

TAX RATES | 2018 INDIA

A	Companies	
1	Resident companies	
	Corporate tax rates	<ul style="list-style-type: none"> ■ 30% general corporate tax rate. 29% if turnover less than INR 50 million. 25% if turnover is less than INR 500 million in FY 2015-16. 25% for qualified manufacturing/research companies. 10% if patent is developed and registered in India. 30% ■ Surcharge (SC) of 7% where total income exceeds INR 10 million and 12% where total income exceeds INR 100 million (surcharge is 5% and 10% respectively prior to assessment year 2016/17) ■ 2% education cess (EC) and 1% secondary and higher education cess (SHEC) levied on income tax payable (including surcharge where applicable) ■ Effective tax rate including above surcharge and cesses is 33.063%
B	Individuals	
1	Resident individuals	
	Income tax rates	<ul style="list-style-type: none"> ■ Progressive ■ Top rate 30% (on income over INR 1 million) ■ 2% Education cess (EC) and 1% secondary and higher education cess (SHEC) levied on income tax payable ■ Additional surcharge of 10% applicable on tax payable where total income exceeds INR 5 million but not 10 million. Additional surcharge of 15% applicable on tax payable where total income exceeds INR 10 million. ■ Specific regime
	Capital gains	
2	Non-resident individuals	
	Income tax rates	<ul style="list-style-type: none"> ■ Progressive ■ Top rate 30% (on income over INR 1 million) ■ 2% EC and 1% SHEC levied on income tax payable ■ Additional surcharge of 10% applicable on tax payable where total income exceeds INR 5 million but not 10 million. Additional surcharge of 15% applicable on tax payable where total income exceeds INR 10 million. ■ Resulting in effective top rate of 33.99% (with 10% SC) and 35.54% (with 15% SC)
	Capital gains	
	(sale of shares in resident companies)	<ul style="list-style-type: none"> ■ Yes

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B	Individuals	
2	Non-resident individuals	
	Final withholding tax rates	
	Branch profits	<ul style="list-style-type: none"> General wage withholding applies
	Dividends	<ul style="list-style-type: none"> 20% (dividends derived by foreign individuals from foreign invested enterprises and B shares are exempt from individual income tax)
	Interest	<ul style="list-style-type: none"> 20% (interest on state bonds and interest on savings are currently exempt)
	Royalties	<ul style="list-style-type: none"> 20%
	Fees (technical)	<ul style="list-style-type: none"> No
	Fees (management)	<ul style="list-style-type: none"> Taxed as employment income or 20%
B	Individuals	
2	Non-resident individuals	
	Final withholding tax rates	<ul style="list-style-type: none">
	Employment income	<ul style="list-style-type: none"> Top rate 30% (on income over INR 1 million)
	Dividends	<ul style="list-style-type: none"> No (a final dividend distribution tax is payable by the dividend-paying company at 15% plus 10% SC, EC and SHEC) 20% (Interest on state bonds and interest on savings are currently exempt) i.e. an effective rate of 16.995%) 20%
	Interest	<ul style="list-style-type: none"> 5% plus applicable SC, EC/SHEC for interest on long term loans / bonds 10% plus applicable SC, EC/SHEC for foreign currency convertible bonds and 20% plus SC, EC and SHEC for others
	Royalties	<ul style="list-style-type: none"> 10% plus applicable SC, EC and SHEC
	Fees (technical)	<ul style="list-style-type: none"> 10% plus applicable SC, EC and SHEC
	Fees (directors)	<ul style="list-style-type: none"> 10% plus applicable SC, EC and SHEC
C	Turnover Taxes	
		<p>As from 1 July 2017, GST is levied on supply of goods and services. For all intra-state supplies, Central GST and State GST (or Union Territory GST, as the case may be) is applicable, whereas for all inter-state supplies (including imports), Integrated GST applies.</p>
	VAT/GST (standard)	<ul style="list-style-type: none"> 12% and 18%
	VAT/GST (reduced)	<ul style="list-style-type: none"> 0% and 5%
	VAT/GST (increased)	<ul style="list-style-type: none"> 28% + varied Cess