

MF TAXATION FOR RESIDENTS / NON-RESIDENTS

Capital Gain Taxation

Applicable to both Resident Individuals & NRIs

Category	Period for qualifying long-term	Tax Rates from FY 2023-24	
		STCG Tax Rate	LTCG Tax Rate
Equity Mutual Fund (Equity% > 65%)	12 Months.	15%	10%
Arbitrage Funds	12 Months.	15%	10%
Aggressive Hybrid Mutual Fund.(Equity% > 65%)	12 Months.	15%	10%
Balanced Hybrid.(Equity% < 65% > 35%)	36 Months.	As per tax slab.	20% with indexation
Conservative Hybrid.(Equity% < 35%)	Deemed to be short-term.	As per tax slab.	
Fund of Funds (FoF)	Deemed to be short-term.	As per tax slab.	
Debt Mutual Fund	Deemed to be short-term.	As per tax slab.	
Gold & Other Commodity Funds	Deemed to be short-term.	As per tax slab.	
International Funds	Deemed to be short-term.	As per tax slab.	
Any other Funds (Domestic Equity < 35%)	Deemed to be short-term.	As per tax slab.	



Tax Deducted at Source (TDS)

Dividend Income

Resident Individual	NRI
10% on dividend income exceeding ₹ 5000/-	20%

On Redemption (Applicable to NRI Investor Only)

Schemes	Short Term Capital gain	Long Term Capital gain
Equity	15%	10%
Other than Equity (Equity < 35%)	30% (Assuming the Highest Income tax slab)	

- 1** In Equity up to ₹1 Lakh Long Term Capital Gain is Tax Free in a Financial Year Beyond the same is taxed at 10%.
- 2** Surcharge and cess on tax applicable as per Tax laws
- 3** From FY 2023-24 all the Mutual Funds having Equity Exposure < 35% will be taxed as per tax slab irrespective of the holding period and there will be no indexation benefit available in the Long Term.
- 4** Dividend Distribution Tax (DDT) has been abolished and dividend is now taxable to investors as per tax slabs
- 5** Above mentioned tax rate tax rates for capital gain and TDS are applicable to Equity oriented schemes provided STT is paid at the time of redemption/sale

STT rates in Mutual Funds

Type of Security	Purchase	Sell
Equity-oriented Mutual Funds (Delivery Base)	NIL	0.001%



Disclaimer: Mutual Fund investments are subject to market risks.
Please read the scheme-related documents carefully before
investing