

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 | 0.125% payable both at the time of purchase & sale |
| | - Non-delivery based | 0.025% payable only when selling |
| Mutual Funds | - Debt based | Nil |
| | - Equity oriented | 0.25% payable only when selling |
| Derivatives | - Futures | 0.017% 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 investor | DDT Rate |
|---|---|
| <i>(a) Applicable on debt-oriented MF Schemes – except money market /liquid funds</i> | |
| Individual / HUF | 12.5% DDT + 7.5% surcharge + 3% cess = 13.841% |
| All other investors | 20% DDT + 7.5% surcharge + 3% cess = 22.145% |

(b) Applicable on money market / liquid funds

Individual / HUF 25% DDT + 7.5% surcharge + 3% cess = **27.681%**

All other investors 25% DDT + 7.5% surcharge + 3% cess = **27.681%**

CAPITAL GAINS TAX

| Transaction | | Tax rate |
|-------------|--------------------------------|---|
| Long Term | - Equity / Equity oriented MFs | Nil |
| | - Debt / Debt based MFs | 10% (w/o indexation) / 20% (with indexation) + surcharge, if applicable + 3% cess |
| Short Term | - Equity / Equity oriented MFs | 15% + surcharge, if applicable + 3% cess |
| | - Debt / Debt based MFs | Applicable Slab Rates + surcharge, if applicable + 3% cess |

NOTE: Applicable for FY 2010-11

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