

**RAJYA SABHA**

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**\*SUPPLEMENT  
TO  
SYNOPSIS OF DEBATE**

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**(Proceedings other than Questions and Answers)**

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**Thursday, May 07, 2015/ Vaisakha 17, 1937 (Saka)**

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**GOVERNMENT BILLS**

**I. The Appropriation (No.2) Bill, 2015-Contd.**

**II. The Finance Bill, 2015-Contd.**

**\*SHRIMATI THOTA SEETHARAMA LAKSHMI, making her maiden speech, said:** After the bifurcation of the state, Andhra Pradesh is having deficit budget. Sixty five percent of the state's population is into Agriculture. Farmers are now facing tough times due to loss of crops on account of untimely rains and natural calamities. In spite of deficit budget of the state, Shri Chandra Babu Naidu has waived off all the loans of farmers. Andhra Pradesh will be able to recover only if the central government sanctions special funds. I request hon'ble Finance Minister to sanction special funds to Andhra Pradesh.

**SHRI PRAFUL PATEL:** It is a very serious issue. It affects all the people. Taxing the cooperative sugar factory would be unfair. This needs to be rectified.

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\*This Synopsis is not an authoritative record of the proceedings of the Rajya Sabha.

\* Synopsis of speech delivered by Hon'ble Member in Telugu.

**SHRIMATI RAJANI PATIL:** I would like to associate because this is a very important issue. The cooperative sugar factories must be exempted from income tax.

**DR. ASHOK S. GANGULY:** We have seen the impact of global warming on the recent destruction of crops due to unseasonal rains. We must not be in anticipation of an uncertain monsoon rather we should have a special cell in the Agriculture Ministry to deal with. We have to have special projects for water conservation, river-connecting, etc. Direct tax returns should not be made more complex. Putting several schemes under one umbrella of cooperative federalism is a right thing, however, in order to have a successful cooperative federalism, the Finance Ministry also has a responsibility to enable the less able States to fulfil their obligations.

**SHRI D. RAJA:** This Budget has not generated any enthusiasm. The primary responsibility of any Finance Minister is to find out ways and means to generate revenue and ensure equitable distribution of the resources of revenue. The Government believes in the philosophy that adjusting the fiscal deficit should rest on the poor people and the rich people should continue to have all exemptions. The Government should be sensitive towards the sufferings of the common people.

**DR. BHALCHANDRA MUNGEKAR:** So far as the Budget and this Finance Bill is concerned, one important issue is that the growth is decelerating. The manufacturing is at its lowest in the last seventeen months. You are dismantling the Welfare State which has been built up over the last 60 years. The Finance Bill and all the documents of the Government do not talk even a single word about devising any employment policy. Several Acts regarding this which are in vogue, need to be amended.

**SHRI BHUPENDER YADAV:** Government is committed to ensure parity between rural and urban areas. Tax process has been simplified. A large part of our rural areas is still deprived of basic facilities. It should be taken care of. Government should try to complete the pending projects in the State of Bihar. Centre must give attention on Vikramshila University of Bihar. Along with Gandhi Setu

a six lane bridge should be constructed. Skill Centres must be established in Bihar. The initiative of insurance schemes is a welcome step. Mudra Bank is a very innovative scheme and I congratulate the hon. Finance Minister for that.

**SHRIMATI GUNDU SUDHARANI:** I am very grateful to the hon. Minister for devolving 42 per cent of revenue to States. Finance Minister has announced various social security schemes like Pradhan Mantri Suraksha Bima Yojna and PM Jeevan Jyoti Bima Yojna which shows the pace of this Government. I also request that Telangana also be included in the list of States which are provided with 24/7 power. I also request to declare Pranahita-Chevella as a National Project. Now the handloom sector is in severe crisis. I request the hon. Finance Minister to announce a bailout package for handloom weavers. This Budget has re-established the credibility of the country.

**SHRI TIRUCHI SIVA:** Finance Minister has very proudly said that one of the great achievements of his Government is to conquer inflation. This decline in inflation is a result of the decline in global oil prices. The Government has increased the taxes on petrol and diesel and propose to increase the road cess on petrol and diesel. Health sector is very crucial sector but very meagre amount has allocated for this sector. Government is in a hurry to sell the public sector equity. Kindly don't weaken the public sector undertakings. This will give a very big blow to our economy in future. An increase in the service tax will in no way benefit the common man. The States are being deprived of their due share. Government has launched many schemes. But sufficient funds have not been allocated for them.

