

Disaster Management (Amendment) Bill, 2024, at its sittings held on 10th March, 2025, and 25th March, 2025, respectively.

MR. CHAIRMAN: Now, the hon. Finance Minister, Shrimati Nirmala Sitharaman, to reply to the discussion.

GOVERNMENT BILLS- *Contd.*

The Appropriation (No. 3) Bill, 2025

and

The Finance Bill, 2025

THE MINISTER OF FINANCE; AND THE MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN): Sir, I thank all the hon. Members, more than about 30 of them, who have spoken on the Appropriation (No.3) Bill, 2025, and the Finance Bill, 2025. Without taking too much of your time in making an opening statement, I will just briefly tell about what specifics are noteworthy in the Finance Bill, and post that, I will try to address the Members who have raised issues or sought clarifications on some of the specifics in the Finance Bill.

The Finance Bill, 2025, actually continues with the philosophy of our Government, whereby we want to provide tax certainty. We also want to take Ease of Doing Business related steps, and that is an ongoing process. This Finance Bill also has some very important Ease of Doing Business related steps, and above all, we honour the Indian taxpayer. So, major steps have been taken towards the Indian taxpayer, both in the sense of personal income tax and also for those businesses which depend on import of raw material, and we also have encouraging policies which can help exports. So, we have ensured that we honour the taxpayer and take such policy measures which will help so that India can speed up its progress towards 2047 for a Viksit Bharat.

Sir, the income tax is one of the major things about which many of the Members have come personally to me to thank. I actually thank the hon. Prime Minister, who set me on this task much before the Budget preparations commenced and asked me to look at the possibilities of helping the middle class and also helping the taxpayers. I must thank the entire team in the Ministry of Finance where all of us sat through to see what are the kinds of things we can do. And, once we came up with the tax proposals and presented it before the Prime Minister, he readily agreed

and said that we should honour the Indian taxpayers and this is something which I support. I am grateful for having made the entire Finance Ministry's job easier when we went to him with a proposal because, for the Finance Ministry, the tendency would be to be cautious not let go revenues. But, here, we really wanted to use this opportunity to make sure that we respect the Indian taxpayer and that is where we moved towards giving this 12 lakh as the figure up till which no one will have to pay any tax. If you are earning up to Rs. 12 lakh, you do not have to pay anything. If you earn more than that, there is a simplified formula. That is also brought in this Finance Bill, which has now been passed by the Lok Sabha and is for the consideration of the Rajya Sabha. The rates have also been brought down and the slabs have also been made to smoothly move from one to another without huge jumps. Absolute simplification! And, as a result of this, when you give rates which are going to be lesser than what it was before, and, which gradually increase, the benefits accrue to everybody. So, it is not as if we have given benefit to only 2 crore taxpayers, but we have given to every taxpayer some or the other benefit. Of course, it is very favorably skewed towards the lower income groups and the middle class. And, that is why, in order that we do not lose revenue and yet give the relief, we brought in the rebate system, which, I am sure, any person dealing with the finances and also the public finance observers will understand. It is a legitimate way of giving that additional succor for those who need it. This is about the personal income tax. I do not want to get into details about the marginal benefit that we extend for those taxpayers who just cross 12 lakh and what happens to them, and, whether they end up paying higher than before and all that. Even for that, enough explanation has been given during the Budget Speech itself.

The second major thing that this Finance Bill does is the TDS rate rationalization. In fact, in respect of sale of goods, the requirement for TCS under section 206C(1H) is proposed to be completely done away with. These kind of steps, which are either bringing it down or completely removing TDS and TCS, help the tax assesSee and also help those who collect the tax and who have to remit it in the Government's account. And, Sir, also to reduce the multiplicity of rates and compliance burden, it is proposed to bring down certain TDS and TCS rates -- TCS has been done away with, as I have already said -- and increase certain thresholds for the requirement of tax to be deducted at source or collected at source. So, both the thresholds are being raised and the TDS collection itself is being brought down.

Sir, other than that, there is an issue on which Members have spoken. I heard hon. Member, Sanjay Seth, speaking about people who buy second house while occupying the first house and keep that second house under their occupation. The

second house is now being proposed to be removed from taxation, or, even from the requirement that the taxpayer had to give a declaration that it is under his or her occupation and, therefore, no tax should be payable. So, these kinds of compliance burdens have also been removed. In order that we help providing certainty for international taxation, the scope of the Safe Harbour Rules is also now expanded.

