

TAX RECKONER 2017-18**The rates are applicable for the
Financial Year 2017-18 (AY 2018-19)****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)^{sss}			
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%

^{sss} 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 + 10% / 15% Surcharge ^s + 3% Cess	20% with indexation + 7% / 12% Surcharge ^{ss} + 3% Cess	20% with indexation + 10% / 15% Surcharge ^s + 3% Cess
	=22.66% or 23.69%	=22.042% or 23.072%	=22.66% or 23.69%
Other than Equity Oriented Schemes (unlisted)	20% with indexation + 10% / 15% Surcharge ^s + 3% Cess	20% with indexation + 7% / 12% Surcharge ^{ss} + 3% Cess	10% without indexation + 10% / 15% Surcharge ^s + 3% Cess
	=22.66% or 23.69%	=22.042% or 23.072%	=11.33% or 11.845%

	Resident Individual / HUF	Domestic Companies	NRI
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% + 10% / 15% Surcharge [§] + 3% Cess	15% + 7% / 12% Surcharge ^{§§} + 3% Cess	15% + 10% / 15% Surcharge [§] + 3% Cess
	=16.995% or 17.768%	=16.5315% or 17.304%	=16.995% / 17.768%
Other than Equity Oriented Schemes	30%^ + 10% / 15% Surcharge [§] + 3% Cess	30%** + 7% / 12% Surcharge ^{§§} + 3% Cess	30%^ + 10% / 15% Surcharge [§] + 3% Cess
	=33.99% or 35.535%	=33.063% or 34.608%	=33.99% or 35.535%

** As per the Finance Act 2017, in case of domestic companies whose turnover or gross receipts does not exceed Rs. 50 crore during the financial year 2015-16, the applicable tax rate shall be 25%. Accordingly, in cases of such small domestic companies, the applicable tax rate on short-term capital gains shall be 27.55% or 28.84%.

Tax deducted at Source (Applicable only to NRI investors)		
	Short Term Capital Gains [§]	Long Term Capital Gains [§]
Equity Oriented Schemes	16.995% or 17.768%	Nil
Other than Equity Oriented Schemes (Listed)	33.99% or 35.535%	22.66% or 23.69% [@]
Other than Equity Oriented Schemes (Unlisted)	33.99% or 35.535%	11.33% or 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.

§ In case of individual / HUF unit holders, the Finance Act, 2017 provides a surcharge of 10% where income exceeds Rs. 50 lakhs but less than Rs. 1 crore and 15% where income exceeds Rs.1 crore.

§§ Surcharge at the rate of 7% shall be levied for domestic corporate unit holders where 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.

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, if the prescribed information is not in TRC, in addition to the TRC, the non-resident may be required to provide a self-declaration in Form 10F or such other documents and information subsequently, as may be prescribed by the Indian Tax Authorities.

The provisions of section 206AA (higher withholding tax rate of 20%) shall not apply to non-residents inter alia in respect of payments on transfer of any capital asset if the non-resident receiver furnishes the following:

- Name, e-mail id, contact number
- Address in the country / territory of which the person is a resident
- Certificate of his being a resident of the country / territory issued by the Government thereof Tax identification number / unique identification number in that country

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)	5%
Rs. 500,001 to Rs. 1,000,000 (d)	20%
Rs. 1,000,001 and above (c) (d)	30%

\$ In case of individual / HUF unit holders tax rate for income from Rs. 2,50,001 to Rs. 5,00,000 has been reduced from 10% to 5% by the Finance Act, 2017

- (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 @ 10% is applicable where income exceeds Rs. 50 lakhs but is less than Rs. 1 crore and @ 15% where the income exceeds 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

(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% / 25% ^	
	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% / 25% ^	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**

**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.

***Finance Act, 2017 has inserted a proviso to section 10(38) as per which the exemption shall not be available in case the transaction of acquisition of shares is entered into on or after the 1 October 2004 and such transaction is not chargeable to securities transaction tax.

@ @without indexation

(a) These rates will further increase by applicable surcharge & education cess.

(b) The base year for indexation purposes is shifted from 1 April 1981 to 1 April 2001. Further, cost of acquisition of a capital asset acquired before 1 April 2001 shall be allowed to be taken as fair market value as on 1 April 2001.

^ If the total turnover or gross receipts of the Financial Year 2015 - 16 does not exceed Rs. 50 Crores

C. PERSONAL TAX SCENARIOS

Individuals other than below categories	Income levels (Rs.)		
	500,000	5,500,000	11,000,000
Tax in FY 2016-17	25,750	1,519,250	3,701,563
Tax in FY 2017-18	12,875	1,657,013	3,686,756
Effective Tax Savings	12,875	NA	14,807
Effective Tax Savings	50%	NA	0.40%
Additional Tax Burden	NA	137,763	NA
Additional Tax Burden	NA	9.06%	NA

Resident Senior Citizen (age of 60 years but below 80 years)	Income levels (Rs.)		
	500,000	5,500,000	11,000,000
Tax in FY 2016-17	20,600	1,514,100	3,695,640
Tax in FY 2017-18	10,300	1,654,180	3,683,795
Effective Tax Savings	10,300	NA	11,845
Effective Tax Savings	50%	NA	0.32%
Additional Tax Burden	NA	1,40,080	NA
Additional Tax Burden	NA	9.25%	NA

Resident Senior Citizen at the age of 80 years and above	Income levels (Rs.)		
	500,000	5,500,000	11,000,000
Tax in FY 2016-17	NIL	14,93,500	36,71,950
Tax in FY 2017-18	NIL	16,42,850	3,671,950
Effective Tax Savings	NA	NA	NA
Effective Tax Savings	NA	NA	NA
Additional Tax Burden	NA	1,49,350	NA
Additional Tax Burden	NA	10%	NA

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 2017. applicable for the financial year 2017-18 relevant to assessment year 2018-19. In the event of any change, we do not assume any responsibility to update the tax rates consequent to such changes.
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 if the prescribed information is not in TRC, in addition to the 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
4. In terms of Chapter XA of the Act, General Anti Avoidance Rule (GAAR) may be invoked notwithstanding anything contained in the Act. Due to this, any arrangement entered into by a taxpayer may be declared to be impermissible avoidance arrangement, as defined in that Chapter and the consequence would be inter alia denial of tax benefit. This would also include denial of the benefit of the tax treaty to an investor if the Revenue Authorities declares any arrangement to be an impermissible avoidance arrangement. The GAAR provisions are applicable with effect from the Financial Year 2017-18.

Source: Finance Bill 2017

LIMITATION:

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest relying on the statement.

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.**