**SHRI JAIRAM RAMESH:** We have no other alternative but to accept the Finance Bill and approve it. But I do feel that you may reduce the fiscal deficit, but you certainly are increasing the democracy deficit. In the last 11 months, 51 Bills have been presented in Parliament, out of which only five have been referred to the Standing Committees. This is not good thing. Illusion of 42 per cent devolution of taxes to states has been created.

The allocation for almost all the Ministries has come down. This is the first Budget that is being prepared in an expectation that the State Governments are going to have an increase in their allocations. Some programmes have been completely abolished and transferred to the States. If the States do not compensate for the fall back, what is going to be the position? I would like the hon. Finance Minister to clarify whether we have Special Category States or don't we have Special Category States? The hon. Finance Minister would be doing the country a great service if he were to develop a alternative plan for key sectors like health, education, nutrition etc. .

**SHRI BISWAJIT DAIMARY:** It is not appropriate to envisage about Assam and North-East like any other State of India. Because of this North-East could not be developed. So a special attention is required to be given towards this. The rules made for all the schemes in the North-East are a problem for that region. We need to think in a different manner for North-East and it should be considered that how the provision should be made for the funds there. The people of the North-East feel that they are deprived and therefore, agitations are always there. So this should be given the importance. The financial policy of India is not appropriate for that region.

**SHRI RONALD SAPA TLAU, making his maiden speech, said:** About the Model Village, I submit that sufficient funds specifically allocated for these schemes must be made available for the project. In this backdrop of Look East Policy, full dividend has not been reaped even today. I urgently demand immediate and active supervision. If the Government's tall promises to the people during their recent visits to the region mean anything at all, BPO-hubs must be developed in the region, particularly, in Mizoram where the people are very talented. The hon'ble Prime Minister with a package for improving connectivity was generally applauded by the North-East people. But I have to state that the Prime Minister chose to stay away from showing his earnest interest during the visit in solving the long-awaited Naga Insurgency problem. The Prime Minister, during his visit, seems to have finally realized this critical issue. I demand that the house is promptly informed, on the steps taken so far to fulfil such a grand promise. The people of my Constituency do not know

anymore how the Central Government wants us to treat the Governors. The simple solution to the North-East's problems is that the Bezbaruah recommendations, accepted by the Government, must be fully implemented without further delay. A special financial package to relieve the huge transport bottlenecks will be highly appreciated. I feel the Government has the moral responsibility to give us the healing touch of additional funds. I submit that the Government must immediately make Mizoram a 'Peace Showcase'. With the financial needs of my State being met, I am confident that the new Government and the States shall have a Co-operative Federalism to make every citizen a proud Indian.

**SHRI BALWINDER SINGH BHUNDER:** I support this Bill. I am supporting this Bill because of the good works done by this Government within 10 months period. All the farmers of our country are in the biggest crisis at this time, so we need to think about them.

Even industry workers are provided assistance, but there is no aid for farmers. Interest on loan given to farmers should be waived off and the loans should be converted to long term loans. The costs of inputs in agriculture are rising whereas rates of agricultural produce are falling. Farmers of all crops are in dire straits. Agricultural growth is foremost in the country's development and then comes industry. We should have long term planning in case of crop failure. There should be a concrete insurance scheme for farmers. There should be a good crop insurance scheme also. There should be a minimum bonus of Rs.200 per quintal on wheat. We should provide compensation of at least Rs.20,000 per acre to farmers. I support this bill with the hope that government would come forward for farmers' help.

**SHRI P. KANNAN:** Farmers are committing suicide because they think they don't have any other go. What has the Finance Minister kept in the budget for dying farmers. In earlier regime the economic position of our country was very strong. Government should show some kindness towards the farming community. I want to know what the government is doing to bring back black money.

