

RAJYA SABHA

***SYNOPSIS OF DEBATE**

(Proceedings other than Questions and Answers)

Friday, February 11, 2022 / Magha 22, 1943 (Saka)

THE UNION BUDGET, 2022-23 - Contd.

General Discussion

SHRI KANAKAMEDALA RAVINDRA KUMAR: The Budget outlines the strategy for steeply increasing Capital Expenditure for quickly reviving the economy impacted by COVID by pulling in more private investments and by creating more jobs. The Budget has certain shortcomings. Allocations for health are not encouraging. Allocation for other important sectors including education has almost remained the same. Generation of only 60 lakh jobs over the next five years is disturbing. The Budget has disappointed the people of Andhra Pradesh. Our demand for Special Category Status needs serious consideration. Capital Amaravati project needs to be saved since the present YSRCP Government has abandoned this. Required allocations as per the A.P. Re-organisation Act, 2014 should be made for the projects including the Polavaram project. Whatever is happening in Andhra Pradesh is contrary to the vision outlined for the country in the Budget. The YSRCP Government has borrowed much more in the last two-and-a-half years than what was done by the TDP Government in a period of five years. Indiscriminate borrowings are being raised despite the flow of resources from the Centre. The

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Minister of State in the Ministry of Finance stated in public that there is no financial discipline on the part of the State Government. The State is mortgaged. The future of the people of the State is gloomy and the State is being steered in the reverse direction. I demand an appropriate enquiry into indiscriminate borrowing and violation of the stipulated provisions and mismanagement of the finances by the State Government to ensure speedy and equitable economic growth that benefits the poor, weaker sections, youth and women. This warrants immediate intervention by the Centre.

SHRI K.C. RAMAMURTHY: This Budget is people-friendly, progressive, forward-looking and Aatmanirbhar Bharat Budget. Whatever is good for the country is reflected in the Budget beyond any Left and Right profess. The earlier Budgets, before 2014, carried the colonial mindset and Western thought process, but now our Budgets truly reflect the republican spirit. Seven engines of Pradhan Mantri Gati Shakti - roads, railways, airports, ports, mass transport, waterways and logistics infrastructure - usher in a new horizon of integrated and transformative approach for economic growth, sustainable development and to pull economy in unison. These engines are complemented by energy transmission, IT, water and sewage and social infrastructure. This coordinated approach will certainly drive the country to reach new horizons in development. The resilience shown by every Indian under the leadership of our beloved Prime Minister guided the country right through the pandemic. Under the Prime Minister Garib Kalyan Anna Yojana, more than 700 lakh metric tons of food grains has so far been given. I don't think that such a massive help to poor in the form of supplying food grains free of cost has ever happened in the history of independent India or in any country. Many of the learned Members from Opposition, blinded by anti-Modism, have preferred to take to illogical criticism. There is a visible paradigm shift under the leadership of Shri Narendra Modi ji and this is reflected in the Budget which is not only for India but is being emulated as a vision by many other developing countries. This Budget aims to boost growth and create employment by investing hugely on infrastructure and capital expenditure. Rs.48,000 crore is given for completing 80 lakh houses under the Pradhan Mantri Awas

Yojana. The Budget provides for spending hugely on social sector schemes and programmes without forgetting the security of the country. With the announcement made by the Finance Minister on digital currency, we have become the 9th country to have our own digital currency. Hon. Prime Minister has also said that digital rupee will revolutionise the fintec sector by creating new opportunities and lessen the burden in handling, printing and logistics management of cash. I compliment hon. Finance Minister for starting to regulate crypto assets. I also request hon. Prime Minister and hon. Finance Minister to regulate misleading advertisements on crypto currency and direct them to give clear picture of implications of investment in crypto assets. The Opposition has been making fun of Make in India. Is it a sin to become self-sufficient? Do you want to depend on foreign countries for our Defence requirements? The result is: we rapidly become Atmanirbhar and this propels economic activity and provides employment opportunities. All the sectors which help our economy to grow stronger have been given more importance and allocations have been made accordingly. The Budget is people friendly, progressive and futuristic.

THE MINISTER OF FINANCE; AND THE MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN), replying to the discussion, said: I thank all participant Members who have gotten into good details of the Budget, sought clarifications and also critically described what has come through in the Budget. I take this opportunity to highlight some of the features and also speak about why this Budget has prioritised certain things while explaining the doubts that the Members have expressed. In the last Budget also, we had focussed on growth. That is how we could get the people out of the difficult situations that they have had gone into because of the pandemic and that growth focus continues in this Budget as well. We thought that if there is greater synergy between all these public infrastructure projects that are being created, it should be to the point of maximizing the outcome of such infrastructure which is getting built in the forthcoming 25 years. Therefore, PM Gati Shakti is guiding us for building infrastructure all across the country. The sustainable growth is what is going to ensure

