

PRESS RELEASE

Mr Nayan Shah, President, CREDAI-MCHI views on Interim Budget -2019

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The Hon’ble FM has announced major socialist measures but has done so keeping a tight vigil on the overall fiscal deficit of the government. Despite various additional outlays especially owing to the Rs.6000/- per annum monetary benefit for every farmer with a land holding of upto 2 hactares, and various other rural and women centric schemes, he has ensured that the fiscal deficit remains 3.4% for the fiscal 2019-20. He has also committed to the house and the country to meet the target of 3% by 2020-21.

While undertaking various social reforms, the government has not lost sight on infrastructure development that plays a key role in nation building and in creation of jobs, it has also kept its focus on strengthening the country’s border and to propel the country’s leadership in the areas of Artificial Intelligence and Space Programs.

For the middle class, this budget would remain historic and one of its kind with increase in basic exemption limit from Rs.2.5 lakhs to Rs.5 lakhs. This one single measure would bring cheer on one side and on the other would also increase the incidence of IT returns. Increasing the Interest income exemption limit from Rs.10k to Rs.40k along with increase of standard deduction limit from 40k to 50k will only additionally reduce the tax burden on those in this tax bracket.

The Budget has also been historic from a Real Estate Perspective. Many provisions have been announced with the assurance of the FM that the GoM set up to review the impact of the GST on the home buyer has been given the mandate of reducing the tax burden. By extending the applicability of provisions of Sec 80IBA by one more year to 31st Mar, 2020 by itself is a big

booster for affordable housing. The extension of the benefits of Sec 54C, where the capital gain arising from the transfer of a capital asset was limited to only one self-occupied house has now been extended to two self-occupied homes with a cap of Rs.2 crores once in a lifetime.

One of the biggest reliefs announced in the budget is to increase the exemption of Taxability of notional rental income in case of builders u/s. 23 of the Income-tax Act from one year to two years.

Overall, the budget has been pathbreaking and will bring a lot of relief for the mid income tax payer and some long awaited cheer to the real estate industry. CREDAI-MCHI whole heartedly welcomes and congratulates Shri Piyush Goyal Ji on his maiden budget presented today.