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## Highlights Union Budget 2015-16

### Direct Taxation:

- No Change in Tax Slabs and Limit u/s 80C.
- Reduction in rates of corporate tax from 30% to 25% in phased manner over the period of four years.
- Rationalization and Removal of certain incentives / Subsidies given to Corporate sectors in phased manner
- Exemptions for Individual tax payers to continue
- Imposition of Additional 2% surcharge on Super Rich i.e. whose taxable income exceed INR. 1 crore
- Reduction in Income Tax Rates on Royalty fees on Technical Services from 25% to 10%
- Increase in Limit for Medclaim Insurance from INR. 15,000 to INR. 20,000 and for Senior Citizen from INR. 20,000 to INR. 30,000
- Additional benefit of Inr 25,000/- u/s 80DD and 80U of the Income Tax Act
- Introduction of Benami Transaction Prohibition Bill
- Additional deduction of INR. 50,000 for Contribution to New Pension Scheme
- 100% deduction for Corporates for Contribution to Swatch Bharat Kosha & Clean Ganga Fund over and above the mandatory CSR activity.
- Threshold Limit for Domestic Transfer Pricing to be increased from INR 5 crore to INR. 20 Crore.
- Measures to encourage Electronic filing of Statements by Tax Payers.
- Penalty for holding black Money will be 300% of the tax evaded
- Cash acceptance of more than INR. 20,000 for immovable property prohibited. Pan number mandatory for transactions above INR. 1 lakh.
- Non filing of Returns or filing of Returns with inadequate details and/or particulars of Interest in foreign asset will be an offence punishable with imprisonment of 7 years
- Concealment of Income, Assets including foreign Asset, an offence prosecutable with imprisonment up to 10 years and penalty of 300% of the tax evaded.
- Introduction of Tax free Infra bonds on rail, road and irrigation projects.
- Employee contribution to Provident Fund below a certain threshold limit of Income will be optional without reducing Employer Contribution
- Increase in Transport Allowance from INR. 800 p.m. to INR. 1,600 p.m.
- Yoga to be included in the definition of Charitable Activities.

### Indirect Taxation:

- Increase in Consolidated Service Tax rate from 12.36% to 14%
- Abolish Wealth Tax
- Increase in rate of Central Excise Duty from 12.36% to 12.50%
- Reduction in Basic Custom duty on Certain Imports

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- Measures to obtain Online Service Tax and Central Excise registration within two business Days

### **Others**

- Ports in Private Sectors to be encouraged to Corporatize and become Companies as per Companies Act
- Applicability of GAAR postponed by two years.
- Retrospective Tax provisions will be avoided
- Amend Section 6 of FEMA act to empower it fight Black Money Stashed abroad.
- Measures to introduce Financial Code to reduce wild speculation in Financial markets
- Amendment in SEBI & RBI Act
- Proposal to merge commodities regulator with SEBI
- Measures to introduce Universal social Security System in India
- Measures to bring in Comprehensive Bankruptcy code in line with International Standards
- Measures to remove distinction between different foreign investment viz Foreign Portfolio investment and Foreign Direct Investment and replace them with composite Cap.
- Incentivize and Regulate investment in Gold
- To promote Tourism, Visa on arrival to 150 countries, Allocation of funds to development & maintenance of Heritage sites
- Measures to promote Education.
- Boost given to Infrastructure, Agriculture, Insurance and IT Sector

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