So, this will reduce litigation. In order to continue the support that we have been giving for the start-ups, we have allowed the incorporation before 01-04-2030 to get advantage of all those benefits which have been announced all the while. So, that incorporation date deadline, which was coming to an end by 31st of this month, has now been extended till 1st April, 2030. Sir, it is important again to talk about what the Finance Bill has done as regards Customs Duty. I briefly did mention that by bringing down the Customs Duties or by removing it completely, we are actually benefiting those small and medium industries who import intermediary goods or raw materials for their products. Many of them, in fact, they mainly use for producing some goods which they, in turn, export. Anyway, we won't have allowed them to have tax benefits without exporting. But even for those within the country, who are not exporting, by bringing down the Custom Duties, we have actually helped in the manufacturing sector in this country. So, we have used this opportunity to rationalize tariff structure and address the duty inversion. Through this, I feel there will be more domestic value addition in industries. It will promote exports as well and will absolutely facilitate trade and provide relief to the common people. Sir, the Customs, if I can take a minute over it again, the Customs rate structure, announced in the July Budget, has been further followed up in this Budget as well. The 2025-26 Budget, about which we had discussed earlier, -- now, I am talking about the Finance Bill -- proposes to remove seven customs tariff rates for industrial goods. So, two tranches of rationalization of customs tariff have happened, and they have reduced the number of tariff rates from 21 to 8, completely bringing it down, including the zero rated ones. Many Indian exports will become now more competitive as the cost of imported inputs will completely be reduced. Another step, which is very important, is that we have now very clearly stated that only one, either the cess or the surcharge, will be applied per item. Social welfare surcharge is to be exempted on 82 tariff lines which are already subject to a cess. So, the burden of a cess over which we bring in the burden of the surcharge will no longer happen. The Budget proposes to add 35 additional capital goods for the production of E.V. batteries. Also, 28 additional capital goods, which are important for production of mobile phone batteries, are now being added to the exempted goods list. They are not going to be taxed any more. Therefore, we will be enabling the production of E.V. batteries and also the mobile phone batteries in this

country. So, the capital goods being exempted will actually benefit these two sectors. I have also read during the Budget that we fully exempt the basic customs duty on cobalt powder and waste, the scrap of lithium ion battery, lead, zinc and 12 more critical minerals. All these are in addition to the 25 critical minerals which were fully exempted from BCD in the July 2024, Budget. So, if you would see, we have been consistently coming up with reduction in duties, Budget after Budget, so that India's aspiration for being a manufacturing hub and also India's aspiration in building capacities for battery manufacturing, advanced chemistry is supported. So, this is a consistent thing. I heard quite a few Members saying, 'Oh, the tariff war has started, and in response to the tariff announcements made by President Trump, here, are we doing it.' No, we have been doing it from 2023. Steadily, every year, newer items are being brought in, keeping in mind the *Atmanirbhar* Bharat, at the same time, *Viksit Bharat's* requirements as much as simplifying the customs duty and the compliance details. So, this is an ongoing process. It has nothing to do with today's global situation, but it is a process which will continue even in the future.

Sir, one relief which is important for me to put on the Table is this. We are extending the time-limit for the end-use of imported inputs in the relevant rules from six months to one year. I will just explain this. There are a lot of exporters who import items on very clear understanding that these imports are for value addition or manufacturing of a product which will get exported. We allow it without duty. When they come, they are expected to be used, produced and exported within a matter of six months. Many exporters had difficulty. They wanted an extension of time and, therefore, we have given them six months to one year. What was six months we have extended now by another six months and said that if they imported an item without duty and they want to export it, they have full one year's time to comply with it within one year. Such importers have to file only quarterly statements, not monthly statements. Right now, it is a monthly statement. Now we are asking them to file it quarterly, so that the compliance burden is completely off their shoulders.

Sir, there is one particular Amendment, which we brought in as Government Amendment. It has been cleared from the Lok Sabha and it is now part of the Finance Bill which has come here. I would like to highlight that. For the first time, our Government had implemented full parity between pensioners of pre-and post-Seventh Pay Commission. All pensioners of the Central Government who had retired before 01.01.2016 are now drawing the same pension as employees who retired after 01.01.2016. The demand of pensioners regarding parity has been agreed to and implemented by this Government. I would like to thank Prime Minister Modi for having brought in that equal treatment for all pensioners. This is something which we have

