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Title: Discussion on the motion for consideration of the Finance Bill, 2009 (Bill Passed).

THE MINISTER OF EXTERNAL AFFAIRS AND MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Sir, I beg to move\*:

"That the Bill to continue the existing rates of income-tax for the financial year 2009-10, be taken into consideration."

MR. SPEAKER: Motion moved :

"That the Bill to continue the existing rates of income-tax for the financial year 2009-10, be taken into consideration."

MR. SPEAKER: Shri Vijayendra Pal Singh will speak now. Five minutes.

SHRI VIJAYENDRA PAL SINGH (BHILWARA): Mr. Speaker, Sir, I stand to speak on the Finance Bill, 2009. As we all know, this being an Interim Budget, there is not much to be discussed on the Finance Bill. We started with the General Budget, then we had the Demands for Grants on Account, the Appropriation Bill and now we have come to the third stage of consideration of the Finance Bill.

There is not very much to say because nothing really has come up on the finance side. Usually, the country looks forward to the Finance Bill to the new proposals of income-tax and other taxation measures. But this being an Interim Budget and elections being round the corner, nothing has really come up for a discussion. So, I will only focus on what the Finance Minister has just now said regarding the stimulus package and the position of the economy today. ...(*Interruptions*)

MR. SPEAKER: Please be silent. Otherwise I will adjourn the House.

SHRI VIJAYENDRA PAL SINGH : The Finance Minister has rightly said that there is a downturn in the world economy. ...(*Interruptions*)

MR. SPEAKER: If you continue to do like this, I will adjourn the House.

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\* Moved with the recommendation of the President.

SHRI VIJAYENDRA PAL SINGH : Most of the countries of the world are worried about this downturn. We have not had a recession of this kind in the world since the 1930s. People are worried that from the inflation, we may get into deflation which can be even worse. Then, even what we cannot think of, all that is happening and the new President of America Mr. Obama really took it on his shoulders that immediately after taking over, he came out with a package. No American had even thought of that such a bail-out package would come up. But in India, we are glorifying the five years of good times, we are basking in the good 8 per cent or 9 per cent GDP growth that we have had and we are not worried about the future.

Sir, what is the industry going through now? All the sectors of the industry are facing this downturn, the car industry, the cement industry, the steel industry which the Finance Minister talked about just now. He said that there is a demand for steel and some sort of impetus only because of the rural infrastructure development works that are going on. But otherwise, this is only superficial. Everybody is facing this crisis and we are really not worried about it. The Government should have called the captains of the industry, asked them to put their heads together and should have told them that we can give a bail-out or a stimulus package to you, even if it is an Interim Budget, to face this crisis. But this UPA Government does not seem to be worried about it. They seem to be worried only about the elections which are round the corner and they seem to be thinking as to how they can get back to power. At this rate, they will never come back. The industry is not with them and the *Aam Aadmi* is also not with them. That is why, I am saying that still there is time, elections are two months away, they can get the industry together, constitute a commission and ask them as to what they can do even in this time. The timing might be wrong. [\[R36\]](#)

The elections have come and if the elections were about one year ahead, you would have thought of all this. Since you have not thought of this, please come out with a bail out package. This is what is required what we can do to really give a boost to the industries.

I come from a city which is a textile city and the textile mills are all closing down. They have a financial crunch. They do not know what to do because the exports are down to 60 per cent. The sustenance, if there is any, is only because of the rural demand. How to go about it? Even in the world today, the WTO is facing this problem. They do not know where they are going to go. Even the bilateralism and the regional way of selling, marketing is unknown today. In these days of crisis, we must think about what we can do and I am just focussing on this bail out package that you should think about. Do something so that we can have these industries come up and sustained. At least, come out in this one and-a-half year period. Even America also know how to get past this one and-a-half year period and we seem to be still in a slumber. We seem to be still basking in the glory of 8-9 per cent that the FM is talking about. So, I would say that please give a bail out package.

