

## Tax Recknor 2015-16

### The rates are applicable for the Financial Year 2015-16 (AY 2016-17)

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

##### Tax Implications on Dividend received by Unit holders

	Resident Individual/HUF	Domestic Companies	NRI
	Dividend		
Equity oriented schemes	Nil	Nil	Nil
Debt oriented schemes	Nil	Nil	Nil

Dividend Distribution Tax (Payable by the Scheme) <sup>s,ss</sup>			
Equity oriented schemes*	Nil	Nil	Nil
Debt oriented schemes	25%+ 12% Surcharge + 3% Cess	30% + 12% Surcharge + 3% Cess	25%+ 12% Surcharge + 3% Cess
	=28.84%	=34.608%	=28.84%
Money Market and Liquid schemes	25%+ 12% Surcharge + 3% Cess	30% + 12% Surcharge + 3% Cess	25%+ 12% Surcharge + 3% Cess
	=28.84%	=34.608%	=28.84%

##### Capital Gains Taxation

	Resident Individual/HUF	Domestic Companies	NRI
<b>Long Term Capital Gains (Units of equity oriented funds held for more than 12 months and 36 months in case of other units)</b>			
Equity oriented schemes*	Nil	Nil	Nil
Other than Equity Oriented Schemes (listed)	20% with indexation + 12% Surcharge <sup>s</sup> + 3% Cess	20% with indexation + Surcharge 7% / 12% as applicable <sup>ss</sup> + 3% Cess	20% with indexation + 12% Surcharge <sup>s</sup> + 3% Cess
	=23.072%	=22.042% or 23.072%	=23.072%
Other than Equity Oriented Schemes (unlisted)	20% with indexation + 12% Surcharge <sup>s</sup> + 3% Cess	20% with indexation + Surcharge 7% / 12% as applicable <sup>ss</sup> + 3% Cess	10% without indexation + 12% Surcharge <sup>ss</sup> + 3% Cess
	=23.072%	=22.042% or 23.072%	=11.536%

<b>Short Term Capital Gains (Units of equity oriented mutual fund schemes held for less than or equal to 12 months and 36 months in case of other units)</b>			
Equity Oriented Schemes*	15% + 12% Surcharge <sup>s</sup> + 3% Cess	15% + Surcharge 7% / 12% as applicable <sup>ss</sup> + 3% Cess	15% + 12% Surcharge <sup>s</sup> + 3% Cess
	=17.304%	=16.5315% or 17.304%	=17.304%
Other than Equity Oriented Schemes	30% <sup>^</sup> + 12% Surcharge <sup>s</sup> + 3% Cess	30% + Surcharge 7% / 12% as applicable <sup>ss</sup> + 3% Cess	30% <sup>^</sup> + 12% Surcharge <sup>s</sup> + 3% Cess
	=34.608%	=33.063 % or 34.608%	=34.608%

Tax deducted at Source (Applicable only to NRI investors)		
	Short Term Capital Gains \$	Long Term Capital Gains \$
Equity Oriented Schemes	17.304%	Nil
Other than Equity Oriented Schemes (Listed)	34.608%	23.072%@
Other than Equity Oriented Schemes (Unlisted)	34.608%	11.536%

- \* STT 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 sold.
- \$ Surcharge at the rate of 12% shall be levied in case of individual / HUF unit holders where their income exceeds Rs.1 crore.
- \$\$ Surcharge at the rate of 7% shall be levied for domestic corporate unit holders where the income exceeds Rs.1 crore but less than Rs. 10 crores and at the rate of 12%, where income exceeds Rs. 10 crores.
- ^ Assuming the investor falls into the highest tax bracket
- @ After providing for indexation

**Dividend Stripping:** The loss due to sale of units in the schemes (where dividend is tax free) will not be available for setoff to the extent of the tax free dividend declared, if units are: (A) bought within three months prior to the record date fixed for dividend declaration; and (B) sold within nine months after the record date fixed for dividend declaration.

**Bonus Stripping:** The loss due to sale of original units in schemes, where bonus units are issued, will not be available for set off; if original units are: (A) brought within three months prior to the record date fixed for allotment of bonus units; and (B) sold within nine months after the record date fixed for allotment of bonus units. However, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such unsold bonus units.

