Tax Reckoner 2011-12

Applicable Income Tax Rates – Investments in Mutual Fund Schemes

Tax rates for Financial Year 2011-12.

Tax Implication on Dividend

	Resident Individual/HUF	Domestic Corporates	NRI**
Dividend			
Equity Schemes	Tax Free	Tax Free	Tax Free
Debt Schemes	Tax Free	Tax Free	Tax Free

Dividend Distribution Tax (Payable by the Scheme) prior to May 31, 2011			
Equity Schemes*	Nil	Nil	Nil
Debt Schemes	12.5%+5% Surcharge+3% Cess	20%+5% Surcharge+3% Cess	12.5%+5% Surcharge+3% Cess
	=13.519%	=21.63%	=13.519%
Money Market & Liquid Schemes	25%+5% Surcharge+3% Cess	25%+5% Surcharge+3% Cess	25%+5% Surcharge+3% Cess
	=27.0375%	=27.0375%	=27.0375%

Dividend Distribution Tax (Payable by the Scheme) with effect from June 1, 2011			
Equity Schemes*	Nil	Nil	Nil
Debt 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 Schemes*	Nil	Nil	Nil
Debt Schemes	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%

Short Term Capital Gains (Units held for less than 12 months)			
Equity Schemes*	15% + 3% Cess	15% +5% Surcharge # + 3% Cess	15% + 3% Cess##
	=15.450%	=16.223%	=15.450%
Debt 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	15.450% ##	Nil
Debt	30.900%	20.60%@

@ after providing for indexation
Subject to NRI's having Permanent Account Number in India
*STT @ 0.25% 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.
^Assuming the investor falls into the highest tax bracket
The total income of the corporate would exceed Rs. 1 Crore
** The tax rates are subject to DTAA benefits available to NRI's
*** 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%.

1 Income Tax Rates

For Individual, Hindu Undivided Family, Association of Persons and Body of Individuals

Taxable Income	Tax Rates (%)
Upto Rs.1,80,000 (a)(b)	Nil
Rs. 1,80,001 to Rs. 5,00,000 (c)	10%
Rs. 5,00,001 to Rs. 8,00,000	20%
Rs. 8,00,000 and above	30%

(a) In the case of a resident woman below the age of sixty years, the basic exemption limit is Rs. 1,90,000
(b) In the case of a resident individual of the age of sixty years and less than eighty years, the basic exemption limit is Rs. 2,50,000/-
(c) In the case of a resident individual above the age of eighty years, the basic exemption limit is Rs. 5,00,000
(d) Education cess is applicable @ 3 percent of income-tax. No Surcharge is applicable. Marginal relief may be applicable.

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)	0.125%	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	0.250%	Seller

3. Capital Gain

Particulars	Short Term capital gains tax rates (a)	Long Term capital gains tax rates (a)
Sale transaction of equity shares / units of an equity oriented fund which attract STT	15%	Nil
Sale transaction of 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 @@
FIIs	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	

These rates will further increase by surcharge, if applicable & education cess
@@ no indexation benefit would be available

HDFC MUTUAL FUND

Personal Tax Scenarios

Individuals other than below categories	Income Level (Rs.)		
	500,000	1,000,000	1,500,000
Tax in FY 2010-11	35,020	158,620	313,120
Tax in FY 2011-12	32,960	156,560	311,060
Effective Tax Savings	2,060	2,060	2,060
Effective Tax Savings	6%	1%	1%

Resident women below 60 years	Income Level (Rs.)		
	500,000	1,000,000	1,500,000
Tax in FY 2010-11	31,930	155,530	310,030
Tax in FY 2011-12	31,930	155,530	310,030
Effective Tax Savings	-	-	-
Effective Tax Savings	-	-	-

Resident senior citizen above 60 years @@@	Income Level (Rs.)		
and below 80 years	500,000	1,000,000	1,500,000
Tax in FY 2010-11	26,780	150,380	304,880
Tax in FY 2011-12	25,750	149,350	303,850
Effective Tax Savings	1,030	1,030	1,030
Effective Tax Savings	4%	1%	0.34%

Resident senior citizen of 80 years and above	Income Level (Rs.)		
	500,000	1,000,000	1,500,000
Tax in FY 2010-11	26,780	150,380	304,880
Tax in FY 2011-12	-	123,600	278,100
Effective Tax Savings	26,780	26,780	26,780
Effective Tax Savings	100%	18%	9%

@@@ Please note that in FY 2010-11, the age limit to qualify as a senior citizen was 65 years.

Notes:

1) The tax rates mentioned above are those provided in the Income tax Act, 1961 (as amended by the Finance Act 2011), applicable for the financial year 2011-12 relevant to assessment year 2012-13. 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, 1961or the provisions of the relevant Double Taxation Avoidance Agreement, whichever is more beneficial.

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Statutory Details: HDFC Mutual Fund has been set up as a trust sponsored by Housing Development Finance Corporation Limited and Standard Life Investments Limited (liability restricted to their contribution of ₹ 1 lakh each to the corpus) with HDFC Trustee Company Limited as the Trustee (Trustee under the Indian Trusts Act, 1882) and with HDFC Asset Management Company Limited as the Investment Manager.