

12.34 hrs

## INTERIM BUDGET (GENERAL), 1991-92

[English]

MR. SPEAKER: Now the Finance Minister.

Yes, Mr. Advani.

SHRI L.K. ADVANI (New Delhi): Mr. Speaker, Sir, the annual Budget under the Constitution is placed normally or till now invariably on the 28th of February at 5 P.M. before Parliament. This year, it is being placed today, the 4th of March and that too under the name of 'Interim Budget'. To call it a Budget is a misnomer. It is not a Budget; it is a vote-on-account. I do not want to repeat all the arguments that we have advanced as to why we are opposed to this kind of device adopted by the Government. All that I would say is that we think that this decision of the Government has hurt the economy very badly. An already acute balance of payments crisis has been worsened and three months hence when the Budget is presented, by whichever Finance Minister, by whichever Government - no one knows which Government would be there, at least I have seen senior members of the Congress party saying that a full-fledged Budget should not be presented by a minority Government of this kind and should be presented by..... (Interruptions)

PROF. P.J. KURIEN (Mavelikara): We never said that.

SHRI L.K. ADVANI: Shri Pranab Mukherjee is on record. Anyway, I do not want to go into all that. Because we were Opposed to this device, therefore, we stayed away from the President's Address without meaning any disrespect to the person of the President. We stayed away from the Railway

Minister's presentation of an interim budget and in all logic we would like to register our protest by staying away when the Finance Minister, who I am sure is himself very unhappy with the decision, presents his Budget and therefore I am constrained to walk out of this House when this Budget is presented.

[Translation]

PROF. VIJAY KUMAR MALHOTRA (Delhi Sadar): They have not presented even the economic survey.

[English]

SHRI SOMNATH CHATTERJEE (Bolpur): The reason that is being given by the Congress (I) party, without whose support this Government cannot last for a day, - they say - is that the Congress (I) had only explained to the Government the difficulties of floor management in Parliament arising out of the present political uncertainty facing the ruling Janata Dal (S) if a Budget was to be presented. It says that in twelve weeks of a Budget Session there will be 24 occasions when voting would be needed and in a situation of thin majority of the ruling party the consequences of rejection of the Finance Bill was very much a reality. Now, this is being said by the gentleman who has been seconded by the Congress(I) party to have confabulations with the Finance Minister regarding the preparation of the Budget. Mr. Pranab Mukherjee has said this. (Interruptions)

I would like to know how this Government will have a thick majority. When this thin majority will continue, how long can a vote on account continue-for two months or three months? Thereafter how will the Budget be presented, at what point of time? Therefore, this is the reason why compulsions have been put on this Government not to present a Budget. Earlier, it was said that the Tamil Nadu elections would create a difficulty.

SHRI INDRAJIT GUPTA (Midnapore): That is the real thing.

SHRI SOMNATH CHATTERJEE: Because, then the Members of Parliament from Tamil Nadu will not be able to attend. Now Mr. Pranab Mukherjee says that that is not the reason. The reason is that this Government cannot possibly regulate the Budget Session so as to face Parliament in regard to the 24 occasions when voting will have to take place. Will the country's future so far as the economic situation is concerned, depend upon whether the Congress (I) wants the Budget to be placed or not? Will it depend on whether the Tamil Nadu elections will be held or not? Under what concept in the Constitution or the rules, is this interim Budget presented? There is no concept of an interim budget. A Vote on Account has necessarily to follow the Budget proposals. Only a part of the Budget proposals can be approved of on the basis of the Vote on Account to allow the expenditure to be met until the discussion takes place. It is a mockery of the whole system of Vote on Account. If we go through what was said by Dr. Ambedkar during the Constituent Assembly debates, we would see that it was only to meet a contingency, to enable members to have fuller time, adequate time to discuss on the floor of the House the Budgetary grant, the Demands that will be placed by the Government, only to allow an adequate discussion the Vote on Account as a concept was provided. Even in England it was well established that it was only to enable the members to get adequate time to study the Budget proposals and to have a proper discussion on the floor of the House, that this methodology has been adopted. Sir, I asked about it on the last occasion, to which there was no reply. On the 15th of February, our bulletin was issued, President's direction had been given, date have been fixed, the House was to commence within six days from that. Then at that time, there was a decision by the Government to place the Budget as a whole, date

