

# Tax Reckoner 2012-13

## A. Applicable Income Tax Rates – Investments in Mutual Fund Schemes

Tax rates for Financial Year 2012-13

### Tax Implication on Dividend received by Unit holders

	Resident Individual/HUF	Domestic Corporates	NRI**
<b>Dividend</b>			
Equity Oriented Schemes	Tax Free	Tax Free	Tax Free
Other than Equity Oriented Schemes	Tax Free	Tax Free	Tax Free

<b>Dividend Distribution Tax (Payable by the Scheme)</b>			
Equity Oriented Schemes*	Nil	Nil	Nil
Other than Equity Oriented Schemes	12.5%+5% Surcharge+3% Cess =13.519%	30%+5% Surcharge+3% Cess =32.445%	12.5%+5% Surcharge+3% Cess =13.519%
Money Market & Liquid Schemes	25%+5% Surcharge+3% Cess =27.0375%	30%+5% Surcharge+3% Cess =32.445%	25%+5% Surcharge+3% Cess =27.0375%

### Capital Gain Taxation

<b>Long Term Capital Gains (Units held for more than 12 months)</b>			
Equity Oriented Schemes*	Nil	Nil	Nil
Other than Equity Oriented Schemes (listed)	10% without indexation or 20% with indexation which ever is lower + 3% Cess	10% without indexation or 20% with indexation which ever is lower + 5% Surcharge # + 3% Cess	10% without indexation or 20% with indexation which ever is lower + 3% Cess***
Without Indexation	=10.300%	=10.815%	=10.300%
With Indexation	=20.600%	=21.63%	=20.600%
Schemes other than Equity oriented schemes (unlisted)	20% with indexation + 3% Cess = 20.6%	20% with indexation + 5% Surcharge # + 3% Cess = 21.63%	10% without indexation + 3% ccess = 10.3%\$\$

<b>Short Term Capital Gains (Units held for 12 months or less)</b>			
Equity Oriented Schemes*	15% + 3% Cess =15.450%	15% +5% Surcharge # + 3% Cess =16.223%	15% + 3% Cess =15.450%
Other than Equity Oriented Schemes	30%^ + 3% Cess =30.900%	30% +5% Surcharge # + 3% Cess =32.445%	30%^ + 3% Cess =30.900%

<b>Tax deducted at source pertaining to NRI Investors\$</b>		
	Short Term Capital Gain	Long Term Capital Gain
Equity Oriented Schemes	15.450% ##	Nil
Other than Equity Oriented schemes( Listed)	30.900%	20.60% @
Other than Equity Oriented schemes( Unlisted)	30.900%	10.30%

\*STT @ 0.25% will be deducted on equity oriented schemes 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

\*\* The tax rates are subject to DTAA benefits available to NRI's. As per the Finance Act, 2012, submission of tax residency certificate containing prescribed particulars, will be a necessary (though not sufficient) condition for granting DTAA benefits to non-residents

\*\*\* 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%

# The total income of the corporate would exceed Rs. 1 Crore

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

\$ 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

\$\$ 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@ after providing for indexation ^Assuming the investor falls into the highest tax bracket

## B. INCOME TAX RATES

(i) For Individual, Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial juridical persons.

Taxable Income	Tax Rates (%)
Upto Rs.2,00,000 (a)(b)	Nil
Rs. 2,00,001 to Rs. 5,00,000 (c)	10%
Rs. 5,00,001 to Rs.10,00,000	20%
Rs. 10,00,000 and above	30%

- (a) In the case of a resident individual of the age of sixty years or above but below eighty years, the basic exemption limit is Rs. 2,50,000  
 (b) In the case of a resident individual of the age of eighty years or above, the basic exemption limit is Rs.5,00,000/-  
 (c) Education cess is applicable @ 3 percent of income-tax. No Surcharge is applicable. Marginal relief may be available

### (ii) 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 scheme (delivery based) (w.e.f. July 1, 2012 as per the provisions of Finance Act, 2012)	0.1%*	Purchaser/Seller
Sale of equity shares, units of equity oriented scheme (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 scheme to the Mutual Fund	0.250%	Seller