that India remains on the top and unless that level of growth is maintained, we are not going to have the trickle-down effect of the economy and the benefits of the economy reaching the poorest of the poor. So, stable and sustainable recovery was one of the important motives and objectives of this Budget. Technology for the sake of all these benefits is also being prioritized in this Budget. One example of that is bringing in drone as an instrument or as a very effective tool for improving and modernizing India's agriculture. Start-ups are being encouraged. Such critical ideas with which they are now contributing to the economy. So, the Budget actually speaks of stability. It continues some of the policies of last year and that policy will guide us towards next 25 years. The latest contraction by minus 6.6 per cent, which was in the year 2020-2021, is one of the biggest contractions which the Indian economy had to go through. During the Year 2008-2009 crisis for a contraction of Rs. 2.12 lakh crores in the GDP, the CPI inflation was 9.1 per cent .When the pandemic hit us and the loss to the GDP was 9.57 per cent and despite of the supply-side disruptions just because of our management of the inflation, India's CPI inflation now stands at only 6.2 per cent. We know that at ground level we need to do more and we shall be doing more. I want to highlight the fact that we chose to go through public expenditure on infrastructure building. Spending money through revenue does not give you the required multiplier and the required multiplier being high, is what is very critical for us now because the economy has to revive and revive in a sustainable manner. For every one rupee spent on capex, you get two rupees forty-five paisa worth of multiplier in the immediate specific period and for one period later, you get nearly three rupees fourteen paisa worth of multiplier and over time you get three rupees fourteen paisa worth of multiplier That is why we have gone to Rs.7.50 lakh crores in this Budget for capital expenditure for building infrastructure. PLI is now being given for 14 sectors. There are various other steps that the Government is taking, aiming at improving employment. drones are also going to generate more employment in the rural areas. It is actually showing results in many of the districts where it has already been adopted. when we are spending so much on infrastructure-building, that can't be without

employment. So, the unemployment issue is being addressed and the unemployment numbers are coming down.

The Ministry of Housing and Urban Affairs' allocation has been increased from Rs. 54,581 crores in the BE of 2021-22 to Rs. 76,549 crores in 2022-23. The increase is mainly on account of increased allocation in PM Awas Yojana -Urban which has been enhanced from Rs. 8000 crores to Rs. 28,000 crores and not because of Central Vista. CAG was also talking about the misuse and MNREGA was infested with ghost accounts. People who did not exist were receiving money under MNREGA. MNREGA was infested with ghost accounts. I just want to highlight that MNREGA is a demand-driven programme. MNREGA was meant to serve the rural, unemployed, particularly, in the lean season of agriculture. Whenever demand was going to come up, it was to be funded. That is exactly what we are doing. In 2020-21, The total moneys given for MNREGA crossed Rs. 1,11,000 crores. It was given by us. What we do now is create a scheme, use it properly and transparently. So, BE of Rs. 73,000 crores is for now and if the demand rises, we will provide more through the Supplementary Demands for Grants. Regarding allocation to health sector, the Budget 2022-23 gives Rs. 86,606 crores. So, it is going up, not coming down. Expenditure on COVID-related health preparedness had received Rs. 12,000 crores in 2020-21, and more than Rs. 15,000 crores in 2022-23. So, for preparedness we have given a good amount of money as well. The allocation for the Ministry of Health and Family Welfare, which was Rs. 64,000 crores, has gone up to Rs.86,606 crores. So, I don't think, we should say that it has come down; it is a 35 per cent increase. The Government of India imports a large quantity of fertilizers and in this case, in spite of the prices having gone up so much, we still imported it. But we made sure that the increased global prices are not shifted to the farmers. That shows that the Government has been receptive to developments outside and understanding the issues here in the ground. Food subsidy allocation for this year is Rs. 2.07 lakh crores, which is the best estimate of requirement at this point in time. Rs. 68,000 crores will be transferred in DBT mode, to the bank accounts of farmers, under Pradhan Mantri Kisan Samman Yojana.

One more important question was on how we supported the MSME. MSME sector was a concern for some members. Subordinate debt for MSMEs, collateral-free automatic loans for business, including MSMEs, which has now been enhanced during this Budget, we have given more equity infusion to MSME through Self-Reliant India Fund. So, I just want to highlight that the amount of disbursements made under the Emergency Credit Guarantee Scheme for MSMEs who need it. Based on a study in 2020-21 -- 67 per cent of MSMEs were shut. But they were temporarily shut and because ECLGS was extended, many of them have taken the credit facility and they are staying afloat even today. Don't cherry-pick the words to give a different impression. About 65 per cent of the MSMEs availed credit. In the last two years, it has not been business as usual. A study also shows people and MSMEs have benefitted from the Emergency Credit Guarantee. Comparing a large economy like the US may not be appropriate, but in the US nearly one lakh businesses have permanently shut down during the pandemic. Hon. Member, Dr. Ameet Yajnik, is saying that correct information should be given. I would certainly give the details. About inflation I talked about the 2008 global financial crisis, but I would also give a comparison between what is happening in other economies and what is happening in India. Economies all over the world have suffered, but I just want to say that US inflation has hit a 40 year-highest. In Germany, since 1992, they have not faced an inflation of the order that they are facing today. In 25 years, the Eurozone has not seen the kind of inflation that they are seeing now and the UK, has never seen as much inflation in the last 30 years as they are witnessing now. Inflation management is the task of Finance Ministries all over the world. WPI inflation is no longer the benchmark metrics for measuring inflation. Now CPI is looked at and CPI is that index which RBI also looks at when it is monitoring inflation control measures. Since 2014, Prime Minister, Shri Modi, has ensured that we keep our inflation well contained and it should not cross six per cent or more. Whenever it crosses six per cent, it is every time brought back to the limits of six per cent. Our inflation management is robust. Highest inflation, or the worst era of inflation, this country endured, is from 2010 to 2014. Let us also keep

