

# Foreign Portfolio Investors - Tax Rate Card

**Assessment Year 2021-2022**  
**Previous Year: 1 April 2020 to 31 March 2021**  
*(all numbers are in percentage)*

## Non-Corporate

Nature of Income	If net taxable income does not exceed INR 5 million	If net taxable income exceed INR 5 million but does not exceed INR 10 million	If net taxable income exceed INR 10 million but does not exceed INR 20 million	If net taxable income exceed INR 20 million but does not exceed INR 50 million	If net taxable income exceed INR 50 million
Interest under section 194LD <sup>1</sup> of the Act	5.20	5.72	5.98	6.5	7.124
Interest other than interest under section 194LD of the Act	20.80	22.88	23.92	26.00	28.496
Dividends / income in respect of shares and units of a Mutual Fund <sup>2</sup>	20.80	22.88	23.92	26.00	28.496
<b>Sale of shares and units of equity oriented funds (subject to STT)</b>					
Short-term capital gains <sup>3</sup>	15.60	17.16	17.94	17.94	17.94
Long-term capital gains <sup>4</sup>	10.40	11.44	11.96	11.96	11.96
<b>Sale of securities (other than shares/units of equity oriented funds subject to STT)</b>					
Short-term capital gains	31.20	34.32	35.88	35.88	35.88
Long-term capital gains	10.40	11.44	11.96	11.96	11.96

The above rates are inclusive of surcharge<sup>5</sup> and cess<sup>6</sup>, wherever applicable. These rates are subject to applicable DTAA entered into by the Central Government under section 90 of the Act.

- Section 194LD of the Act provides for a concessional rate of withholding tax of 5 per cent (to be increased by applicable surcharge and cess) in case of income earned by FIIs/FPIs in the nature of interest from a rupee denominated bond of an Indian company or a Government security (including municipal debt security). The concessional tax rate of 5 per cent has been proposed to be extended for interest income payable upto 30 June 2023. Further, the rate of interest in respect of the bond of an Indian company should not exceed the rate as notified by the Central Government.
- Dividend income is proposed to be taxable in the hands of shareholders/ unitholders as per provisions of section 115AD of the Act as per Finance Bill, 2020 with effect from 1 April 2020. Withholding tax provisions shall be applicable.
- Section 115AD read with section 111A of the Act.
- Long-term capital gains (LTCG) is taxable as per Section 115AD read with section 112A of the Act. LTCG is taxable at the rate of 10 per cent (to be increased by applicable surcharge and cess) of such net capital gains exceeding one lakh rupees. The LTCG will be computed without giving effect to indexation benefits.
- For non-corporate assessee, for income other than capital gains, surcharge is applicable at the rate of 10 per cent if taxable income exceed INR 5 million but does not exceed INR 10 million, at the rate of 15 per cent if taxable income exceed INR 10 million but does not exceed INR 20 million, at the rate of 25 per cent if taxable income exceed INR 20 million but does not exceed INR 50 million and at the rate of 37 per cent if taxable income exceed INR 50 million. For capital gains, the surcharge is applicable at the rate of 10 percent if taxable income exceed INR 5 million but does not exceed INR 10 million and at the rate of 15 percent of taxable income exceed INR 10 million.
- Health and Education cess at the rate of 4 per cent on income-tax and surcharge is applicable to all taxpayers.
- The revised rates, if the bill is enacted in present form, will be applicable with effect from 1 April 2020.

# Foreign Portfolio Investors - Tax Rate Card

**Assessment Year 2021-2022**  
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*(all numbers are in percentage)*

## Corporate

Nature of Income	If net taxable income does not exceed INR 10 million	If net taxable income exceed INR 10 million but does not exceed INR 100 million	If net taxable income exceed INR 100 million
Interest under section 194LD <sup>1</sup> of the Act	5.20	5.304	5.46
Interest other than interest under section 194LD of the Act	20.80	21.216	21.84
Dividends / income in respect of shares and units of a Mutual Fund <sup>2</sup>	20.80	21.216	21.84
<b>Sale of shares and units of equity oriented funds (subject to STT)</b>			
Short-term capital gains <sup>3</sup>	15.60	15.912	16.38
Long-term capital gains <sup>4</sup>	10.40	10.608	10.92
<b>Sale of securities (other than shares/units of equity oriented funds subject to STT)</b>			
Short-term capital gains	31.20	31.824	32.76
Long-term capital gains	10.40	10.608	10.92

The above rates are inclusive of surcharge<sup>5</sup> and cess<sup>6</sup>, wherever applicable. These rates are subject to applicable DTAA entered into by the Central Government under section 90 of the Act.