**SHRI ANIL DESAI:** I support the Finance Bill, 2015. The Income Tax slab has not been raised. If there is increase in savings, purchasing power increases. Service Tax has been increased by two per cent. Decrease in Central Excise and duties are lauded. The creation of Mudra Bank will support and generate employment. Pradhan Mantri Suraksha Yojana and Jan Dhan Yojana are good schemes whereby insurance cover has been extended to a large section of people. Making pan card necessary for transaction to the tune of Rs.1 lakh needs reconsideration for the sake of farmer community.

I think the Finance Minister will give a thought to this. Apart from this, major thrust should be given to agriculture. As far as financial support is concerned, bankers in the rural areas need to be given some kind of further direction because a lot of cases are coming up where some kind of coercive measures are being taken against the farmers in repaying the loans. I also hope that the Finance Minister will ensure a level playing field at every step where foreign players are competing with Indian players, especially in service industry. He should give encouragement to domestic industry while inviting foreign giants on the Indian soil.

**SHRI VIVEK GUPTA:** The hon'ble Finance Minister was very kind to include Bengal in the category of Special Package. We were all very happy in Bengal. But this happiness turned into gloom when we realised that these companies will have to pay MAT on it. So, in effect, there will be no cash left in their hands which they can then reinvest in the business or reuse. Also, Government now proposes to tax all subsidies and incentives received. I would request the hon. Finance Minister to please clarify the stand on whether this tax on subsidy and incentive is applicable to individuals as well. The last point is about giving powers to income tax people whereby they can send the people to jail. But, there is no reciprocal arrangement. When they harass taxpayers, they do not face similar action. I would request that even harsher penalties be imposed on them when it is proven beyond reasonable doubt that they have harassed taxpayers.

**THE LEADER OF THE OPPOSITION (SHRI GHULAM NABI AZAD):** I support all those colleagues from opposition who said that 5 distinct laws have been added with Finance Bill. I on behalf of my party and on behalf of opposition would like to urge the Hon'ble Finance Minister that there should not be such attempts in future to rectify and bring amendments from back door. Here we have discussed Appropriation Bill and Finance Bill. Our colleagues raised a number of questions, but I want to concentrate more on social sector. Many state governments give priority to social sector. But as far as other state governments are concerned, from Kashmir to Central India, North - East and Northern States, all these are poor states. They have no funds. They do not have that much capacity to generate revenue. They have their own priorities. At the time of UPA Government when there was economic slowdown world over, we neither reduced our number of programmes, nor any shortage of money was allowed to come in their way. Because these programmes were meant for poor people, for middle class and were in the interest of those living in rural areas. But what is the position of these programmes today? I do not want to name those ministries because one hon'ble Member has named a number of departments like Panchayati Raj, Agriculture, Women and Child Development and drinking water etc. where a cut from 20 to 50 per cent has been made. After coming into power this Government has forgot farmers and poor people.

Sufficient funds be provided for police modernisation to counter the attacks of naxalites and terrorists in Kashmir. The Border Area Development Fund Scheme has been abandoned. Budget allocation of Ministry of Health has been reduced which will affect many central sponsored programmes. UPA Government had approved 71 cancer institutes but the total money required for these have been reduced to half. National Programme for Health Care of the Elderly, under which elderly persons are not required to visit hospitals, rather nurses pay a visit to them at regular intervals, has also been ignored. No money has been earmarked for enhancing the number of Trauma Centres in the country and National Programme for Control of Blindness has also been scrapped. Weekly Iron and Folic Acid Supplementation Programme meant for pregnant women and girl

child has also been ignored in the budget. The Government is advocating the entry of insurance in the health sector but it will not help in achieving the desired results. I would request to concentrate on social sectors- education, health and particularly Ministry of Women & Child Development and enhance the funds at RE stage. Kashmir has been facing heavy rain and flood since last year. Jammu and Kashmir suffered massive loss of life and property due to heavy rains. Bridges, roads and culverts were washed away in these rains. Damage to the tune of around Rs. one lakh crores has been assessed. Hence, I request for providing relief package for the rebuilding of the flood-hit State.

