

TAX RECKONER 2016-17

The rates are applicable for the
Financial Year 2016-17 (AY 2017-18)

A. APPLICABLE INCOME TAX RATES - INVESTMENTS IN MUTUAL FUND SCHEMES

Tax Implications on Dividend received by Unitholders

	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)^{\$\$\$}			
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%

^{\$\$\$} The amount of income distributed to the unit holders of the mutual fund needs to be grossed up for the purpose of computing the DDT. Accordingly, the effective rate of DDT payable by the mutual fund will be higher than the rates stated in the above table by virtue of grossing-up.

Capital Gains Taxation

	Resident Individual/HUF	Domestic Companies	NRI
Long Term Capital Gains (Units of equity oriented funds held for more than 12 months and 36 months in case of other units)			
Equity Oriented Schemes*	Nil	Nil	Nil
Other than Equity Oriented Schemes (listed)	20% with indexation + 15% Surcharge [§] + 3% Cess	20% with indexation + Surcharge 7% / 12% as applicable ^{§§} + 3% Cess	20% with indexation + 15% Surcharge [§] + 3% Cess
	=23.69%	=22.042% or 23.072%	=23.69%
Other than Equity Oriented Schemes (unlisted)	20% with indexation + 15% Surcharge [§] + 3% Cess	20% with indexation + Surcharge 7% / 12% as applicable ^{§§} + 3% Cess	10% without indexation + 15% Surcharge [§] + 3% Cess
	= 23.69%	=22.042% or 23.072%	=11.845%

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)			
Equity Oriented Schemes*	15% + 15% Surcharge [§] + 3% Cess	15% + Surcharge 7% / 12% as applicable ^{§§} + 3% Cess	15% + 15% Surcharge [§] + 3% Cess
	=17.768%	=16.5315% or 17.304%	=17.768%
Other than Equity Oriented Schemes	30%^+ 15% Surcharge [§] + 3% Cess	30 ^{**} % + Surcharge 7% / 12% as applicable ^{§§} + 3% Cess	30%^+ 15% Surcharge [§] + 3% Cess
	=35.535%	=33.063 % or 34.608%	=35.535%

** As per the Finance Act 2016, in case of domestic companies whose turnover or gross receipts does not exceed five crore rupees during the financial year 2014-15, the applicable tax rate shall be 29%. Accordingly, in cases of such small domestic companies, the applicable tax rate on short-term capital gains shall be 31.961%.

Tax deducted at Source (Applicable only to NRI investors)		
	Short Term Capital Gains [§]	Long Term Capital Gains [§]
Equity Oriented Schemes	17.768%	Nil
Other than Equity Oriented Schemes (Listed)	35.535%	23.69% [@]
Other than Equity Oriented Schemes (Unlisted)	35.535%	11.845%

* 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.

\$ The Finance Act, 2016 has increased the surcharge from 12% to 15% 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

As per the Finance Act, 2016 the provisions of section 206AA (higher withholding tax rate of 20%) shall not apply to non-residents, not being a company or to a foreign company, with respect topayment of interest on long term bonds as referred to in section 194LC and other payment subject to such conditions as may be prescribed. . (nothing prescribed till date).

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. 2,50,000 (a) (b)	Nil
Rs. 2,50,001 to Rs. 5,00,000 (d)	10%
Rs. 5,00,001 to Rs. 10,00,000 (d)	20%
Rs. 10,00,001 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 3,00,000.

(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 @ 15% 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, where option is not exercised*	0.05%	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

**w.e.f. from 1 June 2016 (as per the Finance Act 2016), prior to that rate is 0.017%

(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%	
	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	
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.)		
	5,00,000	50,00,000	1,10,00,000
Tax in FY 2015-16	25,750	13,64,750	36,05,000
Tax in FY 2016-17	25,750	13,64,750	37,01,563
Effective Tax Savings	NA	NA	NA
Effective Tax Savings	NA	NA	NA
Additional Tax Burden	NA	NA	96,563
Additional Tax Burden	NA	NA	2.68%

Resident Senior Citizen (age of 60 years but below 80 years)	Income levels (Rs.)		
	5,00,000	50,00,000	1,10,00,000
Tax in FY 2015-16	20,600	13,59,600	35,99,232
Tax in FY 2016-17	20,600	13,59,600	36,95,640
Effective Tax Savings	NA	NA	NA
Effective Tax Savings	NA	NA	NA%
Additional Tax Burden	NA	NA	96,408
Additional Tax Burden	NA	NA	2.68%

Resident Senior Citizen at the age of 80 years and above	Income levels (Rs.)		
	5,00,000	50,00,000	1,10,00,000
Tax in FY 2015-16	NIL	13,39,000	35,76,160
Tax in FY 2016-17	NIL	13,39,000	36,71,950
Effective Tax Savings	NA	NA	NA
Effective Tax Savings	NA	NA	NA
Additional Tax Burden	NA	NA	95,790
Additional Tax Burden	NA	NA	2.68%

Marginal relief as applicable would be available.

Notes:

1. The tax rates mentioned above are those provided in the Income tax Act, 1961 and as amended by the Finance Act 2016, are applicable for the financial year 2016-17 relevant to assessment year 2017-18. 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, or if the prescribed information is not in TRC, the non-resident may be required to provide a self-declaration in Form 10F such other documents and information subsequently, as may be prescribed by the Indian Tax Authorities.

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.

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