess + Surcharge ⁸ In case of FPI - NIL	40% + 4% education cess + Surcharge ⁸ In case of FPI - 30% + Surcharge ⁸ + Education Cess	Unlisted Units: 10% without indexation + 4% education cess + Surcharge ⁸ Listed Units: 20% with indexation + 4% education cess + Surcharge ⁸ In case of FPI - 10% + Surcharge ⁸ + Education Cess	STCG - 40% + 4% edu cess + Surcharge ⁸ LTCG - Unlisted Units: 10% without indexation + 4% education cess + Surcharge ⁸ Listed Units: 20% with indexation + 4% education cess + Surcharge ⁸ In case of FPI - NIL	NIL	10% + 12% surcharge + 4% education cess on gross basis	30% + 12% surcharge + 4% education cess on gross basis	30% + 12% surcharge + 4% education cess on gross basis IDFs - 5% + 12% schg + 4% education cess

NOTES



Surcharge to be levied at 37% in case of income > 5cr, at 25% if income > 2cr but ≤ 5cr, at 15% if income > 1cr but ≤ 2cr, at 10% if income > 50 lakhs but ≤ 1cr



Surcharge at 12% to be levied in case of Partnership Firm unit holders with income over Rs.1cr



Surcharge at 7% to be levied on domestic corporate unit holders where income exceeds 1cr but is less than or equal to 10cr and at 12% where income exceeds 10cr



Surcharge at 2% to be levied for foreign companies where income exceeds 1cr but less than equal to 10cr and at 5% where income exceeds 10cr

NOTES

- The rates provided in the chart are on the basis of the Finance Bill, 2019. The same would become law after receiving the President's assent.
- It is assumed that the units are held as capital assets by the investors.
- The above mentioned rates are applicable if securities transaction tax is paid.
- Non-resident investors / Foreign Portfolio Investors should be entitled to be governed by provisions of the applicable Tax Treaty, which India has entered with the country of residence of the non-resident investor, the provisions of the Income-tax Act, 1961 ('the Act') will apply to the extent they are beneficial to the assessee, subject to certain conditions. As per section 90(4) of the Act, a non-resident should not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate ('TRC') from their home country, containing such particulars as may be prescribed. Form 10F should be required to be submitted by a non-resident to an Indian payor when claiming Tax Treaty benefits.
- Tax can be withheld at a lower rate if a certificate to that effect is obtained by the non-resident from the assessing officer.
- As per provisions of Section 206AA of the Act, if there is default on the part of a non-resident investor (entitled to receive redemption proceeds from the Mutual Fund on which tax is deductible under Chapter XVII of the Act) to provide its Permanent Account Number ('PAN'), the tax should be deducted at higher of the following rates: i) rates specified in relevant provisions of the Act; or ii) rate or rates in force; or iii) rate of 20%. However, such provisions should not be applicable in case the non-resident investor furnishes the details / documents prescribed in Rule 37BC of the Income-tax Rules, 1962.
- Section 196D of the Act provides that no tax is required to be withheld for payment to a FPI in respect of capital gains arising on transfer of units.
- 'Infrastructure debt fund' ('IDF') means a infrastructure debt fund as defined in clause 1 of the regulation 49L of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996. As per clause 1 of regulation 49L, an 'infrastructure debt fund scheme' would mean, a scheme which invests primarily (minimum 90% of scheme assets) in debt securities or securitized debt instrument of infrastructure companies or infrastructure capital companies or infrastructure projects or special purpose vehicles, etc or other permissible assets in accordance with these regulations or bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles.
- In case of individuals and HUFs, where the total income as reduced by long-term capital gains/ short-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains/ short-term capital gains should be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains/ short-term capital gains should be computed at the applicable rate.
- In the case of Individuals/HUF/ACP/BOI having total income exceeding fifty lakh rupees, the total amount payable as income-tax and surcharge on such income should not exceed the total amount payable as income-tax and surcharge on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees.
- In the case of persons mentioned above in note 10 having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income should not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.
- In the case of persons mentioned above in note 10 having total income exceeding two crore rupees, the total amount payable as income-tax and surcharge on such income should not exceed the total amount payable as income-tax and surcharge on a total income of two crore rupees by more than the amount of income that exceeds two crore rupees.
- In the case of persons mentioned above in note 10 having total income exceeding five crore rupees, the total amount payable as income-tax and surcharge on such income should not exceed the total amount payable as income-tax and surcharge on a total income of five crore rupees by more than the amount of income that exceeds five crore rupees.

- In the case of a domestic company, the rate of income-tax is proposed to be reduced to 25% (plus applicable surcharge and education cesses) of the total income, if the total turnover or gross receipts for the FY 2017-18, does not exceed four hundred crore rupees.
- The capital gains on transfer of units should not be reduced from the book profits while calculating the MAT liability.
- Note on Long-term capital gains ('LTCG') tax on sale of units of equity oriented fund
 - Exemption for LTCG on transfer of units of equity oriented mutual fund has been withdrawn w.e.f. 1 April 2018.
 - LTCG exceeding Rs. 1,00,000 on transfer of units of equity oriented mutual fund should be taxable at the rate of 10% (plus applicable surcharge and education cesses) subject to payment of securities transaction tax at the time of transfer.
 - The LTCG should be computed without giving benefit of foreign exchange fluctuation and cost indexation.
 - Cost of acquisition in respect of units acquired before 1 February 2018 should be computed at higher of the following:
 - Actual cost of acquisition; and
 - Lower of - (i) FMV as on 31 January 2018 or (ii) Consideration received on transfer of units.
 - The FMV of the units shall be the following:
 - Quoted units: Highest price quoted on the recognised stock exchange on 31 January 2018.
 - Unquoted units: Net Asset Value as on 31 January 2018.

Illustrations

Particulars	Situation 1	Situation 2	Situation 3	Situation 4
Cost of acquisition (A)	100	100	100	100
FMV on 31 January 2018 (B)	140	80	80	120
Sale consideration on 1 July 2018 (C)	160	70	90	90
(D) = Lower of (B) and (C)	140	70	80	90
Cost of acquisition as per section 112A [Higher of (A) and (D)]	140	100	100	100
Long-term capital gains / (loss) [(C) - (E)]	20	(30)	(10)	(10)

Note: The long-term capital loss incurred after 1 April 2018 should be available for set-off against long-term capital gains.

- Equity oriented funds means a fund set up under a scheme of mutual fund specified under section 10(23D) of the Act and include the following:
 - In case of Fund of Funds - Funds where 90% of assets are invested in other funds and such funds in turn have invested minimum 90% in listed equity shares.
 - In other cases: Funds which invest minimum 65% of assets in listed equity shares.
- The equity shareholding or unit held in respect of the fund, as the case may be should be computed with reference to the annual average of the monthly averages of the opening and closing figures.



INSTA RECKONER FOR MF TAXATION



THEWEALTHWISHER

Financial
Planning &
Wealth
Management

The Financial Planning & Wealth Management Experts

Call/WhatsApp +91 9828156400 +91 9929145054

Email madhupam@thewealthwisher.com

Website www.thewealthwisher.com