\* Upto June 30, 2012, the rate would be 0.125%

### (iii) Capital Gain

Sr no	Particulars	Short Term capital gains tax rates (a)	Long Term capital gains tax rates (a)
I	Sale transactions of equity shares / units of an equity oriented scheme which attract STT	15%	Nil
II	Sale transaction of other listed units other than units mentioned above		
	Individuals (resident and non-resident)	Progressive slab rates	20% with indexation, 10% without indexation
	Firms including LLP (resident and non-resident)	30%	
	Resident Companies	30%	
	Overseas financial organisations specified in section 115AB	40% (Corporate) 30% (non-corporate)	10% for units purchased in foreign currency @@
	FIs	30%	10%@@
	Other Foreign Companies	40%	20% with indexation/ 10% without indexation
	Local Authorities	30%	20% with indexation/ 10% without indexation
	Co-Operative Society Rates	Progressive Slab	
III	Sale transaction of un-listed units		
	Individuals (resident)	Progressive slab rates	20% with indexation
	Firms including LLP (resident)	30%	20% with indexation
	Resident Companies	30%	20% with indexation
	Overseas financial organisations specified in section 115AB	40% (Corporate) 30% (non-corporate)	10% for units purchased in foreign currency @@
	FIs	30%	10%@@
	Local Authorities	30%	20% with indexation
	Co-Operative Society Rates	Progressive Slab	20% with indexation
	Any other non-resident	40%	10% without indexation\$\$\$

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

@ @ no indexation benefit would be available

\$\$\$ As per the Finance Act, 2012

### C. Personal Tax Scenarios

Individuals other than below categories	Income Level (Rs.)		
	500,000	1,000,000	1,500,000
Tax in FY 2011-12	32,960	156,560	311,060
Tax in FY 2012-13	30,900	133,900	288,400
Effective Tax Savings	2,060	22,660	22,660
Effective Tax Savings	6.25%	14.47%	7.28%

Resident Senior Citizen ( age of 60 years but below 80 years)	Income Level (Rs.)		
	500,000	1,000,000	1,500,000
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	-	20,600	20,600
Effective Tax Savings	-	13.79%	6.78%

Resident woman below 60 years	Income Level (Rs.)		
	500,000	1,000,000	1,500,000
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	3.23%	13.91%	6.98%

Resident very senior citizen at the age of 80 years and above	Income Level (Rs.)		
	500,000	1,000,000	1,500,000
Tax in FY 2011-12	-	1,23,600	2,78,100
Tax in FY 2012-13	-	1,03,000	2,57,500
Effective Tax Savings	-	20,600	20,600
Effective Tax Savings	-	16.67%	7.41%

#### Notes:

1) The tax rates mentioned above are those provided in the Income tax Act, 1961, applicable for the financial year 2012-13 relevant to assessment year 2013-14. In the event of any change, we do not assume any responsibility to update the tax rates consequent to such changes. The proposals of the Draft Direct Taxes Code Bill, 2010 have not been considered herein.

2) The tax rates mentioned above are only intended to provide general information and are neither designed nor intended to be a substitute for professional tax advice. Applicability of the tax rates would depend upon nature of the transaction, the tax consequences thereon and the tax laws in force at the relevant point in time. Therefore, users are advised that before making any decision or taking any action that might affect their finances or business, they should take professional advice.

3) A non-resident tax payer has an option to be governed by the provisions of the Income tax Act, 1961 or the provisions of the relevant Double Taxation Avoidance Agreement, whichever is more beneficial. As per the Finance Act, 2012, submission of tax residency certificate containing prescribed particulars, will be a necessary (though not sufficient) condition for granting benefits under the Double Taxation Avoidance Agreements to non-residents.

Disclaimer: The information set out in the Tax Reckoner 2012-13 ('the document') is for general purposes only and is not an offer to sell or a solicitation for investments. The information set out is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does constitute tax or legal advice. Investors should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of the tax consequences, each investor is advised to consult his/ her own professional tax advisor. The information/ data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should not be construed as investment advice. Investors alone shall be fully responsible / liable for any decision taken on the basis of this document. Neither GKNET nor any person connected with it accepts any liability arising from the use of this information. The investors should before investing make his/their own investigation and seek appropriate professional advice.