**SHRI RAMDAS ATHAWALE:** I support the Bill. Proportionate flow of plan resources under special component plan for scheduled castes and scheduled tribes should be ensured. State Government is providing financial help for construction of a memorial for Dr. Bheem Rao Ambedkar in Mumbai. A national memorial of Dr. Ambedkar will also be constructed on a piece of land of Dr. Ambedkar Foundation, Janpath, New Delhi for which financial help from the Government is required. 30% of Mumbai's revenue goes to the Central Government and in return the city gets only 2 percent for development works. Much amount needs to be allocated to make it a smart city.

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA), replying to the debate, said:** I thank my distinguish senior colleague for giving me an opportunity to reply to all the hon'ble Members who have spoken. Some concerns have been expressed by many of us on the economic situation, economic policies and their execution. I would suggest to them to be patient and watch what happens next year. We had a current account deficit that was out of control. In such a situation it was important for us to put in place prudent monetary policies and fiscal consolidation because of high inflation and fiscal deficit.

As far as the overall economic situation is concerned then falling oil prices have given us the cushion to be able to get to a situation in this Budget that we are able to really increase our

spending on infrastructure and some other vitally important programmes. So, given the macro-economic situation we had inherited, if we had not had the tailwinds of a benign external environment, maybe, it would have taken not just one year, but, maybe, two or three years to correct the imbalances. Budget required prudent monetary policy and continued fiscal consolidation. A lot of people have said that they have trouble in understanding what the economic philosophy is. It is very clearly reflected in President's Speech, first Budget and this Budget.

We are trying to build the productive capacity of India's economy. We are investing in sectors like roads, bridges, highways and ports and human capital. That is why we have a Skill Development Ministry. We are also pursuing a balanced energy policy therefore we will get the sustainable growth that we need. If we are not able to grow at 7- 8 percent then we will not be able to absorb the one crore young people a year that are entering the workforce. Job creation is only going to happen if indeed we are able to ensure that the economy grows quickly. That is the overall objective. Fiscal federalism and cooperative federalism are the first important principle that we are following.

I have been following Budgets for more than 24 years. That is why I wanted to understand what does a good Budget mean. Cooperative federalism and the commitment to the GST date of April 1, 2016; reduction in corporate taxes and removal of exemptions from 30 to 25 per cent; abolition of the wealth tax; curbing the black economy through two new Bills focused on foreign and domestic black money; monetary policy focus on an explicit inflation objective; subsidy reforms; investment in infrastructure – railways, roads; the national investment in infrastructure funds; universal social security are just few examples of big ticket reform measures. Whether the States have actually benefitted or not, in terms of the money that they have got? The fact is that after taking into account the devolution to the States, the States a net gainer of rupees 1.35 lakh crore, or, nearly one per cent of the GDP. This is the amount of money that has gone to the States in an unconstrained way.

When we talk about social sector programmes, many of which are largely on the State List, then, it becomes all the more important that we give States the resources and the flexibility to be able to implement the programmes as they see fit. States have got an additional Rs. 14,000 crores incrementally. Niti Aayog is now working to understand how these new programmes are going to be handled between the States and the Centre, and we are moving forward on that.

As far as agricultural distress is concerned, we will now provide relief only when one-third of the crop is damaged and we are trying to bring relief as quickly as possible. We are also looking at a number of important long-term measures, to strengthen agriculture and our farmers. We are really expanding and strengthening the Pradhan Mantri Krishi Sinchai Yojana. We will bring Innovative National Crop Insurance Scheme. As far as the sugar industry is concerned, Customs Duty on raw and refined white sugar has been increased from 25 per cent to 40 per cent. Excise Duty on ethanol is being exempted and notification in this regard will be issued soon. The cane prices fixed or approved by the Central or State Governments, will be treated as an allowable expenditure.

We are really trying to streamline and simplify taxes. We have abolished the Wealth Tax which is also going to result in tax streamlining. We have to increase the tax net. That is a very important priority for us. Income Computation and Disclosure Standards was also placed in the public domain. It is to be noted that this will not affect the LPG subsidy and other welfare subsidies given by the Government to individuals. The issue of black money is very damaging and pernicious aspect of our economy. We are taking several measures to deal with it. We are going to make it as easy as possible to be able to get the PAN cards. So far as our relationship with the Reserve Bank of India is concerned we have the utmost respect for the professionalism and the approach that the RBI and other regulatory institutions take. As far as regulation of Government securities is concerned, that is staying as it is.

