

Japan Desk

March 09, 2015

INDIA BUDGET INSIGHTS (2015-16)

2015-16 Budget Insights: The Union Budget for 2015-16 was presented by the Finance Minister, Mr. Arun Jaitley, on February 27, 2015. The budget focuses on growth, employment, and infrastructure development. Key highlights include a 10% increase in the corporate tax rate, a 15% increase in the dividend distribution tax rate, and a 10% increase in the capital gains tax rate. The budget also introduces a new tax regime for individuals, which is more favorable than the existing one. The budget is expected to have a positive impact on the Indian economy.

- 1. Corporate Tax: The corporate tax rate has been increased from 25% to 30% for companies with turnover exceeding Rs. 100 crore. The rate for small and medium enterprises (SMEs) remains at 25%.
- 2. Dividend Distribution Tax (DDT): The DDT rate has been increased from 15% to 20% for companies. The rate for individuals remains at 15%.
- 3. Capital Gains Tax: The capital gains tax rate has been increased from 10% to 15% for long-term capital gains. The rate for short-term capital gains remains at 10%.
- 4. New Tax Regime: A new tax regime has been introduced for individuals, which is more favorable than the existing one. It provides a lower tax rate on income up to Rs. 5 lakh per annum.

1. Corporate Tax

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4. SARFAESI

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5. NBFC

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6. RBI

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² □□ Castleton Investment Ltd., [2012] 348 ITR 537 (AAR).
³ 2015-2 □□□□□□□□□□□□□□□□□□□□ URL □□ http://www.finmin.nic.in/reports/Interim_Report_BLRC.pdf
⁴ □□ CIT v. Hyundai Heavy Industries Co. Ltd., 291 ITR 482 (SC); □□ DIT (International Taxation) v. Morgan Stanley & Co. Inc., 292 ITR 416 (SC).
⁵ □□ [2012] 343 ITR 81 (Calcutta); □□□□□□□□□□ The Bank of Tokyo-Mitsubishi UFJ Ltd v. DIT, [2015] 228 Taxman 337 (Calcutta)(MAG.).
⁶ □□ [2012] 16 ITR(T) 116 (Mumbai) (SB); 2015 □□□□□□□□□□□□□□□□□□□□
⁷ OECD □□□□□□□□ 7 □□□□□□□□□□□□ 41 □□□□□□

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