

## \_BUDGET 2017 REMONETISING INDIA MARKETS

### Will RGESS See a Quiet Burial?

Market participants have interpreted a Budget proposal as a move to phase out the Rajiv Gandhi Equity Savings Scheme (RGESS) from 2018-19. Under the scheme, first-time investors with a gross annual income of up to ₹12 lakh could invest up to ₹50,000 in specified stocks or mutual fund units to get tax benefits under Section 80CCG of the I-T Act. Half of the investment made was allowed as deduction in computation of total income for the financial year to the extent it did not exceed ₹25,000. The Budget has proposed to insert a new sub-section so as to stop giving the tax benefit from the assessment year starting April 2018.

### LTCG Holding Period: No Change

Till Wednesday morning, markets were most worried that the government will raise the holding period for long-term capital gains (LTCG) to be applicable to two years from one. So, when the finance minister ended the speech without any changes to the capital gains tax structure, investors were relieved.

**SUNIL SINGHANIA**  
CIO, Reliance MF

**A very progressive Budget with focus on housing, agriculture, rural and infra, and a fiscal-deficit target of 3.2% for FY18**



**₹71,000 crore disclosed under IDS 2016, while another scheme for declaring unaccounted income (in cash/deposits) still open**