

I belong to middle class, aware of their pressures: Sitharaman

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Ahead of the Union Budget, Finance Minister Nirmala Sitharaman said on Sunday she was aware of the pressures of the middle class but also recalled that the present government had not imposed any fresh taxes on them.

Sitharaman will present Union Budget for 2023-24 in the Lok Sabha on February 1 amid expectations that the government will raise the income tax limit and provide relief to the middle-class taxpayers, besides others.

"I too belong to the middle class so I can understand the pressures of the middle class. I identify myself with the middle class, so I know," she said while speaking at a function organised by the *Panchjanya* magazine, an RSS-associated weekly. In the same breath, she reminded the audience that the present Modi government had not imposed any fresh taxes on the middle class. Also, she added, income of up to ₹5 lakh is exempt from the income tax.

She said the government has taken



ON MIDDLE CLASS

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ON FREEBIES

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various measures like developing the metro rail network in 27 cities and building 100 smart cities to promote ease of living. The minister assured them that the government can do more for the middle class as its population is growing and it has become sizeable now.

"I quite recognise their problems. The government has done a lot for them and will continue doing the same," she said without making any commitment. Sitharaman said the government has

been raising the outlay on capital expenditure in each Budget since 2020.

For this fiscal year, she said, it has been raised by 35 per cent to ₹7.5 trillion as it has a multiplier effect on the economy. On the banking sector, she said, the government's 4R strategy — Recognition, Recapitalisation, Resolution, and Reform — has helped in revival of public sector banks (PSBs). As a result of this, non-performing assets (NPAs) have declined and health of PSBs has

improved greatly, she said.

The government implemented an unprecedented recapitalisation programme for PSBs amounting to ₹2.11 trillion to support capital adequacy and prevent their default.

PSBs turned the corner during 2020-21 with a combined net profit of ₹31,820 crore supported by massive recovery, reduction in NPAs and windfall gains on their bond portfolio. Subsequently, the combined profit more than doubled to ₹66,539 crore in FY22 despite Covid-19 pressure. They had booked collective losses to the tune of ₹2.07 trillion for five straight years from 2015-16 to 2019-20.

The RBI last month said, banks' gross NPA ratio has fallen to a seven-year low of 5 per cent and the banking system remains sound and well-capitalised. Speaking about farmers, the FM said the government is committed to doubling their income and has taken various steps in that direction.

With regard to freebies, the minister said, promises have to be made keeping in mind the financial health of the state and there has to be full transparency about it.