



BUDGET 2015 : A SNAPSHOT

PAN INDIA CORPORATE SERVICES PVT LTD

DELHI. GURGAON

BUDGET 2015: IN LINE WITH FUTURE GROWTH

OUR RATING : 8.5/10



TOP 10 TAKE AWAYS

- GST to be introduced by 01.04.2016
- Corporate Tax reduced from 30% to 25% in next four years
- Service Tax increased to 14%
- Wealth Tax abolished instead additional 2% surcharge for income in excess of INR 1 Crores
- MUDRA Banks to boost SME's
- New Bankruptcy Code
- GAAR deferred for 2 years
- New Benami Transactions Bill
- Indian Gold coins to be introduced to regulate gold demand
- Tax benefits to middle class tax payers

MAJOR SECTOR ALLOCATIONS

Sector	Allocation (INR in Crores)
Farm Credit	8.50 Lakh
Defence	2.47 Lakh
Electric & Battery operated vehicles	75,000
Infrastructure	70,000
Micro Irrigation	5,300
MNREGA	5,000
Child Welfare	2,000
Nirbhaya (Women Security)	1,000
Start-ups	1000

DIRECT TAX (INCOME TAX)

1. Corporate tax rate to be reduced from 30% to 25% over period of four years.
2. Wealth Tax abolished.
3. No change in the Income Tax Slab Rates.
4. Additional surcharge of 2% on income in excess of Rs. 1 Crore.
5. Deduction with respect to medical treatments for severe diseases increased from current Rs.40,000 to Rs.60,000 in case of senior citizens (Age>60 years) and to Rs.80,000 for super senior citizens (Age>80 years).
6. Additional Exemption of Rs. 50,000 contribution to New Pension Scheme
7. Exemption on health insurance premium hiked from Rs. 15,000 to 25,000 and in case of senior citizens to Rs. 30,000.
8. 100% deduction to contributions, other than CSR, made to Swatch Bharat Abhiyaan and Clean Ganga Fund.
9. PAN mandatory to be quoted for transactions exceeding Rs. 1 Lakh.
10. Transport allowance increased from current Rs.800/ month to Rs.1,600/ month.
11. All contributions to Sukanya Samridhi Scheme to be tax free. Any interest earned in such account to be tax free.
12. Domestic Transfer Pricing threshold increased to Rs. 20 crores from current Rs. 5 crores.
13. Tax on royalty/ fees for technical services reduced from 25% to 10%.
14. Pension fund deduction increased from 1 Lakh to 1.5 Lakh.
15. Mere presence of fund manager, of offshore funds, in India not a business connection from Permanent Establishment view.
16. MAT to be rationalized with respect to FII's.
17. Yoga Institutes included under the definition of charitable institutions.
18. Rationalization of tax regime with respect to business trust.
19. Section 269SS & 269T relating to mode of taking/accepting or repayment of loan or deposit rationalised to bring transfer of immovable property under its ambit.
20. Reduction of limit of new workmen from exiting 100 to 50 to claim deduction of additional wages paid by manufacturing units.

INDIRECT TAX

1. GST to be introduced from 1st April 2016.
2. Service tax rate hiked to 14%.
3. Service tax base broadened by inclusion of new taxable services.
4. Excise duty on leather footwear reduced.
5. Clean energy cess increased on coal.

STEPS TO CURB BLACK MONEY

1. New Benami Transaction Bill introduced.
2. Undisclosed income to be taxed at maximum marginal rate of income tax
3. Prosecutions of 10 years for non-disclosure of foreign assets.
4. Voluntary disclosure scheme may be introduced which will not attract prosecution provisions.

Education:

1. IIM's in Jammu & Kashmir and Arunachal Pradesh.
2. IIT's in Karnataka and Bihar
3. Post Graduate Institute of Horticulture in Amritsar.
4. Disable study university in Kerala
5. Centre of film production, animation and gaming in Arunachal Pradesh.

Energy Sector:

1. 5 New Ultra Mega Power Projects to be set up
2. 1000 MW of solar plants to be set up
3. Target production using wind power: 60,000 MW
4. Target production through renewable energy: 175,000 MW by 2022

Health Sector:

1. AIIM's in Jammu & Kashmir, Punjab, Tamil Nadu, Himanchal Pradesh, Bihar and Assam.

WHAT GETS CHEAP & WHAT GETS EXPENSIVE??

COSTLY	CHEAP
Cigarettes	Iron & Steel
Dining Out	Cars & Jeeps
Watching Movies	Leather Products (shoes, jackets, etc.)
Car Servicing	Mineral Water
Liquor	Laptop
LCV's & HCV's	Frozen Foods