

Tax Reckoner 2013-14

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

Tax rates for the Financial Year 2013-14

Tax Implication on Dividend received by unit holders

	Resident Individual/HUF	Domestic Corporate	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)			
Equity Schemes*	Nil	Nil	Nil
Money Market & Liquid Schemes	25%+10% Surcharge+3% Cess=28.325%	30%+10% Surcharge+3% Cess=33.99%	25%+10% Surcharge+3% Cess=28.325%
Applicable Up to 31st May, 2013			
Debt Schemes (other than infrastructure debt fund)	12.5%+10% Surcharge+3% Cess =14.1625%	30%+10% Surcharge+3% Cess=33.99%	12.5%+10% Surcharge+3% Cess=14.1625%
Applicable from 1st June, 2013			
Debt Schemes (other than infrastructure debt fund)	25%+10% Surcharge+3% Cess =28.325%	30%+10% Surcharge+3% Cess=33.99%	25%+10% Surcharge+3% Cess=28.325%
Infra Structure Debt Fund	25%+10% Surcharge+3% Cess =28.325%	30%+10% Surcharge+3% Cess=33.99%	5%+10% Surcharge+3% Cess=5.665%

Capital Gain Taxation

Long Term Capital Gains (Units held for more than 12 months)			
	Resident Individual/HUF\$	Domestic Corporate\$\$	NRI**
Equity Schemes*	Nil	Nil	Nil
Other than Equity Oriented Schemes^^	10% without indexation or 20% with indexation whichever is lower + 10% Surcharge\$ + 3% Cess	10% without indexation or 20% with indexation whichever is lower + Surcharge as applicable\$\$ + 3% Cess	10% without indexation or 20% with indexation whichever is lower + 10% Surcharge + 3% Cess***
Without Indexation	=11.33%	=10.815% or 11.33%	=11.33%
With Indexation	=22.66%	=21.63% or 22.66%	=22.66%^^

Short Term Capital Gains (Units held for less than 12 months)			
Equity Schemes*	15% + 10% Surcharge \$ + 3% Cess = 16.995%	15% + Surcharge as applicable \$ \$ + 3% Cess = 16.223% or 16.995%	15% + 10% Surcharge + 3% Cess = 16.995%
Debt Schemes	30%^ + 10% Surcharge \$ + 3% Cess = 33.99%	30% + Surcharge as applicable \$ \$ + 3% Cess = 32.445% or 33.99%	30%^ + 10% Surcharge \$ + 3% Cess = 33.99%

Tax deducted at source pertaining to NRI's Investors #		
	Short Term Capital Gain \$	Long Term Capital Gain \$
Equity Schemes	16.995% ##	Nil
Debt Schemes (Listed)	33.99%	22.66% @
Debt Schemes (Unlisted)	33.99%	11.33% ^^

* STT will be deducted on equity schemes at the time of redemption and switch to other schemes. Mutual Fund would also pay Securities Transaction Tax wherever applicable on the securities sold.

\$ Surcharge at the rate of 10% shall be levied in case of individual / HUF unit holders where their income exceeds Rs 1 crore.

\$ \$ Surcharge at the rate of 5% shall be levied for domestic corporate unit holders where the income exceeds Rs 1 crore but less than 10 crores and at the rate of 10%, where income exceeds 10 crores.

^ Assuming the investor falls into the highest tax bracket.

*** 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%.

^^ 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.

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

@ after providing for indexation.

Education Cess @ 3% will continue to apply on tax plus surcharge as applicable

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.

** The tax rates are subject to Tax deducted at source and DTAA benefits available to NRI's. As per the Finance Act 2013, submission of tax residency certificate ("TRC") will be necessary for granting Double

Taxation Avoidance Agreement (“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 shall also provide such other documents and information subsequently, as may be prescribed by the Indian Tax Authorities.

B. Income Tax Rates

1. for Individual, Hindu Undivided Family, Association of Persons and Body of Individuals Artificial Juridical persons

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

- a) In the case of a resident individual of the age of sixty years (60 yrs) or above but below eighty years (80yrs), the basic exemption limit is Rs. 2, 50,000.
- b) In the case of a resident individual of age of eighty years (80yrs) and above, the basic exemption limit is Rs. 5, 00,000.
- c) Education cess is applicable at the rate of three percent (3%) of income-tax. No Surcharge is applicable.
- d) The Finance Act 2013 provides a rebate of Rs. 2,000 for individual having total Income up to Rs. 5 lakhs.
- d) As per the Finance Act, 2013, surcharge at the rate of 10% is applicable on income exceeding Rs. 1 crore; marginal relief for such person is available.

2. Securities Transaction Tax (STT)

STT is levied on the value of taxable securities transactions as under:

Transaction	Rates	Payable By
Applicable Up to 31st May, 2013		
Purchase/ Sale of equity shares, units of equity oriented mutual fund (delivery based)	0.1%	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 scheme to the Mutual Fund	0.250%	Seller
Effective from 1st June, 2013		
Purchase of units of equity oriented mutual fund (delivery based) on recognized stock exchange	Nil	Purchaser
Sale of unit of an equity oriented Mutual Fund (delivery based) on recognized stock exchange	0.001%	Seller
Sale of a futures in securities	0.010%	Seller
Sales of unit of an equity oriented scheme to the Mutual Fund	0.001%	Seller

3. Capital Gains

Sr. No	Particulars	Short Term capital gains tax rates ***	Long Term capital gains tax rates ***
I	Sale transaction of equity shares / units of an equity oriented fund which attracts STT	15%	Nil
II	Sale transaction of units other than units mentioned above (without STT)		
	Individuals (resident and nonresident)	Progressive slab rates	20% with indexation, 10% without indexation (for units) ****
	Partnerships (resident and non-resident)	30%	
	Resident Companies	30%	
	Overseas financial organizations specified in section 115AB	40% (Corporate) 30% (Non-Corporate)	10% @@
	FII's	30%	10% @@
	Other Foreign Companies	40%	20% with indexation/ 10% without indexation
	Local Authorities	30%	20% with indexation/ 10% without indexation
	Co-Operative Society	Progressive Slab	
	Any other non-resident	40%	10% @@

*** These rates will be further increased by surcharge, if applicable & education cess

@@ no indexation benefit would be available

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

Disclaimer: The information set out in the Tax Reckoner 2013-14 ('the document') is for general purposes only and is not an offer to sell or a solicitation to buy/sell any units of schemes of mutual fund. The information set out is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does it 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 IDBI Mutual Fund nor IDBI Asset Management Limited nor any person connected with it accepts any liability arising from the use of this information. The investors should before investing in the Scheme(s) of IDBI Mutual Fund make his/their own investigation and seek appropriate professional advice.

Statutory Details: IDBI Mutual Fund has been set up as a trust sponsored by IDBI Bank Ltd. and IDBI Capital Market Services Ltd. (Co-sponsor, wholly owned subsidiary of IDBI Bank Ltd.) with IDBI MF Trustee Company Ltd. as the Trustee (Trustee under the Indian Trusts Act, 1882) and with IDBI Asset Management Ltd. as the Investment Manager. **Risk Factors:** Mutual fund investments are subject to market risks, read all scheme related documents carefully. AMC/MF/Trustees/Sponsors is/are not liable or responsible for any loss or shortfall resulting from the operations of the scheme.