that context somewhere in the back of our minds. There were quite a lot of questions on disinvestment. But the Malhotra Committee was formed during Congress period for privatization of Insurance sector. The Committee recommended that Foreign company should be allowed into Insurance sector. So, we are following the recommendations of Malhotra Committee, which was formed during the Congress time. Today there is a bit of confusion in the Congress side. About privatisation, they say one this outside, other in Lok Sabha and some other in this house. What explains Rs.1.07 lakh crore worth of disinvestment that happened during the UPA? Just one line, disinvestment is a complex process

I thought the Budget of 2021 very clearly narrated where we stand. Our election manifestoes state where we stand and us fulfilling the manifestoes say where we stand. Seven or eight years ago, the size of the GDP was Rs.1.1 lakh crores. Now, it is Rs.2.3 lakh crores. Exports were Rs.2.85 lakh crores in 2013-14. Today, it is at Rs.4.7 lakh crores. Foreign exchange reserves were \$275 billion in 2013-14, seven years ago. Now, it stands at \$630 billion. National Highways' length was 90,000 kilometres in 2014. Today, it is 1,40,000 kilometres. In 'Ease of Doing Business', in 2014, we were at 142nd position. Now, we are at 63rd position. In 'Access to Electricity', we were at 99th rank. Today, we are at 26th rank. Global Innovation Index, 76th rank in 2014, 46th rank in 2021; Logistics Performance Index, 54th rank in 2014, 44th rank now. Everyone wants to know about farmers and their matter. The allocation for food processing has gone up by 90.4 per cent to Rs. 2,941.99 crores in 2022-23. The allocation for animal husbandry and dairy has grown by 26 per cent to Rs. 3,918.84 crores. The allocation for fisheries has grown by 73.5 per cent to Rs. 2,118.47 crores. With respect to wheat procurement, there is a 55 per cent growth in 2021-22 versus 2013-14. Comparing 2013-14 to 2020-21, there is 87 per cent growth in paddy procurement. Comparing 2013-14 with 2020-21 - earlier procurement was made only of wheat and rice; we are procuring even oilseeds - oilseeds procurement has gone up by 204 per cent. There is no question of a recession. We have taxed the profit emanating from the transactions of crypto currencies. Sixty lakh is only for the PLI and there are other

schemes through which we are trying to promote more employment in the country. One lakh crore rupees is being given to assist the States in catalyzing overall investments in the economy. It is given for 50 years without any interest burden on the States. It is not going to affect their FRBM. We are making sure that at every stage, we are a bit more sensitive to States. It is their money. India's rural internet user base is growing and it is growing three times faster and is quickly catching up to surpass the urban user numbers. Contract for laying optical fibre in all the villages including remote areas, would be awarded under the BharatNet project through PPP in 2022-23 itself and the completion is expected by 2025. Our vision is that all villages and the residents should get the same access to e-services, communication facilities and digital resources as urban areas and their residents. Our economy is ten times bigger than Bangladesh. I just want to say that we save lives first and then ensure that they get money for their businesses and so on.

Discussion concluded.

OBSERVATION BY THE CHAIR

MR. DEPUTY CHAIRMAN: Hon'ble Members, just before we adjourn for a long recess, on behalf of Hon'ble Chairman and on my own behalf, I would like to express our happiness over the manner in which proceedings of this august House took place during the first part of the Budget Session. The House has not witnessed any forced adjournments during the entire first part of this Budget Session and it functioned nearly half-an-hour more than the scheduled sitting time. The credit for this goes to every Member of this House. As a result, the Members could not only participate effectively in the discussion on the Motion of Thanks to the President Address and on the General Discussion on Budget but they also able to raise 51 Starred Questions, 71 Zero Hour Submissions and about 50 Special Mentions.

I compliment all sections of this august House for effective functioning of the House in a very positive way during this part of the Budget Session and hope that we would continue to be guided with the same spirit in the future.

P. C. MODY,
Secretary-General.

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