taken on board in this Finance Bill. The Prime Minister had approved the establishment of the Eighth Central Pay Commission. I am sure all hon. Members do have the information on it. It is to revise salaries and benefits of the Central Government employees in January 2025. I will just highlight as to why this Amendment is here. The Sixth Central Pay Commission was an Expert Body that had threadbare examined all the issues, disparities and even the representations by employees before making their recommendations in March 2008 which thereafter, upon careful consideration, was accepted by the Government. The manner of fixing pension, which was recommended by the Sixth CPC, was similar to the previous CPCs. We brought in this Amendment in the Lok Sabha which has passed it and now it is before us. Through this Amendment, the Government is restoring the recommendations of the Sixth Central Pay Commission and respecting it as an Expert Body. I just want to add here. Keeping in view the recommendations of the Sixth Central Pay Commission, which had said that a distinction among pensioners is inevitable, that is what is being brought in as an Amendment and by way of validation. I want to highlight that the validation is what is being put in and principles of expenditure on pension and liabilities. The validation rules do not in any way change or alter the existing pension so fixed of existing civil pensioners from the present stage. So, there is no change. The validation rules do not affect Defence pensioners in any way as they are covered by separate rules. It is not an amendment -- I would like to underline this point -- it is not an amendment to any Pension Rules or instructions, but only a reaffirmation of the same with effect from 1st June 1972, that is the date the CCS Pension Rules were promulgated.

The Sixth Central Pay Commission made a distinction between the retirees pre-1.1.2006 and those of post-1.1.2006 periods. The then Government, in 2008, had accepted the recommendations of the Sixth Central Pay Commission and decided that there would be a distinction between pensioners with reference to the cut-off date of 1.1.2006. The Seventh Pay Commission had brought in parity between pre-1.1.2016 and post-1.1.2016 pensioners. I again reiterate that this is only a validation of the existing rules. This does not alter or change existing Civil or Defence pensions. So, largely, these are the points about the Finance Bill that is before us for consideration.

Now, I would like to respond to individual Members and their comments. Obviously, I will start with the first speaker, the former Finance Minister. It is a bit difficult when it comes to....

MR. CHAIRMAN: Hon. Finance Minister, two of the hon. Members — Dr. John Brittas and Shri Raghav Chadha — who had the occasion to intervene in the debate have sought my leave of absence from here. They have sought my leave. They had something urgent to deal with. Please go ahead.

SHRIMATI NIRMALA SITHARAMAN: Sir, the former Finance Minister's observation was that the NDA Government started with 4.3 per cent of fiscal deficit; it certainly improved to 3.4 per cent, but it rose to 4.8 per cent in 2024-25, that is, now. And that the previous Governments also had faced various types of crisis, Asian Financial Crisis, the Global Financial Crisis, Taper Tantrum and so on. So, he gently pointed out saying that it is not right to blame the Covid pandemic. I would like to just put it on record here that in 2014, when hon. Prime Minister Modi's Government was formed, India was the tenth largest economy. Today, within 10 years, under the leadership of hon. Prime Minister Modi, we have reached the stage of fifth largest economy; and, within a few years, we will be the third largest. If the previous UPA Governments also faced crisis, which he listed out, Asian Financial Crisis, GFS, Taper Tantrum and so on, I am constrained to mention here that the economy was a Fragile Five economy. You faced crisis, but where did you leave it? We faced Covid, where we are keeping it today! That is the difference. Therefore, I don't, for a moment, believe that the former Finance Minister would not know these facts. But I take the liberty to put it before you, saying, oh no, you faced the crisis and the outcome was Fragile Five; India's GDP was tenth largest in the world; we faced a crisis, but India is one of the fastest growing economies today. It is said that they also faced crisis and we faced Covid. I would like to draw the attention of this hon. august House. Congress-led UPA itself admitted that India was not unduly affected by the 2008 Global Financial Crisis. In 2011, the then Finance Minister, Shri Pranab Mukherjee, had said, and I quote, "India, unlike most other economies, was not seriously affected by the financial turmoil of 2008 in the developed world".

So, the crisis was not big, even by the then standard and COVID is a different one. In that, it was not just a financial crisis, it was a crisis for lives. People had to live to come out of it. And livelihood was also severely affected. It is in that situation, to provide domestically made vaccine to all the people, at least, one dose, and some two doses, and some even the third dose and then make sure that moratorium is given. No industry should suffer, no one should be pulled up to the court saying: "You are an NPA." So, a comprehensive plan was laid by hon. Prime Minister to save lives, livelihoods and recover the economy.

Sir, I also want to highlight a few points from the White Paper which was released in 2024. In the six years between 2009 to 2014, the ratio of India's Gross Fiscal Deficit to Gross Domestic Product was at least 4.5 per cent. It was between 4.5 per cent and 5 per cent in three years, between 5 per cent and 6 per cent in one year and more than 6 per cent in two years. What was hidden was even higher. The special bonds, that is, the oil bonds, in lieu of cash subsidy issued to the oil marketing companies, fertilizer companies, and Food Corporation of India, totalled nearly Rs.2 lakh crore in the five years from 2006 to 2010. Accounting for such hidden debt would have swelled the Fiscal Deficit from 6.1 per cent to 7.9 per cent in 2008-09 alone. So, one, the numbers were not really stating the full story, and two, you really did not face a big crisis, which is the words which I can see from Shri Pranab Mukherjee's own statement. So, the crisis was nowhere in comparison -- now that I am looking with the benefit of hindsight -- and the numbers were anyway not telling the whole story. So, I would like to submit in all modesty that comparison was not right.

