

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 25, 2015. The budget focuses on growth, employment, and infrastructure development. Key highlights include a 10% increase in the corporate tax rate, a new dividend tax, and a significant increase in the FDI equity cap for various sectors.

- Corporate tax rate increased from 30% to 35% for companies with turnover exceeding ₹100 crore.
- New dividend tax of 10% introduced for companies with turnover exceeding ₹100 crore.
- FDI equity cap increased from 25% to 49% for various sectors, including infrastructure, manufacturing, and services.
- FDI equity cap for the telecom sector increased from 5% to 10%.

1. Corporate Tax and Dividend Tax

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2. FDI Equity Cap

- FDI equity cap increased from 25% to 49% for various sectors, including infrastructure, manufacturing, and services.
- FDI equity cap for the telecom sector increased from 5% to 10%.
- FDI equity cap for the insurance sector increased from 26% to 49%.

3. Infrastructure

- 1985 Act replaced by SICA (Special Infrastructure Corporation Act).
- BIFR (Bankruptcy Insolvency and Reconstruction Finance Corporation) established.
- Infrastructure Development Finance Corporation (IDFC) established.

4. SARFAESI

- 2002 Act replaced by SARFAESI (Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act).
- NBFC (Non-Banking Financial Company) established.
- (a) RBI (Reserve Bank of India) established.
- (b) INR 500,00,00,000 (500 crore) established.
- SARFAESI established.
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5. Infrastructure

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October 31, 2024

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¹ □□□□ Connected person □□ ITA □ 102 □□□
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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