have been fixed for discussion on the Budget, general discussion, and discussion on the Demands for Grants. During these six days the Government changed its mind. It has not been stated anywhere. Otherwise the Budget was ready. Then, what has happened? The Prime Minister owes an explanation to the country. The Finance Minister himself said in reply to a question on the floor of the House that the economic situation is very grim and the Government has to arrange for mobilising additional resources. Now, how do they mobilise additional resources to meet the economic situation unless there are new taxation proposals? Is it thought of to take recourse to increase in the administered prices or outside the Budget will they raise the revenue? How can they raise additional resources unless the Budget proposals are presented?..... (*Interruptions*) If this Government only hopes on Vote on Account without the Budget, then it is following Mr. Madhu Dandavate's Budget and his financial proposals..... (*Interruptions*)

SHRI VASANT SATHE (Wardha): Is Mr. Chatterjee making a speech with retrospective effect on Mr. Madhu Dandavate's Budget, I would like to know? (*Interruptions*)

SHRISOMNATH CHATTERJEE: There cannot be anything else. Therefore, this is a sort of hypocrisy we are facing in this country. They are saying that the Janata Party's Budget was wrong. Now they have been following it..... (*Interruptions*) Sir, we want to know one thing. On the 15th February, President's direction was given and our bulletin was issued, which was approved by you, with the time table. What happened within these six days? ..... (*Interruptions*)

MR. SPEAKER: There was another bulletin also

SHRI SOMNATH CHATTERJEE: No Sir. That is afterwards. The President did not say one word that the Budget would not be

presented. On the other hand, he invited the Members to take part in the budgetary exercises. There will be no such exercise now. Sir, we would like to know the real reason. Let them be candid and tell this country the real reason that the Congress-I asked them not to present the Budget because they cannot face the people in the country outside this House. This is a mockery of the parliamentary system of Government. We oppose this. We cannot take part in this.

SHRI INDRAJIT GUPTA (Midnapore): Normally this device has been resorted to in the past also on some occasions by the Finance Ministers of those Governments. It was done in the case of an election year. Is this to be considered an election year? Please say so. Nothing has been said. I also would like to refer to that bulletin, to which Mr. Chatterjee referred to. Sir, the bulletin was issued with the authority of the Speaker. You seem to be amused now. But I think, this is a very obnoxious way of treating the high office of the Speaker..... (*Interruptions*)

MR. SPEAKER: I am not amused.

MR. INDRAJIT GUPTA: Sir, you have given a detailed time table and a detailed programme in that bulletin as to how the budgetary exercise is to be carried through, including the Grants of different Ministries, dates have been fixed. Now without bating an eyelid, without any explanation, the Executive decided to change this whole thing. No explanation is given. Sir, the only election year relevance I can find is the Tamil Nadu election, which is coming very soon. we are told. Before the Tamil Nadu election, is it that they have developed cold feet? ..... (*Interruptions*) I understand that they will have to take some very harsh measures, that may be very necessary. I am not blaming them for that because everybody knows what is the severe economic and financial crises the country is facing, the whole country is exercised about it. What the Government is going

to do to tackle this situation? They want to avoid harsh measures just before the Tamil Nadu election in order to swing the poll in their favour or rather to see that it should not go against them. Is this the honest way of dealing with this question? The share-holders of a public limited company ask their Board of Directors to submit an annual balance-sheet, profit and loss account and expenditure to the share-holders, what they have done, how much income they have got, how much they have spent, how much deficit or surplus is there and what they intend to do in the following year. Do you know what the share-holders say if the Directors go on refusing to come forward with the balance-sheet for that year? In a sense, we are also share-holders of this Parliament to which people have sent us. And the Constitution enjoins upon them to give an annual account to this Parliament. But without any explanation or any justification they suddenly say that they are not going to bring forward a full-fledged budget. How is the country to know how all these great problems are to be faced? Why are we not given an opportunity to know and speak on that? I think, this is not only a very unhealthy but a very immoral and very dishonest practice that is being resorted to this year. Everybody wrote in the newspapers- I do not know whether it is true or not - that Mr. Yashwant Sinha was ready with his full budget. If he was ready with it, why not submit it to Parliament?

SHRISONTOSH MOHANDEV (Tripura West): How do you say that he was ready with it?

