

EVALUATE THE CHARGES

Investment product

Charges

Property

Initial: Stamp duty of about 5%, registration fee of 1% or ₹30,000, whichever is less (in Maharashtra)
TDS of 1% for seller if value over ₹50 lakh
One-time payment of service tax or VAT
Recurring: Society charges (about ₹4/sq ft for residential); Society maintenance (about ₹8/sq ft for commercial); yearly municipal tax

Direct equity investment

Initial: Nil
Recurring: Demat charges (₹300 – ₹800 a year)
Charges per trade (0.4% to 0.75%), STT of 0.125%

Equity mutual fund

Initial: Nil (expense ratio is adjusted in the NAV)
Recurring: Expense ratio up to 2.25%

Debt mutual fund

Initial: Nil (expense ratio is adjusted from the NAV)
Recurring: Expense ratio up to 1.50%

Bank FD

Initial: Nil
Recurring: TDS of 10% if amount is above ₹10,000

Corporate FD

Initial: Nil, **Recurring:** Nil

Physical gold

Initial: Making fee (5% – 20%), wastage charges (5%)
VAT (for purchase over ₹50,000), **Recurring:** Nil

Gold bond

Initial: Nil (Pays interest @ 2.75% a year), **Recurring:** Nil

Unit-linked insurance plan*

Initial: Premium allocation of 5%, administration charge of ₹50 a month, fund management fee of 1.35%
Recurring: Allocation charge of 4% in second and third years, 3% in fourth and fifth and 2% from sixth year onwards admin charge of 0.25%, fund management fee of 1.35%

Endowment plan*

Initial and recurring charges are not bifurcated

Term plan*

Premium is a composition of all charges

*Service tax is charged on premiums, which varies with policies. All policies come with tax benefits

Note: Property stamp duty differs from state to state; property maintenance values are indicative; stock per trade includes duties and brokerage; mutual fund expense ratio stated are maximum that funds can charge; for those who are not liable to pay tax can submit form 15G/H at their banks to avoid TDS on FDs; Insurance charges mentioned are maximum a company can charge

Source: Ladder7 Financial Advisories