



Press Release

For immediate publication

Reaction on the Interim Budget 2019-20

Bengaluru, February 01, 2019: Mr. J C Sharma, Vice Chairman and Managing Director, SOBHA Limited said, "The Interim Budget 2019-20 presented by the Government today is a welcome step in the right direction. It will encourage overall development in the country.

The proposed tax rebate of zero percent for individuals with taxable annual income up to Rs.5 lakh, people with gross income up to Rs. 6.50 lakh will not be required to pay any income tax if they make investments in provident funds, specified savings and insurance etc. will help create a positive environment. Additional deductions such as interest on home loan up to Rs. 2 lakh, interest on education loans, National Pension Scheme contributions, medical insurance and medical expenditure on senior citizens etc. are also provided in the interim budget. Further, for salaried people, the standard deduction is being raised from the current Rs. 40,000 to Rs. 50,000. This will enable consumers to buy their first home and help augment the demand for housing in India. These steps will help increase savings in the hands of the middle-class. We believe that such savings will flow into buying residential space, as it has better shelf-life and gives higher and assured returns.

Further, the exemption on levy of income tax on notional rent on a second self-occupied house is welcome move for home buyers who are not earning any income on the second house. Earlier, income tax on notional rent was payable if one had more than one self-occupied house. Moreover, the threshold for deduction of tax on rent has been increased from Rs. 1,80,000 to Rs.2,40,000. This will encourage home buyers looking to buy a second home for long-term investment.

Similarly, the benefit of rollover of capital gains under section 54 of the Income Tax Act has been increased from investment in one residential house to two residential houses for a tax payer having capital gains up to Rs. 2 crore. This means now home buyers will be exempted for capital gains tax not just on one home but two. This will help boost the demand for homes further.

Affordable housing segment remains a key segment for the Government towards its mission of 'housing for all'. To provide further impetus to this segment, tax benefits for affordable housing have been extended till 31st March, 2020 under Section 80-IBA of Income Tax Act. While giving tax relief to home buyers, the Government has also extended the benefits to real estate developers. Now, the period of exemption from levy of tax on notional rent, on unsold inventories, has been extended from one year to two years, from the end of the year in which the project is completed.

These announcements will help create a favourable environment for homebuyers and developers."

**About SOBHA Limited:**

Founded in 1995, SOBHA Limited is one of the fastest growing and foremost backward integrated real estate players in the country. It means that the company has all the key competencies and in-house resources to deliver a project from its conceptualization to completion. SOBHA is primarily focused on residential and contractual projects. The Company's residential projects include presidential apartments, villas, row houses, super luxury & luxury apartments, plotted developments and aspirational homes. In all its residential projects, the company lays strong emphasis on environmental management, water harvesting and highest safety standards. On the contractual projects side, the Company has constructed a variety of structures for corporates including offices, convention centres, software development blocks, multiplex theatres, hostel facilities, guest houses, food courts, restaurants, research centres, and club houses. For more information on SOBHA Limited, please visit: www.sobha.com

For further information, please contact:**SOBHA Limited**

Abhinav Kanchan

Senior Vice President & Head

Corporate Communications

Off: +91 80 49320000 Ext. 6029

abhinav.kanchan@sobha.com