DR. C. KRISHNAN (POLLACHI): Sir, where is the statement about Sri Lanka?...*(Interruptions)*

MR. SPEAKER: You did not hear him.

...*(Interruptions)*

MR. SPEAKER: You did not listen to the hon. Minister.

...*(Interruptions)*

MR. SPEAKER: Do not record anything without my permission. Only Shri Adsul's speech will be recorded.

*(Interruptions)* \*â€

MR. SPEAKER: Please. He has already mentioned it. You cannot disturb the House like this.

...*(Interruptions)*

MR. SPEAKER: No, sorry, I cannot allow this.

...*(Interruptions)*

MR. SPEAKER: Your demand is noted by the Government, I am sure.

...*(Interruptions)*

MR. SPEAKER: Do not record a single word.

*(Interruptions)* \*â€

MR. SPEAKER: Will you go out of the House?

...*(Interruptions)*

MR. SPEAKER: I hope the people of this country are looking at you.

...*(Interruptions)*

MR. SPEAKER: Will you go out of the House? I ask both of you to go out of the House.

...*(Interruptions)*

MR. SPEAKER: Do not force me to take unpleasant action.

...(Interruptions)

MR. SPEAKER: You have made your mark. People have seen you already.

**15.19 hrs.**

(At this stage, Dr. C. Krishnan and Sh. Ravichandran Sippiparai  
left the House.)

SHRI ANANDRAO VITHOBA ADSUL (BULDHANA): Hon. Speaker, Sir, thank you very much for giving me an opportunity to speak on the Finance Bill presented by hon. Finance Minister.

In the final presentation of this Interim Budget, the hon. Finance Minister has stated that *aam aadmi* was concentrated by Seven Point Programme of UPA Government. I will go one by one. It is not only my observation but the CAG report also states that there is a diversion of funds though there are so many schemes around the *aam aadmi*, in the language of the hon. Finance Minister. It is not a small amount but a sum of about Rs.20,000 crore is diverted to the cultural programmes, which was specifically provided in the Budget for so many schemes like National Rural Employment Guarantee Scheme and other schemes for the sake of persons below the poverty line.[\[38\]](#)

First of all, I would like to bring to your notice that in the last Session, while raising the question relating to Rural Development Ministry, I had brought to the notice of the Minister that within a period of two years, in my constituency Buldhana, Maharashtra only 50 accounts were opened. What is the reason? What is the monitoring and accounting system of the Government if only 50 accounts of the beneficiaries were opened? We are talking about *aam aadmi*; we are making provision in the Budget. But, ultimately what is the effect of it? About 36 per cent population of this country is below poverty line. Can our Finance Minister tell that somehow that percentage is coming down? My reply is : 'No'. Maybe, I will listen in the reply.

Secondly, about 26 per cent youths are unemployed. Has that percentage come down? There is provision for infrastructure and also for agriculture. A good amount was provided in the Budget. Ultimately, if the result is that, if everything is done for the *aam aadmi*, where is that *aam aadmi*? He is there only. The unemployed are not getting jobs. Still today suicides are going on in the various parts of Maharashtra, particularly in Vidarbha. Then what is the use of all these things? If I would say it is only for the sake of misguiding, it will not be wrong. It is misguiding. What I told earlier, the C&AG report states that. There are so many items. If I will go one by one, it will take time.

अध्यक्ष महोदय : जो इम्पोर्टेन्ट प्वाइंट्स हैं, उन्हें जल्दी बोल दीजिए, नहीं तो टाइम खत्म हो जायेगा।

SHRI ANANDRAO VITHOBA ADSUL : Of course, Sir.

Now I come to the banking industry. For the last three years, I brought to the notice of the former Finance Minister, and I also hope that this Finance Minister will take note of it, as per the Banking Regulation Act there is imposition of the Rules of Regulation to the commercial bank equally to the cooperative bank. Whenever there is relaxation in CLR, CRAR, or otherwise SLR, why that benefit is not given to the cooperative banking industry?

