

Customs duty cuts not linked to Trump's tariff war: Sitharaman

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It was not in response to the tariff war unleashed by American President Donald Trump that India reduced Customs duties on many items and withdrew the equalisation levy of 6 per cent, said Union Finance Minister Nirmala Sitharaman on Thursday.

Replying in the Rajya Sabha to the debate on the Finance Bill, 2025, and the Appropriation Bill for this year's Budget, Sitharaman said the government would continue to simplify Customs duties.

"We have been doing it since 2023. Steadily, every year newer items are being brought in, keeping in mind an 'Atmanirbhar Bharat'. It's an ongoing process and has nothing to do with today's situation but a process which will continue even in the future," Sitharaman said.

Later the Rajya Sabha passed the Finance Bill, 2025, and the Appropriation Bill of the Budget. On the equalisation levy, Sitharaman said: "There were two types of equalisation levies — 6 per cent imposed in 2016 and 2 per cent imposed in 2020 — which was applicable before July 2024. The 2 per cent levy was removed in the July Budget (last year) after stakeholder consultations. And that was much before President Donald Trump took office."

On amendments regarding pension regulations introduced in the Finance Bill, Sitharaman said those were only validating the existing rules and did not alter the existing pensions.

"The validation rules do not affect defence pensioners in any way because they are covered by separate rules. It is not an amendment to any pension rules or instructions but only a reaffirmation of the same w.e.f. June 1, 1972, ie the date the Central Civil Services (Pension) Rules were promulgated," she added. Sitharaman said the Sixth Central Pay Commission made a distinction between those who retired before January 1, 2006, and those who did after that date.

The Congress-led central government of the day had accepted the recommendations of the commission and decided there would be such a distinction. The Seventh Central Pay Commission brought parity between the two sets of pensioners. On cess and surcharge, Sitharaman said receipts were for meeting specific expenditures such as those on health, education, and transport. "Contrary to the claims that the states do not benefit from cess and surcharges, these are ones spent for centrally sponsored schemes and the MGNREGA and National Food Security Act. These schemes are either predominantly or fully funded by the central government but implemented by the states," she added.



FM, US Chamber CEO discuss growing business ties

Finance Minister Nirmala Sitharaman on Thursday met US Chamber of Commerce President and CEO Suzanne Clark in New Delhi. The Finance Ministry said in an X post that Sitharaman met Clark along with Atul Keshap, President of the US-India Business Council (USIBC). Clark praised India's economic reforms, particularly in FDI, which have driven increasing US business interest in India. **PTI**