

HOW ARE MUTUAL FUNDS TAXED?



	EQUITY FUNDS	NON-EQUITY FUNDS
	Listed MF Schemes with >65% of assets in shares of Indian Listed Companies	All other schemes other than equity funds including debt funds, international fund of funds, gold funds, etc.
LONG TERM CAPITAL GAINS	When a mutual fund is redeemed after 1 year of investment Gains are taxed at 10% if >Rs.1 lakh	When a mutual fund is redeemed after 3 years of investment Gains are taxed at 20% with indexation benefit
SHORT TERM CAPITAL GAINS	When a mutual fund is redeemed within 1 year Gains are taxed at 15%	When a mutual fund is redeemed within 3 years Gains are added to income and taxed according to the tax slab
	Additionally, there is a 0.001% Securities Transaction Tax (STT) on redemption of Equity Mutual Funds irrespective of the holding period.	
	Dividends are taxable in the hands of investors at their respective income tax slab rates. Any distribution of dividend from any mutual fund to resident investor is subject to TDS @ 10% on dividends exceeding Rs 5000 in a financial year. TDS not applicable on redemption of mutual funds by domestic investor	

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Mutual Fund

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Investors should deal only with Registered Mutual Funds, to be verified on SEBI website under "Intermediaries / Market Infrastructure Institutions". Refer www.ltfs.com for details on completing one-time KYC (Know Your Customer) process, change of details like address, phone number etc. and change of bank details etc. For complaints redressal, either visit <https://www.ltfs.com> or SEBI's website www.scores.gov.in

Capital Gains Tax and Dividend Tax on Mutual Funds in India provided above is for FY 2020-21.

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

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