For the last two years, I am trying to see that the income tax is not imposed on the cooperative banking industry. Under Section 80 (P) of the Income Tax Act it was exempted, but from the last two years it is imposed on the cooperative banking industry.

Always, I am trying to bring to the notice of the hon. Finance Minister that cooperative banking industry is different one. It is for the common people. In the language of the Government, it is for *aam aadmi*. The shares of the cooperative banking industry are not marketable. That is why the borrower is the member of the bank. Unless he is a member, he could not be a borrower. That is why he is liable for the dividend. If we impose the income tax, then for development in the competition field and also for the sake of dividend, nothing is taken into consideration.

There are so many other things but due to paucity of time, I would like to conclude here. Thank you.

MR. SPEAKER: I know that very well. We have already spent three more hours than we had decided on the financial business.

THE MINISTER OF EXTERNAL AFFAIRS AND MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Two hon. Members have

made their observations on the Finance Bill. As I mentioned – and everybody is aware of that, those who are sitting here – that the scope of the Finance Bill here in this Interim Budget when there is no variation in the taxes, the discussion is extremely limited.[\[RP39\]](#)

But at the same time, it is a constitutional requirement. As per Article 265 of the Constitution, the taxes in this country are being levied only for 365 days. Therefore, even the rates of taxes are not varied, it is customary to bring the Bill, get the approval of Parliament, and without Parliament's approval nobody can impose or levy any tax and collect it. Therefore, this is the constitutional requirement.

But keeping aside that the bailout package, which the hon. Member has referred to, is required. I have mentioned three things. Firstly, I have narrated in my original Budget speech and thereafter in my reply said about the bailout package which this Government announced. It is true that it has started yielding results. For instance, in three important sectors – steel, cement and commercial vehicle, about which the hon. Member has referred to – there has been some improvement and we are working out this situation because the production has started increasing, and demand is gradually increasing. Textile industry has been hit particularly in the export sector, and there is no denial to this fact but there too we have given certain concessions which were declared earlier, and in today's package also I have extended some of the benefits, which were limited only to 31<sup>st</sup> March, 2009, beyond one year. At the appropriate time, we will consider it but at the same time I have also mentioned that it is not that if certain eventualities take place and certain action is called for, the Government would not be in a position to do that.

Take for instance, reduction in the bank rates. Just a couple of days back, I had a discussion with the Reserve Bank Governor and told him that the facilities which you have extended to the bank and the liquidity which is being available to the bank have not actually percolated. So, keeping an eye on the requirement of the industries, both the Ministry and RBI will work concertedly to ensure that it gets adequately reflected in the actual lending rate and to meet the requirement.

In certain sectors, we have earmarked it, seven per cent interest subvention also we are providing, and refinancing facilities have been given. I can assure the hon. Member that it will not take unusually long time to see the impact of these measures. But please remember that there is some sort of a psychological fear in the mind of the people, and this is, to some extent, a very serious situation. The hon. Member himself has stated that after 1930, the international community did not witness this type of depression. What had happened after the 1930 depression? What was the consequence? We had terrible results, and the world had to undergo. Everybody is aware of that. Surely we would not like to have that repetition. But keeping in view, whatever that is possible is being done; we will continue to do so. As and when appropriate action to meet the situation is called for, the Government will not fail to do so.

In respect of the benefit which the people have got or not, people will judge that. We have given it. Time has come for the day of their judgment. Let us wait for that, and let us not debate here and waste the time of the House.

MR. SPEAKER: The question is:

"That the Bill to continue the existing rates of income-tax for the financial year 2009-10, be taken into consideration."

*The motion was adopted.*

MR. SPEAKER: The House shall now take up clause by clause consideration of the Bill.

The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

*Clause 1, the Enacting Formula and the Long Title were added to the Bill.*

SHRI PRANAB MUKHERJEE: I beg to move:

"That the Bill be passed."

MR. SPEAKER: The question is:

"That the Bill be passed."

*The motion was adopted.*

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[\[H40\]](#)

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