

PROPOSED TAX RATES IN THE FINANCE ACT FY 2014-15

	Individual /HUF	Domestic Company	NRI
Long Term***			
Capital Gain Taxation			
Equity schemes (Listed)	Nil	Nil	Nil
Equity schemes (unlisted, exit by way of redemption of units)	Nil	Nil	Nil
Debt schemes (Listed)	20% with indexation + 10% surcharge** + 3% Cess = 22.6600%	20% with indexation + 10% surcharge** + 3% Cess = 22.6600%	20% with indexation + 10% surcharge** + 3% Cess = 22.6600%
Debt Schemes (Unlisted)	20% with indexation + 10% surcharge** + 3% Cess = 22.6600%	20% with indexation + 10% surcharge** + 3% Cess = 22.6600%	10% without indexation + 10% surcharge** + 3% Cess = 11.3300%
Short Term***			
Equity schemes (if equity schemes are unlisted, exit is by way of redemption of units)	15% + 10% surcharge** + 3% Cess = 16.9950%	15% + 10% Surcharge* + 3% Cess = 16.9950%	15% + 10% surcharge** + 3% Cess = 16.9950%
Debt schemes	As per Slab rates#	30% + 10% surcharge* + 3% Cess	As per Slab rates#
Dividend Distribution Tax⁴			
Equity schemes	Nil	Nil	Nil
Debt schemes	25% + 10% Surcharge + 3% Cess	30% + 10% Surcharge + 3% Cess	25% + 10% Surcharge + 3% Cess
Tax Deducted at Source (Applicable to NRI Investors)			
	Short Term Capital Gains		Long Term Capital Gains
Equity oriented schemes (Listed)	15% + 10% Surcharge** + 3% Cess = 16.9950%		Nil
Equity oriented schemes (Unlisted, exit by way of redemption of units)	15% + 10% Surcharge** + 3% Cess = 16.9950%		Nil
Other than equity oriented schemes (Listed)	30% + 10% Surcharge** + 3% Cess = 33.9900%		20% with Indexation + 10% Surcharge** + 3% Cess = 22.6600%
Other than equity oriented schemes (Unlisted)	30% + 10% Surcharge** + 3% Cess = 33.9900%		10% without Indexation + 10% Surcharge** + 3% Cess = 11.3300%
*Income-tax rates for Individual/HUF			
Total Income	Tax Rates (c)	Total Income	Tax Rates (c)
Up to INR 250,000 (a) & (b)	Nil ⁵	INR 500,001 to INR 1,000,000	20%
INR 250,001 to INR 500,000 ⁶	10%	INR 1,000,001 and above	30%

*Surcharge at the rate of 10% is applicable on domestic companies where the income exceeds INR 10 Crores and where income exceeds 1 crore but is less than 10 crores surcharge of 5% is applicable. **Surcharge at the rate of 10% is applicable on Individuals/HUF having total income exceeding INR 1 Crore. (a) In the case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is INR 300,000. (b) In the case of a resident individual of the age of 80 years or more, the basic exemption limit is INR 500,000. (c) Education cess is applicable at the rate of 2% on income-tax and secondary and higher education cess at the rate of 1% on income-tax. ***In order to qualify as long-term capital asset, the units of mutual funds (other than units of an equity oriented fund) should be held for a period of more than 36 months. In the case of units of equity oriented funds, units would qualify as long-term capital assets if held for more than 12 months. @ In cases where the taxable income, reduced by long term capital gains of a resident individual/HUF is below the basic exemption limit, the long term capital gain will be reduced to the extent of this shortfall and only the balance of the long term capital gain is chargeable to income tax. The benefits of this provision are not available to NRIs. \$ Grossing up provisions are introduced for Dividend Distribution tax with effect from 01 October 2014. & Rebate of upto ₹ 2,000 available for resident individuals whose total income does not exceed ₹ 500,000. Source: Budget document.

Note: (1) The equity schemes qualify as "equity oriented funds" defined under Explanation to section 10(38) of the Income-tax Act, 1961. (2) The rates above are based on the proposals in the Finance (No. 2) Bill, 2014. They will become a law once passed by both the Houses of Parliament and when they receive the assent of the President.

Disclaimer: The above is provided only for general information purpose. In view of the different nature of tax benefits, each investor is advised to consult with his or her own tax consultant with respect to the specific tax implications arising out of their participation in the schemes. ICICI Prudential Asset Management Company Ltd. (including its affiliates), ICICI Prudential Mutual Fund and any of its officers, directors, personnel and employees, shall not be liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner. The recipient alone shall be fully responsible for any decision taken on the basis of this material. Mutual Fund investments are subject to market risks.