

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3694
ANSWERED ON:27.04.2012
ACCOUNTING TREATMENT OF STT
Rao Shri Sambasiva Rayapati

Will the Minister of FINANCE be pleased to state:

- (a) whether the finance ministry is considering a proposal to change accounting treatment of the Securities Transaction Tax (STT) in market participants` books if not a direct cut in rates;
- (b) if so, the details thereof; and
- (c) the manner in which it is likely to be beneficial to the market?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Union Budget 2012-13 has provided for a reduction in Securities Transaction Tax (STT) by 20 per cent on cash delivery transactions.

(c): The reduction in STT will reduce the transaction cost and encourage volumes in the cash delivery market. This will also give a fillip to the cash delivery segment vis-a-vis other segments.