And second, Sir, unfortunately, former Finance Minister also said: "No one remembers the Budget." Every one of the taxpayers, as I said a minute ago, has benefited. The small, the low income and the middle income ones have benefited substantially. We want to do that, we want to respect the taxpayers. Actually, when there is a level of expectation being met, I am not saying every expectation is met, but, at least, when the middle income groups wanted some recognition and some relief and when we have given something -- I have also been traveling to different places where I have been talking about the Budget -- I have heard people say: "Thank you very much. It is a great relief. We can now decide where we want to use that money, consumption or investment or savings or spend on our children's education." So, actually, there are people remembering the Budget for that and coming to me to say that, which they did not have to. ...*(Interruptions)*... Yes, Sir. So, people remember the Budget or do not remember the Budget, I am seeing it as, probably, this Budget has not given enough things with which the Congress is able to thrash the Government or hit the Government saying: "Oh, you have not done this, oh, you have not done that." In general, they are unable to pick anything as criticism and therefore, this generic: "No one remembers the Budget!" I would like to think that that was a statement, in a left-handed sort of way, a compliment for the Budget. Then, I thought the worst thing was to hear this from the former Finance Minister. I cannot believe he said this, but I want to admit, and, therefore, I want to explain why that was not right for him to have said it.

“There is no fiscal strategy in the Fiscal Policy Statement. There is no guarantee that their fiscal deficit will decline.” Sir, just off the cuff, since 2020, we gave ourselves a glide path for the fiscal deficit reduction. And, every year, if anything, anyone could have looked at the fiscal deficit number the moment the Budget was read out, not one year did we slip. Every year we have kept with the glide path given and we are going towards meeting the fiscal deficit which we have given in the glide path which everybody has looked at. So, the Government has actually brought out a clear fiscal strategy for the year 2025-26 and that is as required by the FRBM Act, 2003. I would like to mention that a full section has been dedicated in the Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement explaining the Government's fiscal policy strategy in 2025-26 Budget. It is there. I quote from Para 37, the Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement. I quote, Sir. “The fiscal policy stance for Financial Year 2025-26, *inter-alia*, includes cross-sectoral reforms to augment the economy's growth potential and its employment intensity, boosting domestic demand, continued focus on effective capital expenditure, creating new capacities in cutting edge new technologies, investments in the development of human capital, 'saturation approach' to social welfare and strengthening the social safety net. Its objectives are to invigorate and sustain inclusive and equitable economic growth, enhance resilience to mitigate risks, protect the vulnerable sections of the society, and bolster the country's overall macro-economic fundamentals.” This is there in the document which was presented during this Budget. I would like to further mention that the very para itself very much aligns with the Government's own policy announcements which was made in the Budget Speech. I quote again from Para 3 of the same statement. “The nimble fiscal policy strategy adopted by the Union Government in the post COVID-19 pandemic years, has generated desired fiscal policy results while providing for the country's development needs. In line with the commitment made in the Budget for Financial Year 2021-2022, the country is well on track to attain a fiscal deficit to GDP ratio below 4.5 per cent in Financial Year 2025-2026. Continuing on this path, the Union Government in Budget Speech of Financial Year 2024-2025 (Regular Budget) has outlined a medium term fiscal policy stance. It seeks to keep the Central Government fiscal deficit to GDP ratio such that debt to GDP ratio is on a declining path.” This is in Annexure-1, so anybody can see. So, it is amazing that in spite of this explicit mention in documented sets which go out, these are clearly given. I would appeal to the former Finance Minister to go back, look at these, read these, to see they are in alignment with what we have said in the Budget Speech. They are not one way, we are not another way. Everything aligns! Sir, with a bit of hesitation, and I hope you will

give me that little margin because I am defending my position here. I find, if the former Finance Minister says something here in this House, actually on those items, on those issues, Government of India, under the leadership of hon. Prime Minister Modi, achieves that much and more.

I will give you one example. On 9th February, 2017, former Finance Minister said—he doubted the digital transactions, the digital public infrastructure that we created—and I quote, “You have now made certain transactions mandatorily non-cash. I support it. But that is the way to go and not to tell people, ‘Go to your village fair. Buy potatoes and tomatoes and pay Rs. 7.50 by credit card.’ What will the poor lady do? Does she have a POS machine there? Is it connected to an electricity source? Is there Wi-Fi there? Is the internet working there? What kind of false picture are you presenting?” Sir, action proves what we have done in terms of digital public infrastructure under the leadership of Prime Minister Modi. So, the concern expressed by the former Finance Minister has been squarely addressed. Similarly, in the fiscal deficit-related concern that he has expressed, I am sure he will now appreciate that we have laid the path both for the immediate-term and the medium-term and we shall achieve it like we have done it till now all the four-five years. Coming year will end the number below 4.5 per cent of fiscal deficit, not one year’s slippage. I am sure this should give him adequate confidence to believe and trust in Prime Minister Modi’s leadership.