SHRI INDRAJIT GUPTA: I am not saying that I know it. I am saying that all the press has been writing about it. He should deny it and say that they are not capable of framing a complete budget..... (*Interruptions*)

SHRISONTOSH MOHANDEV: Please tell us what happened in 52, 53, 57, 58..... (*Interruptions*) He is not stating the right

[Sh. Sontosh Mohan Dev]

thing. He is misleading the House..... (*Interruptions*)

SHRI INDRAJIT GUPTA: By not presenting the budget they are shirking from their financial responsibility to the nation. And this is the thing which we are not prepared to collude with. Therefore, we are very sorry that we cannot but register our protest against this move of the Government. (*Interruptions*)

PROF. P. J. KURIEN (Mavelikara): It is for the Government to explain the rationale of bringing forward a Vote-an-account. I have stood up mainly to answer Mr. Somnath Chatterjee's point who, without any basis, charged us by quoting Mr. Pranab Mukherjee. I do not know when Mr. Pranab Mukherjee has become so much important and Bible to him. I do not know from where he was quoting and what is the authenticity of what he had quoted.

SHRI SOMNATH CHATTERJEE: Every newspaper said it.

PROF. P.J. KURIEN: You should ask him to lay it on the Table of the House. But I would like to make it very clear, as has already been said by our leader..... (*Interruptions*)

SHRI SOMNATH CHATTERJEE: Where has he said?

MR. SPEAKER: Nirmal Babu, please do not interrupt when the Member is speaking.

PROF. P.J. KURIEN: The Congress Party is not the ruling party. We have nothing to do with this decision. It is the decision of the Government.....

(*Interruptions*)

SHRI INDRAJIT GUPTA: Let them speak. Who do you speak?

PROF. P.J. KURIEN: Why do you accuse us? (*Interruptions*)

SHRI SOMNATH CHATTERJEE: What is the stand of the Congress Party? Do you want full budget or not, say that. Why don't you say what is your stand? Are you happy with Vote on Account?..... (*Interruptions*)

PROF. P.J. KURIEN: You please listen. Government is free to bring a general budget or Vote on Account. It is their decision..... (*Interruptions*)

SHRI SOMNATH CHATTERJEE: But what is your reaction?

PROF. P.J. KURIEN: Please listen. Government have taken a decision after considering all aspects of the question and, therefore..... (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): They have taken your advice into account.

PROF. P.J. KURIEN: They have taken that decision. We are supporting that decision but it is not our decision. You cannot blame us..... (*Interruptions*)

SHRI SOMNATH CHATTERJEE: You have compelled them.

PROF. P.J. KURIEN: No, we have not compelled them. This is a very very malicious allegation..... (*Interruptions*)

SHRI SAMARENDRA KUNDU (Balasore): Due to this Vote on Account, Government of India is put to a loss of Rs.2,000 crores..... (*Interruptions*)

PROF. MADHU DANDAVATE (Rajapur): Mr. Speaker, Sir, as far as Vote on

Account is concerned, it is according to article 116 of the Constitution. Actually, when there was a debate in the Constituent Assembly, in the original draft there was no provision for Vote on Account. But when it was pointed out that sometimes if adequate time is not available- even for a normal budget, eight to ten weeks are required to complete all the procedure from the presentation of the budget up to the adoption of the Appropriation Bill and the final Finance Bill - and thereby if all the budgetary process is not completed by 31st of March, in that case, on 1st of April, no money will be available. Therefore, it was thought out that article 116 would provide for drawing certain amount from the Consolidated Fund of India and even if the total budgetary discussions are not completed and the Finance Bill is not adopted before 31st March, Vote on Account will be technically moved, and there will be no discussion on that. Provision will be made for two months or three months or four months. That was the original idea. Now, the Vote on Account which these friends are trying to bring in, is actually of a different type. One of the hon. Members referred to me and said that I had also put up the Vote on Account. I do not know whether they are referring to me as a former Railway Minister or as a former Finance Minister. As far as the Finance Minister is concerned, I have presented a full-fledged budget. Please take it for granted. Full-fledged budget was there. But in 1977, when I was the Railway Minister and Mr. H.M. Patel was the Finance Minister, we were given the portfolios on 25th of March, 1977 and on 28th of March we had to present the interim budget or Vote on Account. Within three days in 1977, by no stretch of imagination, a full-fledged budget could be available. Only three days were available and by 31st of March we had to complete the process. That is why we had projected a Vote on Account. Please understand that thing.

