

Budget initiatives to boost growth, employment: FM

FE BUREAU
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THE UNION BUDGET for 2024-25 has introduced various initiatives to revive the country's economy, including reducing the customs duty, developing industrial parks and allocating more resources for capital expenditure, finance minister Nirmala Sitharaman said in the Rajya Sabha on Wednesday.

Replying to the discussion on the Budget, the minister refuted an allegation by the opposition parties that the central government has not been fair to the states in tax devolutions and in giving consent to them to borrow from the market.

"I would like to underline our unflinching commitment to cooperative federalism. The total resources proposed to be transferred to the states in 2024-25 is estimated at ₹22.91 trillion, an increase of ₹2.49 trillion over the previous financial year 2023-24," Sitharaman said.

The finance minister said that cess and surcharges have traditionally been out of the divisible pool of central taxes.

She also said the Centre follows the recommendation of the 15 Finance Commission for issuing borrowing consent to states, financial year-wise uniformly to all states.

Net borrowing ceilings of 3% of GSDP have been fixed

NIRMALA SITHARAMAN,
FINANCE MINISTER

THE BUDGET IS FOR ALL STATES. IF A STATE HAS NOT BEEN MENTIONED IN THE BUDGET SPEECH, IT DOES NOT MEAN THERE IS NO ALLOCATION MADE FOR IT.



for the financial year.

"Borrowing consent issued to all states by adopting uniform parameters as per the guidelines. All of them (states) are treated the same," Sitharaman said.

Additionally, each state is permitted to borrow 0.5% of GSDP subject to meeting power sector reforms conditionalities, she added.

Speaking on the Budget, she said the capital expenditure in the last 10 years of the Narendra Modi government stood at ₹43.82 trillion compared with ₹13.19 trillion during the decade-ago rule of the previous UPA government.

The minister said the allocations made in the Budget have increased for sectors such as agriculture, education and health.

Agricultural reforms, including the implementation of Pradhan Mantri Fasal Bima Yojana and the distribution of soil health cards, have been highlighted as important steps towards economic growth.

The Budget is an exercise to make India an attractive destination for manufacturing companies and the PLI schemes continue to remain attractive for the manufacturing sector, she said.

She also said the government is complying with the fiscal deficit trajectory. It will bring down the deficit to below 4.5% by 2025-26 from the targeted 4.9% for the current fiscal.