About the levies, withdrawing of the levies and is it a reaction to President Trump’s tariff war and so on! I have briefly explained it that we have been doing this since 2023. I will give very clear example. There were two types of equalization levies; 6 per cent levy imposed in the financial year 2016 and two per cent levy imposed in 2020, which were applicable before July, 2024 itself. The two per cent levy was removed after stakeholder consultation in July Budget to ease the compliance burden. And that was much before President Trump, even before he took his office. Similarly, several other steps have been taken. So, the six per cent levy which is being removed is a part of that process and that is what is going on, and as I said, we will continue to rationalize on customs.

Sir, I am coming to the last three points, without taking much time. Member, Shrimati Sagarika Ghose spoke saying, ‘ten years later, where is *achhe din*?’ I want to just let her know; first of all, I will tell you where the *achhe din* का voices will come. Yes, *achhe din*, for us! But before that, I want to remind that the party which she represents has not given any *achhe din* to the people there even as per the ‘*Maa-Maati-Manush*’ slogan that they follow because the cut money group, the *tolabaji* group is not allowing the good deeds to go down; whether of TMC’s good activities or

the Central Government's good schemes, both TMC schemes and the Government of India schemes are not reaching the common people. The *tolabaji* is like a huge iron filter, it does not seep through. Therefore, for Member, Shrimati Sagarika Ghose, you would have certainly seen her fiery anchoring in television channels before 2014, and I have even participated in some of her debates.

7.00 P.M.

I would like to say, Sir, *achhe din* for us is tirelessly serving the nation so that the common people benefit, and I will explain. We are तन समर्पित, मन समर्पित और देश के लिए ये जीवन समर्पित। And through you, Sir, I would like to tell Member, Sagarikaji, instead of questioning from a biased political perspective, ask a common citizen, ask anywhere, Bengal or anywhere, who have directly benefited from our schemes. They are transformative. Fifty-five crore Indians, if you ask them, especially women, empowered with bank accounts under *Jan Dhan Yojana*, अच्छे दिन आये हैं कि नहीं, जरूर बोलेंगे, अच्छे दिन आये हैं, क्योंकि जन धन खाता उनको मिला। Ask four crore families who received PM Awas Yojana, अच्छे दिन हैं कि नहीं? अच्छे दिन हैं, वे बोलेंगे। Ask more than twelve crore rural households enjoying the dignity of toilets under Swachh Bharat Mission, अच्छे दिन हैं? Ask twelve crore rural households receiving tap water under Jal Jeevan Mission, अच्छे दिन हैं? Ask over ten crore families liberated from smoke-filled kitchens under PM Ujjwala Yojana Connections, अच्छे दिन हैं? Ask beneficiaries buying affordable medicines from 15,300 Jan Aushadhi Kendras at fifty to eighty per cent cheaper rates, अच्छे दिन हैं? Ask 37 crore citizens protected by Ayushman Bharat's five lakh health insurance cover, annually, अच्छे दिन हैं? Sir, sixty-eight lakh street vendors provided with credit support under PM *Svanidhi*, they are all guaranteed by hon. Prime Minister and the sovereign guarantee provided, they don't need to give any security or papers or gold being given, अच्छे दिन हैं? Ask beneficiaries of over rupees fifty crore loans sanctioned under PM Mudra Loan, अच्छे दिन हैं? So, Sir, I want to say this, अच्छे दिन, उन्हें ही डर लग सकता है, जिनके लिए शासन का मतलब सिर्फ भ्रष्टाचार और तोलबाजी है। Sir, Member, Priyanka Chaturvedi, -- I am not sure if she is here -- spoke about Cesses and Surcharges. I want to underline, Sir. I am sure the hon. Member is quite informed on this matter. It is not a novel tax that we have brought Cess or Surcharge. It has been there for a very long time, as a part of India's fiscal policy. Health and Education Cess and Surcharge, for instance, were introduced in 2004. And, as per Article 270 of the Constitution, Cesses and Surcharges are not shareable with the States. It is constitutionally clearly. So, for us to be told, 'you are not doing it'; no, that is how the framework is. However, the receipts of levy of

Cesses are for meeting specific expenditure of the Union Government, be it education, be it health, be it road or be it transport. And contrary to the claims, Sir, that States do not benefit from Cesses and Surcharges, I would like to clearly say these are the funds which are being used for Centrally Sponsored Schemes like MGNREGA, National Food Security Act and these schemes are either predominantly or fully funded by the Centre, but implemented by the States. Thereby, it benefits them. Sir, for example, Samagra Siksha, Mid-Day Meal Schemes are all funded by these Cesses and Surcharges.

