

Tax rebate given to those who need it most, says Goyal

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NEWDELHI: The government opted to announce a tax rebate on annual income up to ₹5 lakh instead of raising the exemption limit as it did not wish to tinker with rate slabs in an interim budget, Union finance minister Piyush Goyal said in an interview to Hindustan Times on Monday.

The emphasis of the budgetary exercise was on maintaining the economic reforms road map set over four-and-a-half years by Prime Minister Narendra Modi and Union minister Arun Jaitley so that India could continue to be the world's fastest growing major economy, Goyal said.

"With all exemptions, a person earning even ₹75,000 a month will not have to pay any tax – provided they make some investments. If I had given this as an

➤ If I had given this [tax rebate] as an exemption, it would have given rise to a debate whether the interim budget should start tinkering with tax slabs and tax rates

PIYUSH GOYAL, finance minister

exemption, it would have given rise to a debate whether the interim budget should start tinkering with tax slabs and tax rates. That's why I have not changed any of those. But, as I said, we are clear that the benefits of formalisation of the economy, the larger tax base, more taxes... has to be shared," he said.

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Goyal

“These are the people who need it the most and they also need certainty upfront,” he added.

“The budget gives a better future to every section of society – the poor, middle class, the farmers, organised labour, and unorganised labour. Also, sections previously not taken care of, like animal husbandry and fisheries workers, nomadic and semi-nomadic tribes. This is one holistic effort to make a difference and impact 130 crore individuals in one go,” Goyal told HT.

The announced annual payout of ₹6,000 to small and marginal farmers was in keeping with the government’s efforts to ensure sustainable growth in the agriculture sector, the finance minister said, and listed schemes aimed at achieving that – the Pradhan Mantri Fasal Bima Yojana, agricultural credit, issu-

ance of soil cards to farmers, and assuring minimum support prices for 23 major food crops that were 1.5 times the cost of production. Asked if the amount to be paid out was adequate, the minister replied in the affirmative.

“We don’t understand [what] the value of ₹6,000 [is] to a farmer who has half acre or one acre. It is a very valuable additional support. You may have looked at it as ₹500 a month. We have not because we believe that belittles the farmer. We have looked at it as an honorarium. We have also done it without touching any other subsidy. So farmers will continue to get fertiliser subsidy, power subsidy, all of those other things. I have been told it has been very well received across the country,” Goyal said.