

# TAX RECKONER 2012-13

## SNAPSHOT OF TAX RATES SPECIFIC TO MUTUAL FUNDS

**Prudent**

— Money through wisdom —

The rates are applicable for the financial year 2012-13 and are subject to enactment of the Finance Bill, 2012.

### Tax Implications on Dividend received by Unitholders

Effective: 1st April 2012.

	Individual/ HUF	Domestic Company	NRI*
<b>Dividend</b>			
Equity oriented schemes	Nil	Nil	Nil
Debt oriented schemes	Nil	Nil	Nil

### Tax on distributed income (payable by the scheme) rates

Equity oriented schemes **	Nil	Nil	Nil	
<b>Debt Schemes</b>	DDT Rate	12.5% + 5% Surcharge + 3% Cess = 13.519%	30% + 5% Surcharge + 3% Cess = 32.445%	12.5% + 5% Surcharge + 3% Cess = 13.519%
	Dividend with DDT	113.519%	132.445%	113.519%
	Effective DDT Rate	11.909%	24.497%	11.909%
<b>Money Market And Liquid Schemes</b>	DDT Rate	25% + 5% Surcharge + 3% Cess = 27.038%	30% + 5% Surcharge + 3% Cess = 32.445%	25% + 5% Surcharge + 3% Cess = 27.038%
	Dividend with DDT	127.038%	132.445%	127.038%
	Effective DDT Rate	21.283%	24.497%	21.283%

### Capital Gains Taxation

#### Long Term Capital Gains (units held for more than 12 months)

Equity oriented schemes **	Nil	Nil	Nil
<b>Other than Equity Oriented Schemes (Listed)</b>	10% without indexation or 20% with indexation whichever is lower + 3% Cess	10% without indexation or 20% with indexation whichever is lower + 5% Surcharge# + 3% Cess	10% without indexation or 20% with indexation whichever is lower + 3% Cess***
<b>Without indexation</b>	= 10.300%	= 10.815%	= 10.300%
<b>With indexation</b>	= 20.600%	= 21.630%	= 20.600%
<b>Other than Equity Oriented Schemes (Unlisted)</b>	20% with indexation + 3% Cess = 20.600%	20% with indexation + 5% Surcharge# + 3% Cess = 21.630%	10% without indexation + 3% Cess = 10.300% \$

#### Short Term Capital Gains (units held for 12 months or less)

<b>Equity oriented schemes **</b>	15% + 3% Cess	15% + 5% Surcharge# + 3% Cess	15% + 3% Cess
	= 15.450%	= 16.223%	= 15.450%
<b>Other than equity oriented schemes</b>	30%^ + 3% Cess	30% + 5% Surcharge# + 3% Cess	30%^ + 3% Cess
	= 30.900%	= 32.445%	= 30.900%

# In case of a domestic company surcharge of @ 5% shall be levied if the total income exceeds Rs. 1 Crore subject to marginal relief.

\*The short term/long term capital gain tax will be deducted at the time of redemption of units in case of NRI investors only.

\*\* Securities transaction tax (STT) will be deducted on equity funds at the time of redemption and switch to the other schemes.

Mutual Fund would also pay securities transaction tax wherever applicable on the securities bought / sold

\*\*\* These are the tax rates applicable to capital gains, in case the rate of tax is lower than 20% and if the NRI does not have a Permanent Account Number, then for the purpose of TDS, the withholding tax rate would be 20%

\$ As per the Finance Act, 2012, in case of transfer of unlisted securities by non-resident, the tax rates in case of long term capital gains shall be 10% (plus surcharge and cess) without indexation

^ Assuming the investor falls into highest tax bracket.

#### Tax Deducted at Source (Applicable only to NRI Investors)@

	Short term capital gains	Long term capital gains
Equity oriented schemes	15.450% ##	NIL
Other than Equity Oriented Schemes (Listed)	30.900%	20.600% #
Other than Equity Oriented Schemes (Unlisted)	30.900%	10.300%#

# after providing for indexation

@ As per the Finance Act 2012, with effect from July 1, 2012, a list of transactions is proposed to be specified, wherein the rate for tax deduction at source needs to be determined by the assessing officer. In case the transaction of sale of mutual fund units by an NRI gets covered within such list, then an application would be required to be made to the assessing officer to determine the tax deduction at source rate

## Subject to NRI's having Permanent Account Number in India

## 1. INCOME TAX RATES

**For Individuals, Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial juridical persons**

TOTAL INCOME	TAX RATES
Up to Rs. 2,00,000 <sup>(a)(b)</sup>	NIL
Rs. 2,00,001 to Rs. 5,00,000	10%
Rs. 5,00,001 to Rs. 10,00,000	20%
Rs. 10,00,001 and above	30%

(a) In the case of a resident individual of the age of 60 years or above but below 80 years, the basic exemption limit is Rs. 2,50,000.

