Dividend Income

<table>
<thead>
<tr>
<th>Nature of Income</th>
<th>All assessee</th>
<th>Debt schemes (including Infrastructure Debt Funds4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>Tax free</td>
<td>Tax free</td>
</tr>
</tbody>
</table>

Dividend Distribution Tax (‘DDT’)

Income in the hands of -

<table>
<thead>
<tr>
<th>Nature of Income</th>
<th>Individual &amp; HUF</th>
<th>Domestic Company</th>
<th>NRI</th>
</tr>
</thead>
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<tr>
<td>Dividend</td>
<td>Tax free</td>
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</tbody>
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Dividend Distribution Tax on Grossed up value of Dividend - Other than Equity Oriented Funds

In Money market and Liquid schemes:
- 25% basic tax + surcharge + education cess (as applicable)
- 30% basic tax + surcharge + education cess (as applicable)
- 25% basic tax + surcharge + education cess (as applicable)

In Other schemes:
- 25% basic tax + surcharge + education cess (as applicable)
- 30% basic tax + surcharge + education cess (as applicable)
- 25% basic tax + surcharge + education cess (as applicable)

Notes:
1. The rates provided in the chart are on the basis of the Finance Act, 2017.
2. It is assumed that the units are held as capital assets by the investors.
3. Securities Transaction Tax (STT)
4. “Infrastructure debt fund” (‘IDF’) means an infrastructure debt fund as defined in clause 1 of the Notification of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
5. Purchase/sale/redemption of units other than equity-oriented units shall not be subject to STT.
6. Mutual Funds would also pay securities transaction tax wherever applicable on the securities bought/sold.
7. “Infrastructure debt fund” (‘IDF’) means an infrastructure debt fund as defined in clause 1 of the Notification of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
8. The above rates are excluding applicable surcharge and education cess and the same will be at the rates indicated at note 5 above. As per provisions of Section 206AA of the Act, if there is default on the part of a non-resident investor, tax is required to be deducted by the mutual fund at the rate specified in relevant provisions of the Act, or ii) rate or rates in force, or iii) rate of 20%.
9. With effect from 1 October 2014, it is proposed in the Finance (No. 2) Bill, 2014, that additional tax on income distributed to unit holders should be levied on the amount of income to be distributed including such additional tax (i.e. grossing-up), as against levy on only the amount of income to be distributed.
10. Some key definitions:
- Equity scheme means an “equity oriented fund” which is defined in the Income-tax Act, 1961 (the Act), as a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than 65% of the total proceeds of such fund.
- Liquid market mutual fund has been defined under Explanation (ii) to Section 115T of the Act, which means a money market mutual fund as defined in sub-clause (a) of clause (2) of the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulations made thereunder.
- The IRI Regulations replaced the existing SEBI (Foreign Institutional Investment) Regulations, 1995 and the Qualified Foreign Investors framework, and are effective from 7 January 2014. As per Notification No. V/2014 dated 22 January, 2014, the Central Government has specified the Foreign Portfolio Investors registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as “Foreign Institutional Investor” for the purposes of clause (a) of the Explanation to section 115AD of the Act.

Disclaimer:
“aromicles contained herein have been obtained from sources published by third parties. While such publications are believed to be reliable, however, neither the AMC, the Trustees, the Fund nor any of their affiliates or representatives assume any responsibility for the accuracy of such information. The tax rates provided hereunder are only for the purpose of information and the actual tax incidence may vary from assessee to assessee. Investors are requested to kindly consult their tax advisors for ascertaining tax liability.”

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

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**Tax Structure Mutual Fund Investments**

**Dividend Rates as per Finance Act, 2017.**


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<table>
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<tr>
<th>Capital Gains From April 1, 2017 to March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term Capital Gains (Units held for more than 12 months) 5</td>
</tr>
<tr>
<td>Long Term Capital Gains (Units held for more than 36 months) 5</td>
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6. Mutual Funds would also pay securities transaction tax wherever applicable on the securities bought/sold.
7. “Infrastructure debt fund” (‘IDF’) means an infrastructure debt fund as defined in clause 1 of the Notification of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
8. The short term/long term capital gain tax will be deducted at the time of redemption of units in case of non-resident investors only. 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.
9. With effect from 1 October 2014, it is proposed in the Finance (No. 2) Bill, 2014, that additional tax on income distributed to unit holders should be levied on the amount of income to be distributed including such additional tax (i.e. grossing-up), as against levy on only the amount of income to be distributed.
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