



Finance Minister Announcements - To Boost India's Economy

Enhance surcharge abolished for Equity Capital Gains	<ul style="list-style-type: none">Government has withdrawn enhanced surcharge on Long Term Capital Gain (LTCG) and Short Term Capital Gain (STCG) arising from transfer of equity shares/units for foreign and domestic investors									
Enhanced Surcharge Remains for Debt and Derivatives	<ul style="list-style-type: none">The enhanced surcharge on capital gain from debt instruments and derivatives; income remains for domestic investorsThe derivative income is treated as business income for domestic investors <table><tr><th>Income Tax Slab</th><th>Previous Tax Rate</th><th>New Tax Rate</th></tr><tr><td>2-5 Cr</td><td>35.88%</td><td>39.00%</td></tr><tr><td>5cr and Above</td><td>35.88%</td><td>42.74%</td></tr></table> <p>The above calculation is for domestic investors for Short Term tax on debt and derivatives income.</p>	Income Tax Slab	Previous Tax Rate	New Tax Rate	2-5 Cr	35.88%	39.00%	5cr and Above	35.88%	42.74%
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Clarification on gains from the transfer of derivatives for FPI	<ul style="list-style-type: none">For FPIs the enhanced surcharge for derivative income is removed as the same is treated as capital asset and the gains are treated as capital gains.Thus, the tax payable at normal rate on the business income arising from the transfer of derivatives to a person other than FPI shall be liable for the enhanced surcharge as explained above. This would include domestic long-short funds/ CAT III AIF									
Angel tax provisions for Startups removed	<ul style="list-style-type: none">Section 56-2B of I-T tax will not applicable to a registered startups									
Financial Markets	<ul style="list-style-type: none">Steps to be taken for deepening bond marketsCorporate access to global marketsSimplified KYC procedure to improve market access for foreign investors including FPIsAddhaar-based KYC for demat account and MF investmentsMeasures soon to develop offshore rupee market									
Banks/NBFCs/MSMEs	<ul style="list-style-type: none">Upfront release of Rs 70,000 cr to PSBs; enhances lending capacity by Rs 5 lakh crBanks to pass on benefits of rate cuts to all borrowersRepo linked lending rates to create lower lending ratesNBFCs can use aadhar-enabled KYC for onboarding customersAdditional liquidity support of Rs 20,000 crore to housing finance companies (HFCs) by the National Housing Bank (NHB), thereby increasing the total support to Rs 30,000 croreFaster GST refunds; easier bill discounting for MSMEsOne-time settlement policy to resolve MSME, retail loans									



Auto	<ul style="list-style-type: none">• BS-IV vehicles purchased up to March 31, 2020, will all remain operational for their entire period of registration• Revision of one-time registration fee deferred till June 2020• Additional 15% depreciation to be allowed on any vehicles acquired from now till March 2020, raising it to 30% in total• Both EVs and ICVs will continued to be registered• To boost demand for cars, Govt to lift ban on purchase of new vehicles by Govt department to replace old vehicles• Govt to consider measures, including a scrappage policy, to boost demand
Infrastructure	<ul style="list-style-type: none">• Plans to invest Rs 100 lakh crore for developing modern infrastructure over five years• Delayed payments from Govt/CPSEs to be monitored by Expenditure Dept

The FM is expected to announce further steps to boost the economy in coming weeks for other sectors.

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