(b) In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs. 5,00,000.

(c) Surcharge is not applicable.

(d) Education cess is applicable @ 3% on income tax.

(e) Marginal relief may be available.

## 2. SECURITIES TRANSACTION TAX (STT)

**STT is levied on the value of taxable securities transactions as under.**

TRANSACTION	RATES	PAYABLE BY
Purchase/ Sale of equity shares, units of equity oriented mutual fund (delivery based) @	0.1%	Purchaser/ Seller
Sale of equity shares, units of equity oriented mutual fund (non-delivery based)	0.025%	Seller
Sale of an option in securities	0.017%	Seller
Sale of an option in securities, where option is exercised	0.125%	Purchaser
Sale of a futures in securities	0.017%	Seller
Sale of unit of an equity oriented fund to the Mutual Fund	0.25%	Seller

@ effective 1 July 2012

## 3. SPECIAL RATES FOR NON-RESIDENTS

**(1) The following incomes in the case of non-resident are taxed at special rates on gross basis:**

NATURE OF INCOME	RATE (A)
Dividend (b)	20%
Interest received on loans given in foreign currency to Indian concern or Government of India.	20%
Income received in respect of units purchased in foreign currency of specifies Mutual Funds / UTI	20%
Royalty or fees for technical services	For Agreements entered into: - After 31 May 1997 but before 1 June 2005 – @ 20% - After 1 June 2005 – @ 10%
Interest income from a notified infrastructure debt fund	5%
Interest on FCCB, FCEB / Dividend on GDRs(b)	10%

(a) These rates will further increase by surcharge and education cess.

(b) Other than dividends on which DDT has been paid.

(c) In case the non-resident has a Permanent Establishment (PE) in India and the royalty/ fees for technical services paid is effectively connected with such, the same could be taxed at 40% (plus surcharge and education cess) on net basis.

**(2) Tax on non-resident sportsmen or sports association on specified income @ 10% plus surcharge and education cess.**

## 4. CAPITAL GAINS

Particulars	SHORT-TERM CAPITAL GAINS TAX RATES (A)	LONG-TERM CAPITAL GAINS TAX RATES (A)
Sale transactions of equity shares/ unit of an equity oriented fund which attract STT	15%	Nil
Sale transaction other than mentioned above:		
Individuals (resident and non-residents)	Progressive slab rates	20% with indexation; 10% without indexation (for units/ zero coupon bonds)
Partnerships (resident and non-resident)	30%	
Resident Companies	30%	
Overseas financial organisations specified in section 115AB	40% (corporate) 30% (non-corporate)	10%
FIs	30%	10%
Other Foreign companies	40%	20% / 10%
Local authority	30%	10% without indexation (for units/zero coupon bonds)/20% (for others)
Co-operative society rates	Progressive slab	

(a) These rates will further increase by applicable surcharge & education cess.

### PERSONAL TAX SCENARIOS (AMOUNT IN RUPEES)

INDIVIDUAL	INCOME LEVEL		
	5,00,000	10,00,000	15,00,000
Tax in FY 2011-12	32,960	1,56,560	3,11,060
Tax in FY 2012-13	30,900	1,33,900	2,88,400
Effective Tax Savings	2,060	22,660	22,060
Effective Tax Savings	6.25%	14.47%	7.28%

RESIDENT SENIOR CITIZEN (AGE OF 60 YEARS BUT BELOW 80 YEARS)	INCOME LEVEL		
	5,00,000	10,00,000	15,00,000
Tax in FY 2011-12	25,750	1,49,350	3,03,850
Tax in FY 2012-13	25,750	1,28,750	2,83,250
Effective Tax Savings	Nil	20,600	20,600
Effective Tax Savings	N.A.	13.79%	6.78%

RESIDENT WOMEN BELOW 60 YEARS	INCOME LEVEL		
	5,00,000	10,00,000	15,00,000
Tax in FY 2011-12	31,930	1,55,530	3,10,030
Tax in FY 2012-13	30,900	1,33,900	2,88,400
Effective Tax Savings	1,030	21,630	21,630
Effective Tax Savings	3.26%	13.91%	6.98%

RESIDENT VERY SENIOR CITIZEN AT THE AGE OF 80 YEARS AND ABOVE	INCOME LEVEL		
	5,00,000	10,00,000	15,00,000
Tax in FY 2011-12	Nil	1,23,600	2,78,100
Tax in FY 2012-13	Nil	1,03,000	2,57,500
Effective Tax Savings	Nil	20,600	20,600
Effective Tax Savings	N.A.	16.67%	7.41%