

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 Unitholders

| | Resident Individual/HUF | Domestic Corporates | NRI** |
|------------------------------------|-------------------------|---------------------|----------|
| Dividend | | | |
| Equity Oriented Schemes | Tax Free | Tax Free | Tax Free |
| Other than Equity Oriented Schemes | Tax Free | Tax Free | Tax Free |

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

Capital Gain Taxation

| Long Term Capital Gains (Units held for more than 12 months) | | | |
|---|---|--|--|
| 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% cess = 10.3%\$\$ |

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

| Tax deducted at source pertaining to NRI Investors\$ | | |
|---|-------------------------|------------------------|
| | Short Term Capital Gain | Long Term Capital Gain |
| Equity Oriented Schemes | 15.450% ## | Nil |
| Other than Equity Oriented schemes | 30.900% | 20.60% @ |

*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 NRIs. 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 transaction s 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.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

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