**THE MINISTER OF FINANCE, THE MINISTER OF CORPORATE AFFAIRS AND THE MINISTER OF INFORMATION AND BROADCASTING (SHRI ARUN JAITLEY):**

Thirty-two per cent has become forty-two per cent for every State. Therefore, the divisible pool also becomes larger. So, of a larger divisible pool, if 10 per cent increase is there, arithmetically nobody can go down. Some of the schemes are shifted to the States, some are retained entirely by the Centre and some are partly by the Centre and partly by the State. Overall, 21 crore PAN cards have been issued in the country. We are going to undertake a big campaign, including an online campaign, where you apply and within a short time you will get your pan card online. The issue of what kind of transactions are to be covered is to be regulated by the rules. We will go into the representations received in this regard and then take an adequate decision. With regard to indirect taxation, our policy is not very different from the policy of the previous Government. There are a series of reforms we have undertaken in the last one year. I would request all my friends, in the UPA and the Congress party to kindly reconsider their entire position on GST Bill. We will sympathetically, consider the demand of a Central University at Vikramshila as well as a skill university in Bihar. So far as the issue of Minimum Alternative Tax on Foreign Institutional Investors is concerned, the Finance Bill 2015-16 has provided exemption from MAT to the FIIs. We have, decided to refer this matter as well as a few other tax issues, to a Committee headed by Justice A.P. Shah, the Chairman of the Law Commission. The Government will consider the recommendation of the Committee and take an appropriate decision as early as possible.

*The motions for consideration of the Bills were adopted.*

*Clauses etc. were adopted.*

*The Bills were returned.*

## **SPECIAL MENTIONS**

### **1. Need to formulate a Concrete Policy to maintain Ground Water Level in the Country**

**SHRI AHMED PATEL:** As per reports, the groundwater level in different parts of the country has declined considerably. Apart from agriculture, industries and urban development have also increasingly exerted pressure on water level in many parts of the country. Huge amount of water is needed for Government's Schemes for rapid urbanization, Swachh Bharat Abhiyan and 100 City Scheme and as per an estimate, the country will require 1180 Billion Cubic metre water by 2050. In view of requirement of water in future, declining water level in the country is a matter of grave concern. It may be noted that India's population is fourteen percent of total population of the world where as the water resources available in India is only four per cent. I, therefore, urge upon the Government to formulat a concrete water policy in order to meet the requirements of its ambitions schemes and to maintain the level of groundwater in the country.

*(Shri Narendra Budania, Smt. Kahkashan Perween, Shri Ananda Bhaskar Rapolu and Shri Jesudasu Seelam associated.)*

### **2. Need to bring an Amendment to repeal the Section 90 (3) of the Andhra Pradesh Re-organisation Act**

**SHRI PALVAI GOVARDHAN REDDY:** Section 90 of the Act deals with Polavaram Irrigation Project, Section 90(1) declares Poloavaram as National Irrigation Project, section 90(2) deals with its development and Sectioin 90(3) speaks about the consent of a state which is non-existent. The Act says that the consent of Telangana is deemed t have been taken for polavaram project. It is a violation of constitution. It was not possible to take consent from Telangana when it was not in existence and even consent has not in existence and even consent has not been taken from the existing affected states i.e. Chhattisgarh, Odisha and Maharashtra. This issue has been raised before the Supreme Court also. Hence, I request the Government of

India to bring an amendment to the Andhra Pradesh Re-organisation Act and delete section 90(3) immediately.

*(Shri Ananda Bhaskar Rapolu and Shri Dilip Kumar Tirkey associated.)*

### **3. Need to take Steps to Check Construction Activities in Violation of the Monuments Act, 1958 around Humayun's Tomb in Delhi**

**SHRI D.RAJA:** In recent years, real estate developers and others in collaboration with many Government agencies have been involved in massive illegal construction activity as such have damaged various protected sites like the magnificent monument Humayun's Tomb violating the monuments' Act, 1958. This Act clearly states that no construction activity can take place at tall within 100 yards of such monuments and particularly no building can be higher than two stories. Thought the Archaeological Survey of India (ASI) is the custodian of this law and mandated to protect all such monuments, but it has not taken any action to check such illegal construction activities and protect Humayun's Tomb, a UNESCO heritage monument. I request Government to look into the negligent and silent attitude of ASI towards the violation of the Monuments Act around Humanyun's Tomb and to take urgent steps to rectify the mistakes of ASI in this regard.

