A Comprehensive Guide to Mutual Funds for NRIs in India

Exploring the Future of Mutual Funds with FinArray

Why Choose FinArray

Unified View of Your Family’s Financial Picture

In-Depth Portfolio Insights and Analytics

Effortless data integration through advanced automation

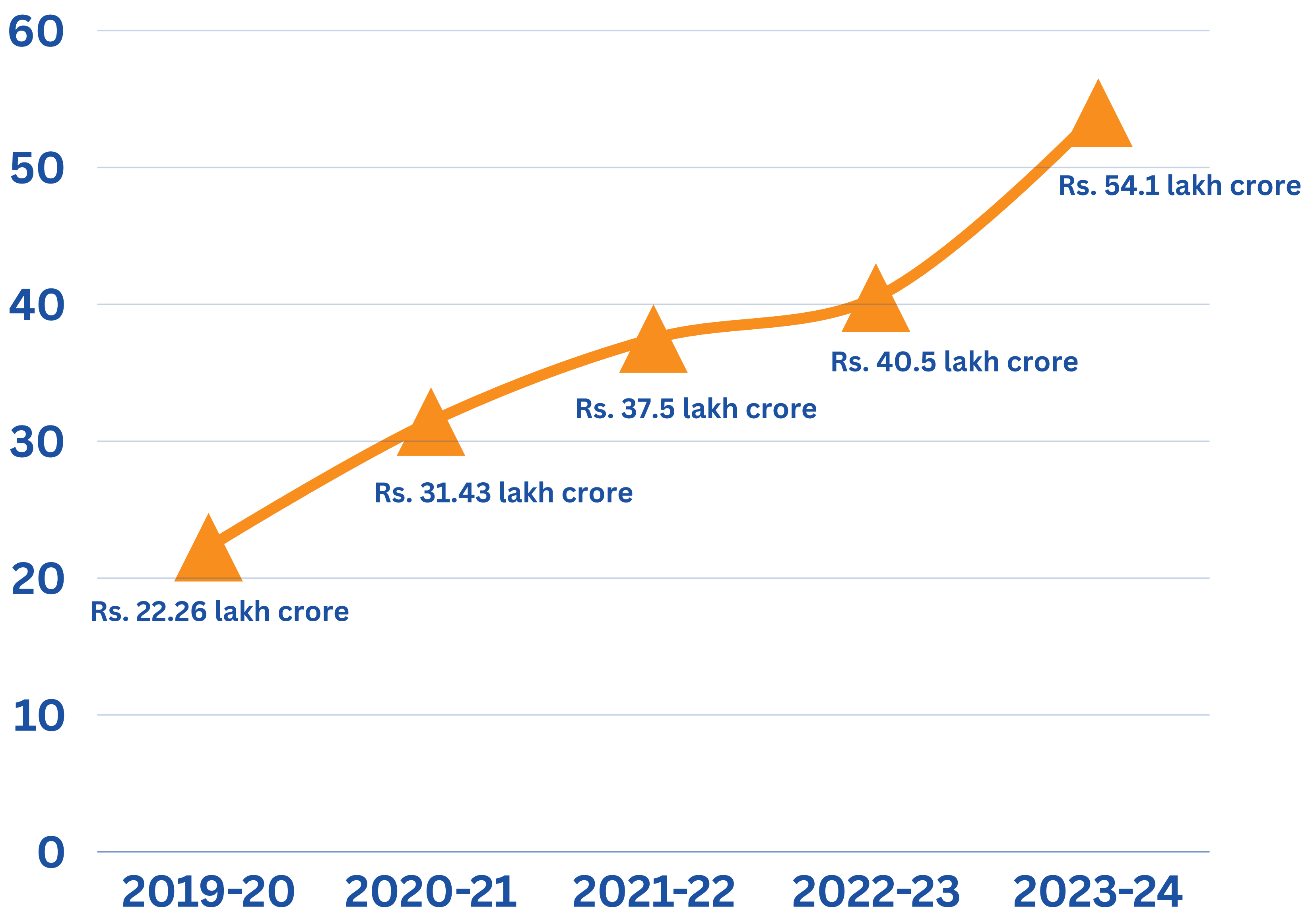
Customized Reports for Family Financial Insights

Indian Mutual Fund Industry Growth.

What is the AUM of Indian mutual fund industry?

As of June 2024, the Indian mutual fund industry has grown significantly, with Average Assets Under Management (AAUM) valued at ₹61,33,227 crore and total Assets Under Management (AUM) at ₹61,15,582 crore. This marks a six-fold increase from ₹9,75,000 crore in June 2014 to ₹61,16,000 crore in 2024. This remarkable growth showcases the rising popularity of mutual funds among Indian investors, driven by strong market performance and growing investor trust. It highlights the industry's critical role in the financial sector and its bright future ahead.

Growth of AUM of Indian mutual fund industry in last 5 years



Taxation of Mutual Funds for NRIs in India

Tax Deducted at Source (TDS)

Particulars	TDS on Short-term Capital Gains	TDS on Long-term Capital Gains	TDS on Distributed Income under IDCW Option
Equity Mutual Funds	15%	10%	20%
Other than Equity Oriented Fund	30%	Listed- 20% with indexation Unlisted- 10% without indexation	20%

Capital Gains Tax

Particulars	Tax on Short-term Capital Gains	Tax on Long-term Capital Gains
Equity Mutual Funds	20%	Gains exceeding Rs. 1.25 lakh - 12.5% without indexation benefit
Other than Equity Oriented Fund	Taxed based on the income tax bracket	Listed - 20% with indexation Unlisted - 10% without indexation

Tax Benefits of Mutual Funds for NRIs in India

Double Taxation Avoidance Agreement (DTAA)

- DTAA is a treaty signed between two countries to prevent double taxation of the same income for residents. Under DTAA, gains from investments in India are taxed only in one country, depending on the terms of the agreement.
- NRIs can claim the benefit of taxes and TDS deducted in India against their tax liability in their country of residence.
- This deduction can be claimed by providing certain documents to the deductor, which can include a self-declaration cum indemnity format and a copy of citizenship/ PIO Proof

Section 80C Deduction

- By investing in ELSS or Equity Linked Saving Schemes, tax benefits can be availed of under Section 80C, up to Rs 1,50,000.

Required Documents for Profile.

If KYC is Validated

- PAN Card
- Address Proof
- Cancelled cheque
- Gross Annual Income
- Occupation
- Tax Identification Number (TIN) or Functional Equivalent
- Mobile Number
- Mail Id
- Nominee Name
- Nominee DOB
- Nominee Relation

If KYC is Not Validated

- Passport Size photo
- Passport of overseas country
- Address proof of other country
- Downloaded Aadhar Card
- Overseas Citizen of India (OCI) card
- PAN Card
- Gross Annual Income
- Occupation
- Tax Identification Number (TIN) or Functional Equivalent