

**Debt Fund (Hold/Sell) Benefit Calculation**  
Calculator Case Study

Mr Mayukh Singh who invested Rs10 lakh in a debt Fund on 20/07/2020 wants to withdraw his money but he is confused with taxation and approaches you to calculate the impact on immediate withdrawal against redemption after 3 years.

Assumption:

Debt Fund Current Value - 12 Lakh  
Redemption Date - 14/11/2022  
Assumed Indexation Rate - 5%  
Expected Return For Remaining Period - 6%  
Applicable Short Term Tax Rate - 30%  
Applicable Long Term Tax Rate - 20%

## Debt Fund (Hold/Sell) Benefit Calculation For Mr Mayukh Singh

### If investment is redeemed TODAY

Purchase Date	20/07/2020
Redemption Date	14/11/2022
Investment Amount	₹ 10,00,000
Current Market Value	₹ 12,00,000
Taxable Short Term Capital Gain	₹ 2,00,000
<b>Tax Payable</b>	<b>₹ 60,000</b>
Net In Hand	₹ 11,40,000
<b>Post-Tax Yield</b>	<b>5.81 %</b>

### If investment is redeemed on 21/07/2023

i.e., after 249 days, it will qualify as LTCG giving you benefit of Long Term Taxation

Redemption Date	21/07/2023
Investment Amount	₹ 10,00,000
Expected Return for Remaining Period	6.00 %
Assumed Indexation Rate	5.00 %
Expected Redemption Amount	₹ 12,48,661
Long Term Capital Gain	₹ 2,48,661
Taxable Long Term Capital Gain	₹ 91,036
<b>Tax Payable</b>	<b>₹ 18,207</b>
Net In Hand	₹ 12,30,454
<b>Post-Tax Yield</b>	<b>7.15 %</b>

If the redemption is made on 21/07/2023, i.e., after 249 days,  
the effective post-tax yield for the remaining period of investment will be 11.84 %.

\* Mutual fund investments are subject to market risks, read all scheme related documents carefully. Returns are not guaranteed. The above is for illustration purpose only.