*(Several hon'ble Members associated.)*

### **4. Need to review the Price Fixation Policy for Petroleum Products to check Increase in Prices of Petrol and Diesel**

**SHRI S.MUTHUKARUPPAN:** The increase in prices of petrol and diesel effected by oil marketing companies will result in going up the prices of all commodities and the lives of the common man will be adversely affected. The existing price fixation formula for petroleum products is required be changed. The prices of petroleum projects should be determined on the basis of international crude prices instead of its prices in the global market. Indian rupees was teprigvating because foreign investors are losing confidence in the centre's taxation policy. Only centre's policies can prevent fall in

value of the rupee. I request that the latest hike in the petroleum products be checked and Government should review the existing price fixation formula for petroleum products.

*(Shri Ananda Bhaskar Rapolu associated.)*

#### **5. Need to take Steps to Ensure Health Insurance and Provide Free Medicines for Critical Diseases to all Citizens in the Country**

**SHRI BHUPINDER SINGH:** It is the duty of Government to protect life of every citizen in a welfare state. To meet this goal it is necessary to ensure health insurance for every citizen. Today, Medical treatment is very expensive which is poor man can not afford. As three Government Medical Colleges in Odisha are providing 576 medicines free of cost medicines for critical diseases like Kidney, Cancer, Heart problems etc., Government of India should also undertake such experiment for the whole country. Apart from it, all the citizens may be provided with the facility to get treatment for critical diseases through their health insurance.

*(Smt. Kahkashan Perween, Shri Ananda Bhaskar Rapolu, Shri Palvai Govardhan Reddy, Shri Dilip Kumar Tirkey associated.)*

#### **6. Need to bring Reforms in School and Higher Education to bridge the Gap Between the Rich and the Poor**

**SHRI RAM ANTH THAKUR:** There are two categories of education system prevailing in the country – one for the children of the poor and the other for that of the rich. The children of the rich get education in private schools by paying high fees and they afford higher education by paying hefty donation. The children of the poor don't have other options than to study in Government schools. They are destined to waste much of their time in standing in queue for getting mid day meal. The teaching facility in Government Schools is also not good. There is a need to bring reforms in present education policy with a view to ensure good education policy with a view to ensure good education for the children of the poor also and the bridge

the gap between the rich and the poor so fast getting of education is concerned.

*(Smt. Kahkashan Perween and Shri Harivansh associated.)*

**7. Need to take Measures to resolve the Problems being Faced by Urdu Medium Schools Due to vacant Posts of SC/ST Teachers.**

**SHRI MD. NADIMUL HAQUE:** Government aided Urdu Medium Schools have to follow all rules and regulation regarding the reservation of SC/ST at the time of appointment of teachers. But these schools do not have SC/ST at the time of appointment of teachers. But these schools do not have SC/ST teachers. The posts of teachers in Urdu Medium Schools remain vacant due to unavailability of Urdu knowing SC/ST teachers. This is causing acute shortage of manpower and as a result the studies of thousands of students are being affected across the country. I request the Minister of Human Resource Development to look into the matter and fill such vacant posts from the other eligible OBC candidates.

**8. Need to enact Strict Law to curb Insult of God-Goddess, Saints, National Figures etc.**

**SHRI VIJAY JASWAHARLAL DARDA:** Indians are religiously very sensitive. Some manufacturers use pictures of God-Goddess, saints and great personalities on their products. After usage, people throw these wrappers in dustbins, on roads, in trenches etc. It hurts our sentiments which sometimes makes people violent. It is our duty to respect these revered figures. So, it is need of the hour to enact a strict law to curb insult of these revered figures to maintain peace in the society and to establish communal harmony.

*(Shir Meghraj Jain associated.)*

**SHUMSHER K. SHERIFF,**  
*Secretary-General.*

[rssynop@sansad.nic.in](mailto:rssynop@sansad.nic.in)