- Section 194LD of the Act provides for a concessional rate of withholding tax of 5 per cent (*to be increased by applicable surcharge and cess*) in case of income earned by FPIs in the nature of interest from a rupee denominated bond of an Indian company or a Government security. The concessional tax rate of 5 per cent has been proposed to be extended for interest income payable upto 30 June 2023. Further, the rate of interest in respect of the bond of an Indian company should not exceed the rate as notified by the Central Government.
- Dividend income is proposed to be taxable in the hands of shareholders/ unitholders as per provisions of section 115AD of the Act as per Finance Bill, 2020 with effect from 1 April 2020. Withholding tax provisions shall be applicable.
- Section 115AD read with section 111A of the Act.
- Long-term capital gains (LTCG) is taxable as per Section 115AD read with section 112A of the Act. LTCG is taxable at the rate of 10 per cent (*to be increased by applicable surcharge and cess*) of such capital gains exceeding one lakh rupees. The LTCG will be computed without giving effect to indexation benefits.
- For foreign company, surcharge is applicable at the rate of 2 per cent if taxable income exceed INR 10 million but does not exceed INR 100 million and at the rate of 5 per cent if taxable income exceed INR 100 million.
- Health and Education cess at the rate of 4 per cent on income-tax and surcharge is applicable to all taxpayers.
- The revised rates, if the bill is enacted in present form, will be applicable with effect from 1 April 2020.

# Foreign Portfolio Investors - Surcharge and cess

## Non-Corporate

Total income	Capital Gains	Income other than capital gains
Does not exceed INR 5 million	NIL	NIL
Exceed INR 5 million but does not exceed INR 10 million	10 per cent on income-tax	10 per cent on income-tax
Exceed INR 10 million but does not exceed INR 20 million	15 per cent on income-tax	15 per cent on income-tax
Exceed INR 20 million but does not exceed INR 50 million	15 per cent on income-tax	25 per cent on income-tax
Exceed INR 50 million	15 per cent on income-tax	37 per cent on income-tax

## Corporate

Total income	All income
Does not exceed INR 10 million	NIL
Exceed INR 10 million but does not exceed INR 100 million	2 per cent on income-tax
Exceed INR 100 million	5 per cent on income-tax

## Health and Education Cess

Particulars	Rate
Non-Corporate and Corporate	4 per cent on income-tax and surcharge

**No Change**

# Withholding tax rates on income of Foreign Portfolio Investors

Assessment Year 2021-22  
 Previous Year: 1 April 2020 to 31 March 2021  
 (all numbers are in percentage)

## Non-Corporate

Nature of Income	If net taxable income does not exceed INR 5 million	If net taxable income exceed INR 5 million but does not exceed INR 10 million	If net taxable income exceed INR 10 million but does not exceed INR 20 million	If net taxable income exceed INR 20 million but does not exceed INR 50 million	If net taxable income exceed INR 50 million
Interest under section 194LD of the Act <i>(concessional tax rate extended upto 30 June 2023)</i>	5.20	5.72	5.98	6.50	7.124
Income from securities <i>(not being dividend, interest under section 194LD, short-term or long-term capital gain)</i>	20.80	22.88	23.92	26.00	28.496
Income from dividend on equity shares/ units of Mutual Fund	20.80	22.88	23.92	26.00	28.496

- The above rates are inclusive of surcharge and cess, wherever applicable. These rates are subject to applicable DTAA entered into by the Central Government under section 90 of the Act.
- The revised rates, if the bill is enacted in present form, will be applicable with effect from 1 April 2020.

# Withholding tax rates on income of Foreign Portfolio Investors

Assessment Year 2021-22  
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Nature of Income	Corporate		
	If net taxable income does not exceed INR 10 million	If net taxable income exceed INR 10 million but does not exceed INR 100 million	If net taxable income exceed INR 100 million
Interest under section 194LD of the Act ( <b>concessional tax rate extended upto 30 June 2023</b> )	5.20	5.304	5.46
Income from securities (not being dividend, interest under section 194LD, short-term or long-term capital gain)	20.80	21.216	21.84
Income from dividend on equity shares / units of Mutual Fund	20.80	21.216	21.84

- The above rates are inclusive of surcharge and cess, wherever applicable. These rates are subject to applicable DTAA entered into by the Central Government under section 90 of the Act.
- The revised rates, if the bill is enacted in present form, will be applicable with effect from 1 April 2020.

# Securities Transaction Tax Rate Card

STT is levied on the value of taxable securities transactions as under:

Sr. No.	Transaction	Rates in Percentage	Value	Paid by
1	Purchase/Sale of equity shares or units of a business trust (delivery based)	0.1	Settlement Price	Purchaser / Seller
2	Sale of units of equity oriented mutual fund (delivery based)	0.001	Settlement Price	Seller
3	Sale of equity shares, units of equity oriented mutual fund or units of a business trust (non-delivery based)	0.025	Settlement Price	Seller
4	Sale of unit of an equity oriented fund to the mutual fund	0.001	Settlement Price	Seller
5	Sale of Futures in securities <sup>1</sup>	0.01	Price at which "Future" is traded	Seller
6	Sale of Option in securities <sup>1</sup>	0.05	On the Option Premium	Seller
7	Sale of Option in securities, where option is exercised <sup>1</sup>	0.125	Difference of strike price and settlement price	Purchaser
8	Sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a recognised stock exchange	0.20	Settlement Price	Seller
9	Sale of unlisted units of a business trust under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a recognised stock exchange	0.20	Settlement Price	Seller

1. In case of physical settlement, NSE vide its circular dated 30 August 2018 provided following:

- STT of 0.1 per cent will be leviable with effect from July 26, 2018;
- STT will be payable by both purchaser (receiver) and seller (giver) of the securities;
- STT will be recovered from the members on those contracts which had expired on July 26 and were settled by way of physical delivery.