

Tax Rates Specific to Mutual Funds

The rates are applicable for the financial year 2016-17 and changes made as per Finance Act, 2016.

Tax Implications on Dividend received by Unit holders

	Individual / HUF	Domestic Company	NRI
Dividend			
Equity Oriented Schemes	Tax Free	Tax Free	Tax Free
Debt Oriented Schemes	Tax Free	Tax Free	Tax Free
Dividend Distribution Tax Rates(Payable by the MF scheme)**			
Equity Oriented Schemes*	Not applicable	Not applicable	Not applicable
Money market and Liquid Schemes	25%+12% Surcharge+3% Cess = 28.84%	30%+12%Surcharge+3%cess =34.608%	25%+12% Surcharge+3% Cess =28.84%
Debt Schemes (other than infrastructure debt fund)	25%+12% Surcharge+3% Cess = 28.84%	30%+12%Surcharge+3%cess =34.608%	25%+12% Surcharge+3% Cess =28.84%
Infrastructure Debt Fund	25% + 12% Surcharge + 3% Cess = 28.84%	30% + 12% Surcharge + 3% Cess =34.608%	5% + 12% Surcharge + 3% Cess =5.768%

* Securities Transaction Tax (STT) will be deducted on equity oriented funds at the time of redemption / switch to other schemes / sale of units.

**For the purpose of determining the tax payable, the amount of distributed income shall 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.

Capital Gains Taxation

	Individual / HUF \$	Domestic Company @	NRI \$ / #
Long Term Capital Gains (Units held for more than 12 months in equity oriented schemes and units held for more than 36 months in other schemes)			
Equity Oriented Schemes	Nil	Nil	Nil
Other than equity oriented schemes	20% with indexation	20% with indexation	Listed - 20% with indexation Unlisted - 10% without indexation
Short Term Capital Gains (Units held for 12 months or less in equity oriented schemes and units held for 36 months or less in other schemes)			
Equity Oriented Schemes	15%	15%	15%
Other than Equity oriented Schemes	30% ^	30%	30% ^

Tax Deducted at Source (Applicable only to NRI Investors)

	Short term capital gains	Long term capital gains
Equity Oriented Schemes	15%	Nil
Other than Equity oriented Schemes	30%^	Listed - 20% with indexation Unlisted - 10% without indexation

\$ Surcharge at the rate of 15% is levied in case of individual/ HUF 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 Rs 1 crore but 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/switches of units in case of NRI investors only.

^ Assuming the investor falls into highest tax bracket.

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

Dividend Stripping: The loss due to sale of units in the schemes (where dividend is tax free) will not be available for set off to the extent of the tax free dividend declared; if units are:(A) bought within three months prior to the record date fixed for dividend declaration; and (B) sold within nine months after the record date fixed for dividend declaration.

Bonus Stripping: The loss due to sale of original units in the schemes, where bonus units are issued, will not be available for set off; if original units are: (A) bought within three months prior to the record date fixed for allotment of bonus units; and (B) sold within nine months after the record date fixed for allotment of bonus units. However, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such unsold bonus units.

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. The Finance Act, 2016 provides tax exemption to unit holders vis-à-vis transfer of units upon consolidation of the plans within a scheme of mutual fund in accordance with SEBI (Mutual Funds) Regulations, 1996

The tax rates provided above are for general information only. Investors are advised to seek the opinion of their tax consultant.

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

1. Income Tax Rates

For Individuals, Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial juridical persons

Total Income	Tax Rates
Up to Rs. 250,000	NIL
Rs. 250,001 to Rs. 500,000	10%
Rs. 500,001 to Rs. 1,000,000	20%
Rs. 1,000,001 and above	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 Rs 300,000.

(b) In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs 500,000.

(c) Surcharge @ 15% is applicable on income exceeding Rs 1 crore; Marginal relief for such person is available

(d) Education cess is applicable @ 3% on income tax plus surcharge

(e) A rebate of Rs.5,000 for Resident individual having total Income upto Rs. 5 lakhs

2. Securities Transaction Tax (STT)

STT is levied on the value of taxable securities transactions as under.

Transaction	Rates	Payable By
Purchase/ Sale of equity shares	0.1%	Purchaser/ Seller
Purchase of units of equity oriented mutual fund (delivery based)	Nil	Purchaser
Sale of units of equity oriented mutual fund (delivery based)	0.001%	Seller
Sale of equity shares, units of equity oriented mutual fund (non-delivery based)	0.025%	Seller
Sale of an option in securities where option is not exercised (w.e.f 01/06/2016)	0.05%	Seller
Sale of an option in securities, where option is exercised	0.125%	Purchaser
Sale of a futures in securities	0.010%	Seller
Sale of unit of an equity oriented fund to the Mutual Fund	0.001%	Seller

3. Special rates for non-residents

(1) The following incomes of non-resident are taxed at special rates on gross basis:

Transaction	Rates ^(a)
Dividend ^(b)	20%
Interest received on loans given in foreign currency to Indian concern or Government of India.	20%
Income received in respect of units purchased in foreign currency of specified Mutual Funds / UTI	20%
Royalty or fees for technical services ^(c)	10%
Interest income from a notified infrastructure debt fund	5%
Interest on FCCB, FCEB / Dividend on GDRs ^(b)	10%

Disclaimer: The information set out above is included for general information purposes only and does not constitute legal or tax advice. In view of the individual nature of the tax consequences, each investor is advised to consult his or her own tax consultant with respect to specific tax implications arising out of their participation in the Scheme. Income Tax benefits to the mutual fund & to the unit holder is in accordance with the prevailing tax laws. Any action taken by you on the basis of the information contained herein is your responsibility alone. Sundaram Mutual Fund will not be liable in any manner for the consequences of such action taken by you. The information contained herein is not intended as an offer or solicitation for the purchase and sales of any schemes of Sundaram Mutual Fund.

(a) These rates will further increase by applicable surcharge and education cess.

(b) Other than dividends on which DDT has been paid.

(c) In case the non-resident has a Permanent Establishment (PE) in India and the royalty/ fees for technical services paid is effectively connected with such PE, the same could be taxed at 40% (plus applicable surcharge and education cess) on net basis.

(2) Tax on non-resident sportsmen or sports association on specified income @ 20% plus applicable surcharge and education cess.

4. Capital Gains

Transaction	Short-term capital gains(a)	Long-term capital gains(a)(b)
Sale transactions of equity shares and unit of an equity oriented fund both of which attract STT	15%	Nil
Sale transaction other than mentioned above:		
Individuals (resident and nonresidents)	Progressive slab rates	20% / 10% ^(c)
Partnerships (resident and nonresidents)	30%	
Resident companies	30% ^(d)	
Overseas financial organizations specified in section115AB	40% (corporate) 30% (non corporate)	10%
FIs	30%	10%
Other Foreign companies	40%	20% / 10%
Local authority	30%	20% / 10%
Co-operative society rates	Progressive slab	

(a) These rates will further increase by applicable surcharge & education cess.

(b) Indexation benefit, as applicable.

(c) Long term capital gains arising to a non-resident from transfer of unlisted securities or shares of a company, not being a company in which the public are substantially interested, subject to 10 per cent tax (without benefit of indexation and foreign currency fluctuation

(d) This rate applies to companies other than companies engaged in manufacturing business who are proposed to be taxed at lower rate subject to fulfillment of certain conditions.

5. Dividend Income

The Finance Act, 2016 has introduced additional tax of 10% (plus applicable surcharge and education cess) for individual, HUF or firm resident in India in case their income by way of dividend from domestic company exceeds Rs. 10,00,000.