## B. Income Tax Rates

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

Taxable Income	Tax Rate (%)
Up to Rs. 250,000 (a) (b)	Nil
Rs. 250,001 to Rs. 500,000 (d)	10%
Rs. 500,001 to Rs. 1,000,000 (d)	20%
Rs. 1,000,001 and above (c) (d)	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 300,000.
- (b) In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs 500,000.
- (c) Surcharge @ 12% is applicable on income exceeding Rs 1 crore; Marginal relief for such person is available
- (d) Education cess is applicable @ 3% on income tax plus surcharge

### (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	0.1%	Purchase / Seller
Purchase of units of equity oriented mutual fund (delivery based) on recognized stock exchange #	Nil	Purchaser
Sale of units of equity oriented mutual fund (delivery based) on recognized stock exchange	0.001%	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	0.010%	Seller
Sale of unit of an equity oriented fund to the Mutual Fund	0.001%	Seller

**(iii) Capital Gain**

Sr. No	Particulars	Short Term Capital Gains Tax rates (a)	Long Term Capital Gains Tax rates (a)
I	Sale transactions of listed 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 (without STT)		
	Individuals (resident and non-resident)	Progressive slab rates - as per B above	20% with indexation,
	Firms including LLP (resident and non-resident)	30%	20% with indexation,
	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
	Local Authorities	30%	20% with indexation
	Co-operative Society Rates	Progressive Slab	20% with indexation
III	Sale transaction of un-listed units		
	Individuals (resident and non-resident)	Progressive slab rates - as per B above	20% with indexation / 10% without indexation **
	Firms including LLP (resident and non-resident)	30%	
	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 applicable surcharge & education cess.

@@ without indexation

\*\* In case of Non resident, long term capital gains arising from transfer of unlisted units will be taxable at the rate of 10% (plus surcharge and cess) without indexation.

**C. Personal Tax Scenarios**

Individuals other than below categories	Income levels (Rs.)		
	500,000	5,000,000	11,000,000
Tax in FY 2014-15	25,750	13,64,750	3,540,625
Tax in FY 2015-16	25,750	1,364,750	36,05,000
Effective Tax Savings	NA	NA	NA
Effective Tax Savings	NA	NA	NA
Additional Tax Burden	NA	NA	64,375
Additional Tax Burden	NA	NA	1.82%

Resident Senior Citizen (age of 60 years but below 80 years)	Income levels (Rs.)		
	500,000	5,000,000	11,000,000
Tax in FY 2014-15	20,600	13,59,600	35,34,960
Tax in FY 2015-16	20,600	1,359,600	35,99,232
Effective Tax Savings	NA	NA	NA
Effective Tax Savings	NA	NA	NA%
Additional Tax Burden	NA	NA	64,272
Additional Tax Burden	NA	NA	1.82

Resident Senior Citizen at the age of 80 years and above	Income levels (Rs.)		
	500,000	5,000,000	11,000,000
Tax in FY 2014-15	NIL	1,339,000	3,512,300
Tax in FY 2015-16	NIL	1,339,000	35,76,160
Effective Tax Savings	NA	NA	NA
Effective Tax Savings	NA	NA	NA
Additional Tax Burden	NA	NA	63,860
Additional Tax Burden	NA	NA	1.82

Marginal relief as applicable would be available.

Notes:

1. The tax rates mentioned above are those provided in the Income tax Act, 1961 and proposed in the Finance Bill 2015, (subject to Presidential assent) applicable for the financial year 2015-16 relevant to assessment year 2016-17. 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, deduction 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 DTAA, whichever is more beneficial. As per the Income-tax Act, 1961 submission of tax residency certificate ("TRC") will be necessary for granting DTAA benefits to non-residents. A taxpayer claiming DTAA benefit shall furnish a TRC of his residence obtained by him from the Government of that country or specified territory. Further, in addition to the TRC, the non-resident may be required to provide such other documents and information subsequently, as may be prescribed by the Indian Tax Authorities

**Information on tax are based on draft of finance bill 2015 presented by Union Government and subject assent of The President. For personal tax implication investors are requested to consult their tax advisors before investing.**

**Disclaimer:** The information set out above is included for general information purposes only and does not constitute legal or tax advice. In view of the individual nature of the tax consequences, each investor is advised to consult his or her own tax consultant with respect to specific tax implications arising out of their participation in the Scheme. Income Tax benefits to the mutual fund & to the unit holder is in accordance with the prevailing tax laws as certified by the mutual funds tax consultant. Any action taken by you on the basis of the information contained herein is your responsibility alone. Canara Robeco Mutual Fund will not be liable in any manner for the consequences of such action taken by you. the information contained herein is not intended as an offer or solicitation for the purchase and sales of any schemes of Canara Robeco Mutual Fund.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**