The States are the ultimate beneficiaries of Cesses. As the Cess collections are spent in the States itself, I want to underline the fact that in the six years between 2019-20 to 2024-25, the cumulative utilisation has exceeded collections, with 105 per cent of the total Cess collected already utilised. That is, in the six years, amount collected under Cesses and Surcharges is Rs. 15.14 lakh crores. What was utilised by the States? Rs. 15.97 lakh crores were utilized by the States! So much more than what is collected in Cesses and Surcharges have actually gone to the States. So, the Central Government does not sit with that money because these are collected for specific reasons.

Sir, I literally come to the last point. I was quite fascinated by hon. Member Dr. M. Thambidurai's intervention when he was talking, because we often hear statements. And, one or two points, which hon. Member Thambidurai made, are something which are important for us to recollect. He said -- if I have heard him right -- the overall outstanding liability of Tamil Nadu is more than eight lakh crores of rupees. I guess, the hon. Member said that out of these eight lakh crores, four lakh crores came during the DMK rule; we don't know where the money has gone, and the DMK Members criticise here the Central Government. I am indeed grateful to the hon. Member Thambidurai for having said that. And, he also spoke about the scams, where there are raids, and so on. But I want to use this opportunity to talk about tax devolution to Tamil Nadu.

Sir, Rs. 58,021 crores has been budgeted as tax devolution for the upcoming year, 2025-2026, which will start from the day after tomorrow. Tax devolution to Tamil Nadu between 2004 and 2014 was Rs. 94,971 crores. Between 2014 and 2024, which is the last year, we are not including this year, Rs. 2,92,013 crores was the tax devolution, which is 207 per cent more. Whereas, grants and aids from the Government of India during 2004-2014 was Rs. 57,925 crores. Therefore, with the tax devolution of Rs. 2,55,875 crores, between 2014-2024, the increase is 342 per cent. I am comparing only two periods. I would like to say that net proceeds of shareable Central taxes to States under Finance Commissions. ...*(Interruptions)*... Yes, I am

just going to read that. Just hang on, I am giving the percentages. Twelfth Finance Commission, 2005 to 2010 -- 30.5 per cent; Thirteenth Finance Commission, 2010 to 2015 -- 32 per cent; Fourteenth Finance Commission, 2015 to 2020 -- 42 per cent; Fifteenth Finance Commission, 2020 to 2025 -- 41 per cent, and that 1 per cent reduction is because of the UT, which is J&K.

Now, Sir, I also want to underline the fact that when the Report of the Fourteenth Finance Commission was submitted and hon. Prime Minister received the Report and the Cabinet went through it in 2014, there was one recommendation -- this is very important because I have heard Member, Dr. John Brittas, also talking about Central Schemes, Priyanka Chaturvedi ji talking about Central Sector Schemes and so on -- the Finance Commission, which actually raised the devolution from 32 per cent to 42 per cent, had said, you may please close down all the Central Sector Schemes. Now, that the devolution is far more than before, from your hands to the State, you shall shut the Central Sector Schemes.

But the Prime Minister Modiji, having been a Chief Minister in a State, understanding the requirements of the State, said, "No, I will continue with these two schemes as well." We are being repeatedly told that the Finance Commission gave this, gave that. Keeping in mind the States and their priorities, he, actually, did not go by that recommendation, which said, you can shut these schemes, that having given from 32 per cent to 42 per cent, you can shut it. Sir, 32 per cent to 42 per cent was also accepted, but this suggestion was not accepted and we still go on funding the Central Sector Schemes and Centrally Sponsored Schemes. So, we need to please put it in context rather than hurry to conclude about.

Sir, from Kerala, the hon. Member, Shri Sandosh Kumar, is there. And, Dr. John Brittas, of course, has sought your permission not to be here today. With this, I will finish, Sir, I won't take much of your time. Kerala has received Rs.1.57 lakh crores in 2014 to 2024, the current reference period, which is an increase of 239 per cent over the UPA period. How much did they receive during 2004 to 2014? It was Rs.46,300/- crores. What are they receiving now? It is Rs.1.57 lakh crores. It was said, Kerala is being differentiated, discriminated. Please, we follow what the recommendation of the Finance Commission is and that is what is going to you all. And that is not lesser than what you received earlier. Grants-in-aid surged by 509 percentages. What did they receive in 2004 to 2014? It was Rs.25,630/- crores. What are they receiving during 2014 to 2024? It is Rs.1.56 lakh crores. Sir, over and above this, what did the Finance Commission not suggest? And, I entirely give credit to hon. Prime Minister because post-Covid, as States also will have to revive their economies faster, he made it a point to say, please give special assistance of capital expenditure

