



The Indian Budget 2024: Capital Gains Tax Increase - What does it mean for you as an investor in India Capital Growth Fund?

Following the election in June this year, a budget refresh was announced outlining changes to both long-term and short-term capital gains taxes (CGT), universally impacting Indian equities investments. The long-term capital gains tax was revised upwards to 12.5% from the earlier 10% and the short-term capital gains tax was revised upwards to 20% from the earlier 15%, effective 23rd July 2024.

The June performance was calculated using the post CGT NAV applicable at that point (the old rate). The July performance is calculated using the post CGT NAV at the revised rate, directly impacting the post CGT NAV performance.

The below table illustrates the impact of the old CGT rate and the new CG rate on both the month end NAV and the MTD performance.

	NAV Estimate	MTD Performance
Month - Pre CGT		
June	209.22	11.8
July	217.54	3.98%
Month – Post CGT (Old rate)		
June	199.18	11.1%
July	206.66	3.75%
Month – Post CGT (new rate)		
July	203.91	2.37%