

The Wealth Architects
We design your financial destiny

Taxation on

Equity and Mutual Funds

SECURITIES TRANSACTION TAX (STT)

Transaction		STT rate
Debt	- All deals on debt market	Nil
Equity	- Delivery based	0.1% payable both at the time of purchase & sale
	- Non-delivery based	0.025% payable only when selling
Mutual Funds	- Debt based	Nil
	- Equity oriented	0.001% payable only when selling
Derivatives	- Futures	0.01% payable by the seller
	- Options (not exercised)	0.017% payable by the seller
	- Options (exercised)	0.125% payable by the buyer

DIVIDEND DISTRIBUTION TAX (DDT)

Type of investment	DDT Rate
Equity-oriented mutual funds	Nil
Non equity-oriented mutual funds	25% DDT + 12% surcharge + 3% cess = 28.84%
Equity	15% DDT + 12% surcharge + 3% cess = 17.304%

CAPITAL GAINS TAX

Type of Investment	Holding Period	Taxation
Equity / Equity oriented MFs	- Long Term (> 12 month)	Nil
	- Short Term (up to 12 months)	15% + 12% surcharge, if applicable + 3% cess
Debt / Debt based MFs	- Long Term (> 36 month)	20% (with indexation) + 12% surcharge, if applicable + 3% cess
	- Short Term (up to 36 months)	Applicable Slab Rates + surcharge, if applicable + 3% cess

NOTE: *Applicable for FY 2015-16*

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