for States, 50 years interest-free. Kerala received Rs.2,715/- crores. That was not even mentioned by the Finance Commission, but here we go. We made sure that Kerala also receives and does not suffer. So Kerala has never been, and I would like to say this with a sense of responsibility, supported better than this Government, the way in which Prime Minister Modi has supported in terms of actual numbers, in terms of actual projects. And, I am not naming the project, there was a project, where highway has been extended from one destination to a point and from the other destination to this point but midway there was a small patch,-- it was the Kollam junction or something -- which was waiting for 40 years. It was the Prime Minister Modi who completed that little bit. It was litigated upon. From A to B, the road goes, but there was one little patch. Because it was in the courts and every Government gave excuses, it was not completed. The Prime Minister Modi made sure that every hurdle was crossed legitimately and that project was completed. It took 40 years for a road to be completed. ...*(Interruptions)*... That is fine. But was it taken earlier? The initiative was not taken by the State Government earlier. It required Prime Minister Modi to come. पहले करना था न! ...*(व्यवधान)*... For 40 years, they sat with it. Different Central Governments did not do it at that time. The State Government also took initiative. Of course, it is your land, you will have to take initiative. But you did not do it till Prime Minister Modi came. ...*(Interruptions)*... I will tell you. I am sorry to have to bring this. I would not have said it here in the House. And, these are not my words. But it is hurting to hear Kerala repeatedly saying, you are discriminating against Kerala, you are discriminating even in our borrowing. Matters related to borrowing limits are supervised under Article 293. Sir, you are an expert on the Constitution. I do not need to talk. Under Article 293, the Centre has the authority to look at the borrowings of the States.

In that matter, they went to the Supreme Court; and on April 1st... I will just read two observations which were given. I would never imagine, I didn't think I will be having a day when I have to say this, because, all right, it happens in Court, you have a difference, I have a difference, we go to the court. But, in spite of giving all the facts, you are repeatedly alleging, "Oh, Prime Minister Modi doesn't do this for Kerala, doesn't do this, I want to quote the Court's words, the Supreme Court's own words. I quote, "If the State has essentially created financial hardship — I repeat, if the State has essentially created financial hardship -- because of its own financial mismanagement, such hardship cannot be held to be an irreparable injury that would necessitate an interim relief against the Union." I didn't say it. These are the Supreme Court's words. Another line that they said, and I again quote, "We find *prima facie* that there is a difference in the mechanism which operates when there is

underutilization of borrowing and when there is overutilization of borrowing. The plaintiff, that is, the State, Kerala, has not been able to demonstrate at this stage that even after adjusting the over-borrowing of the previous year, there is fiscal space to borrow." They thought they had more fiscal room to borrow and kept asking us. We said, 'You don't have the room.' They went to the Court and the Court said, '*prima facie*; we don't'. And the final quote, I again quote, "We find *prima facie* merit in the submission of the Union of India that after inclusion of off-budget borrowing for the year 2022-23 and adjustments for over-borrowing of the past years, the State has no unutilized fiscal space and that the State has over-utilized its fiscal space." These are not my words. And I wouldn't have wanted to bring this here because I want to work with the States, and I will say this again that I want to work with the States so that they are not in distress, but I have my limits under Article 293. Sir, these are not my perceptions; these are Court's words. There is one last quote from the CAG's Audit Report on Kerala State finances, say, Report No. 5, October, 2024. I didn't intend to say it here, but when you repeatedly allege that the Central Government is discriminating against Kerala, I am compelled to say this. I am sorry. I am quoting the CAG Audit Report. It is a very important observation. I quote, "In 2022-23, 97.88 per cent of Kerala's debt receipts were utilised for repayment of outstanding debt. This indicates a poor debt management by the State Government." The second observation derived from the CAG Report, I am not quoting here. "In the Fiscal Year, 2023-24, Kerala State Government allocated — it is very important -- Rs. 94,649 crores or 70 per cent of its estimated revenue receipts towards committed expenditure, which is salary, interest and pensions." That is a committed expenditure, Sir, and certainly, therefore, the revenues will have to improve. You will have to improve your revenues. And if that is required, you can't constantly say, it is because you have not given me my due. ...(*Interruptions*)... Okay, Sir! And the last thing which I have to say here is that the truth, therefore, is that Kerala's fiscal crisis is a result of both the UDF and LDF Governments' reckless policies and not the fault of the Central Government. ...(*Interruptions*)... So, Sir, I want to then say, did it stop us from doing work in Kerala! No. As I said, Prime Minister Modi doesn't differentiate between States. He does for everybody.

