

TDS rates applicable to various categories of Investors as per Income Tax Act

Category of unit-holder along with corresponding applicable withholding provisions	Parameters for determining the tax residential status	Withholding tax rate in case of 'Tax Resident'	Withholding tax rate in case of 'Non-Resident' (shall be increased with applicable surcharge and cess)	
			Where the income or the aggregate of such incomes paid or likely to be paid and subject to tax deduction	Effective tax rate (inclusive of surcharge & education cess)
Individuals (including Non- resident Indian) Section 194LBA	An individual is considered as tax resident in India if - Stay in India for 60 days or more during the tax year (ie FY 2017-18) and at least 365 days in aggregate during the preceding four tax years; or - Stay in India for 182 days or more during the tax year (ie FY 2017-18). 182 days substituted for 60 days - for an Indian citizen or a person of Indian origin who comes on a 'visit' to India in any financial year; or - for an Indian citizen who leaves India in any financial year for the purpose of employment outside India Approach: In absence of any evidence establishing the tax residential status of an individual during the year of distribution, all individuals including NRIs as per BENPOS list are considered as India Tax Resident.	10%	Not applicable	
HUF Section 194LBA	HUF is generally regarded to be a resident in India in any previous year unless its control and management is situated wholly outside India. Approach: All HUFs shall be regarded as tax resident.	10%	Not applicable	
LLP Section 194LBA	LLP is generally regarded to be a resident in India in any previous year unless its control and management is situated wholly outside India. Approach: All LLPs shall be regarded as tax resident.	10%	Not applicable	
Company Section 194LBA	Company is said to be resident in India if it is incorporated in India or if the place of effective management is in India. Approach: All Companies shall be classified as resident or non-residents basis the information available on web-site of Ministry of Corporate Affairs MCAs. In case, no information is reflected as per Ministry of Corporate Affairs ('MCA') website for any company, the same shall be considered as non-resident since Companies incorporated in India are required to be registered with MCA.	10%	<ul style="list-style-type: none"> ◆ is below one crore rupees ◆ exceeds one Crores rupees but does not exceed 10 Crores ◆ exceeds 10 Crores 	<ul style="list-style-type: none"> ◆ 5.15% ◆ 5.253% ◆ 5.4075%
Alternative Investment Fund Central Government Notification	Central Government vide CBDT notification No.51/2015 dated 25th June 2015 has granted TDS exemption on all incomes other than business profits received by Category I and II AIFs. Approach: For Category III AIFs registered with SEBI, tax will be withheld @10% - as applicable to tax residents.	For Category I & II AIF - Nil For Category III AIF - 10%	Not applicable	
Mutual Fund Section 196	Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the SEBI Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorized by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf. Further, Section 196 provides that tax is not required to be deducted for any sum payable, being in the nature of interest or dividend in respect of any securities owned by mutual funds specified under section 10(23D) of the Act. Approach: IndiGrid shall not withhold tax following mandate of section 196.	Nil	Not applicable	
FPIs Section 194LBA	FPIs are generally regarded as tax non-residents under India Income Tax.	Not applicable	<p>FPI, being a Trust/ AOP</p> <ul style="list-style-type: none"> ◆ is below 50 Lakhs rupees ◆ exceeds 50 Lakhs rupees but does not exceed one crore rupees ◆ exceeds one crore rupees <p>FPI, being a Company</p> <ul style="list-style-type: none"> ◆ is below one crore rupees ◆ exceeds one crore rupees but does not exceed 10 Crores ◆ exceeds 10 Crores <p>FPI, being a firm/ LLP</p> <ul style="list-style-type: none"> ◆ is below one crore rupees ◆ exceeds one crore rupees 	<ul style="list-style-type: none"> ◆ 5.15% ◆ 5.665% ◆ 5.9225% ◆ 5.15% ◆ 5.253% ◆ 5.4075% ◆ 5.15% ◆ 5.768%