

## **No cut in subsidies, expect more tax steps in full budget: Piyush Goyal**

*Interim finance minister dismisses fiscal slippage concerns ahead of RBI's policy review meeting.*

The Narendra Modi government will not cut any subsidies to fund welfare schemes such as the income support for farmers announced in the February 1 budget that could be enlarged to cover other deprived sections and will take whatever measures are necessary to help startups, interim finance minister Piyush Goyal said.

In an interview to ET, he hinted that taxpayers could get more in the final budget for FY20 that will be presented in July after the general election. The interim budget's revenue and fiscal targets are achievable, he said.

A day before the monetary policy review by the Reserve Bank of India (RBI), he said the government has sent a strong signal that it has kept faith with fiscal consolidation, dismissing concerns about any slippage.

“Where is the fiscal problem — I don't understand,” he said. “This year we have provided Rs 20,000 crore extra for farmers, so only that 0.1% of slippage. And that also I have explained earlier is (actually) 3.36%.” That's against the targeted 3.3% for FY19.

In the interim budget, the government has provided full tax rebate on income up to Rs 5 lakh, raising expectations that in the final one the exemption limit could be raised to that level from Rs 2.5 lakh, especially after Prime Minister Narendra Modi said the interim budget was only a “trailer.”

Goyal hinted that more was coming, without commenting on the exemption limit. “In the interim budget, we have not been able to make the full proposals that we would have liked to make in income tax,” he said. “The final budget will have all our proposals.” On the issue of the interim budget not offering any relief for startups faced with the so-called angel tax, he implied that this couldn't be tackled in the interim budget.

“We will have to wait for the final budget,” he said. “This government will support startups and will ensure that there can never be a problem on genuine investments.”

### **Goyal Criticises Congress Proposal**

Measures have already been taken to ensure that there is no coercive action on this front, he said.

He said the issue had arisen because of the crackdown on shell companies and high premium fake investments in these entities as a means of money laundering.

“I am sure once we get free after the elections we can easily sort it out in such a way that the shell companies are not spared and the genuine investors have no problem,” he said.

He also categorically ruled out any reduction in benefits and subsidies for the poor and the deprived on account of the income transfer scheme for farmers. He attacked the opposition Congress party's minimum income scheme proposal, saying that it would pare subsidies to fund the plan.

"PM Modi and the Bharatiya Janata Party will not allow any of the existing subsidies to be touched by any government," Goyal said. A day after the budget, a senior Congress leader had suggested that all other subsidies could be stopped, when asked how the scheme would be funded, Goyal said.

"The Congress needs to answer the people of India that will a cooking gas cylinder cost become 2.5 times the current price? The farmers want to know that if Congress comes to power, will fertiliser become five times costlier?" he said.

He indicated that every deprived person was on the government's radar when asked why landless agricultural labourers had been left out.

"Every person in this country is on our mind," he said, adding that there is no adequate data as of now on such workers. "For the landless labourers, we have made every effort to find out how we can convert that into an actionable scheme. But there is no database of that... It doesn't make sense to just do a half-baked job and once again get middlemen and corruption in the line. We will do that at the appropriate time for which we will have to collect the necessary data."

*(Economic Times)*