So, what was given in August, 2004? The Union Cabinet approved the Industrial Node in Palakkad. Kannur Airport was operationalized under the RCS UDAN. Site clearance was granted for construction of a Greenfield Airport at Kottayam. Over 1,300 kilometres of National Highways have been constructed in Kerala since 2014; 1,126 kilometres of National Highway corridors are being developed under *Bharatmala Pariyojana* in Kerala. India's first Water Metro was inaugurated by

Prime Minister, Modiji, in April, 2023. Kochi Metro was inaugurated by Prime Minister, Modiji, in 2017. Twenty-five kilometres of rail have been operationalized since 2014...

SHRI SANDOSH KUMAR P: That is an old story.

SHRIMATI NIRMALA SITHARAMAN: Old story! It is money. It is still money! Sixty years ago, or even more, when Chief Minister Namboodiripad. ...*(Interruptions)*... Wait! You are from the Communist Party. At least have the gratitude to remember this. Namboodiripad's Government was thrown out by the Congress. Old is that, not this. You are using these roads even today. You are using these airports even today, but do remember the day when democracy was killed by an elected Government being thrown out. Where were you at that time? Is that old or not? ...*(Interruptions)*... क्या मेट्रो अभी चालू नहीं है? पैसा किसके लिए है?

SHRI SANDOSH KUMAR P: Why are you bringing Namboodiripad into this?

SHRIMATI NIRMALA SITHARAMAN: Of course! You are a Communist Party Member. You are sitting in alignment with Congress. Congress is the one that threw you out. You do not even want to remember that! You are asking, 'Why you bring Namboodiripad'? With respect, Sir, I will bring Namboodiripad here, the patron of Communism in India. You want to forget that!

MR. CHAIRMAN: Hon. Finance Minister, that was the first ever Left Government in the world.

SHRIMATI NIRMALA SITHARAMAN: That is right, Sir. That was the first ever elected Communist Government in the world. You are right, Sir. Thank you for saying that. Sir, I am astonished that...

SHRI SANDOSH KUMAR P: What is the relevance here?

SHRIMATI NIRMALA SITHARAMAN: You said, 'these are all old'. That is old, I want to say, Sandosh Kumarji. ...*(Interruptions)*... Sir, these are still in utilization. People are using these ports and everything else even today. And he says, this is old! But for me, even the throwing out of Communist Government in 1959 is not old. It shows how Indian democracy was misused by the Congress. I will never forget that. ...*(Interruptions)*... And, a Communist Party Member tells me, 'What is the

relevance of that?’ It hurts me no end, Sir; it hurts me no end. I am surprised. You should never forget it as long as you are fighting for your ideology. A minute ago you said, ‘in ideology we will fight with you’. आप ideology भूल गए! ...**(व्यवधान)**... भूल गए! आप नंबूदिरीपाद को भूल गए!

Sir, Kochi Metro was inaugurated by Prime Minister, Modi, in 2017. It is still operational. Sandosh Kumarji uses it, but he says, ‘What is it? That is old.’ He uses it, but he has forgotten! Not even a decade is over, Sir. Twenty-five kilometres of metro rail have been operationalized since 2014. Record Railway Budget allocation of Rs. 3,042 crore was made. A hundred and twenty-five kilometres of new tracks have been constructed in Kerala since 2014. Two *Vande Bharat* trains have been started. Thirty-five railway stations are being re-developed. Are these old? It may be so for Shri Sandosh Kumar, but the people of Kerala remember all this.

Sir, I would finish with social infrastructure. 1.6 lakh houses have been built under the *Pradhan Mantri Awas Yojana*; 2.5 lakh household toilets have been constructed under the *Swachha Bharat* Mission. Over 21 lakh tap water connections have been provided under *Jal Jeevan Mission*. Eighty-two lakh Ayushman Cards have been provided; 1,500-plus *Jan Aushadhi Kendras* have been operationalized; 66 lakh *jan dhan* accounts have been opened. Accounts are running even today. People are using it. Then, 1.6 crore Mudra accounts have been sanctioned. People living in there are benefiting because they were denied all this earlier. Now it is being given. Thank you very much, Sir.

MR. CHAIRMAN: Secretary-General; Message from Lok Sabha. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Sir, I have a clarification. ...*(Interruptions)*...

MR. CHAIRMAN: Not a practice. ...*(Interruptions)*...

MESSAGES FROM LOK SABHA

SECRETARY-GENERAL: Sir, with your kind permission, I rise to report that the Lok Sabha, at its sitting held on 27th March, 2025, passed the Immigration and Foreigners Bill, 2025.

I lay a copy of the said Bill on the Table.