Another point I would like to point out is

that when they had enough time at their disposal, when all the budget papers were printed - only the Budget Speech probably was to be printed - when this process was already initiated and when already you announced the time table for the Budget Session, when the days on which discussion will be there was also mentioned, at the top of that, when the Vote on Account comes, it has not come for administrative difficulty. In 1977 we got the portfolios on 25th of March and on 28th we had to produce the budget and, therefore, there was no time for a full-fledged budget. They had full time. Budget was ready. But only as a political expediency they have decided to bring Vote on Account. As Mr. Kundu has rightly pointed out, they knew what is going to be the loss if this budget is to be presented at the present level of taxation. That means if the Vote on Account is for four months, they will be having the renewed taxes and revenue only for eight months. That means, for 12 months budget they will be having only 8 months' revenue and therefore, there will be a terrible loss. As a result of that, the deficit will grow. They wanted to avoid the situation on the eve of the Tamil Nadu elections and as Indrajitji has rightly pointed, At the altar of development and growth they have sacrificed actually their economic and financial viability and that is exactly the scheme of the Vote-on-Account. It is not dominated by an administrative difficulty, it is not dominated by economic situation, only as a political expediency to project a soft budget on the eve of the Tamil Nadu election they have done it and therefore, we feel it is not justified and therefore, as far as the entire Opposition is concerned, we would like to walk out as a protest against the wrong policies on their part. *(Interruptions)*

MR. SPEAKER: The Constitution of India places no bar on presentation of more than one budget during the course of a financial year. Article 116 specifically em-

powers the Government to seek a Vote on Account for a part of any financial year pending passing of budget for the whole year.

I, therefore, rule out the points of order. The hon. Finance Minister may, therefore, proceed.

*At this stage, Prof. Madhu Dandavate and some other hon. Members left the House*

**SHRIMATI MALINI BATTACHARYA** (Jadavpur): I have a specific point to make with regard to the postponement of the budget.

The Anganwadi workers from all over the country are meeting in Delhi today to voice their just demands. When I raised the matter in the House the Prime Minister had said humorously that the National Front Government had no right to make promises which it could not fulfil because there were no budgetary provisions for the Anganwadi. Now there is this Vote-on-Account which will ensure that the demand of the Anganwadis will be hanging fire indefinitely. I protest against this and deplore this activity of the Government whereby the legitimate demand of the Anganwadi workers has been indefinitely postponed. I want to know what the Prime Minister has to say about this, and I would like him to make a promise which he would fulfil. (*Interruptions*)

*Shrimati Malini Bhattacharya then left the House*

**SHRI NIRMAL KANTI CHATTERJEE:** Sir, this is abdication of the whole responsibility. The Finance Minister admits that the situation is grim; it is not a question of development, it is going from bad to worse; we have to defend the economy. The Finance Minister admits that. By not presenting the full budget he has abdicated his responsibility and if he is an honourable person, he

should not have abdicated his responsibility and if he is an honourable person, he should not have abdicated his responsibility towards the country. He has now abdicated his position. He does not know that. So, we are forced to walk in protest.

*Shri Nirmal Kanti Chatterjee then left the House.*

Mr. Speaker: Now, the Finance Minister.

**13.00 hrs**

**THE MINISTER OF FINANCE (SHRI YASHWANT SINHA):** Sir, I rise to present the interim Budget for the year 1991-92.

The New Government. Which assumed office in mid-November 1990, inherited an economic situation of crisis proportions. The budget deficit of the Central Government reached a level of Rs.13,000 crores, on 30th November 1990, as a consequence of revenue shortfalls and expenditure overruns. The wholesale Price Index registered an increase of 8.5 per cent, while the Consumer Price Index rose by 11.9 per cent, during the first eight months of the current financial year. The sharp deterioration in the balance of payments situation led to a rapid depletion of foreign exchange reserves, which dropped to Rs.3142 crores at the end of November 1990 and this sum was not even sufficient to finance imports for one month.

These developments were not an unfortunate coincidence, but were the outcome of shortcomings in the macro-management of the economy in the past. I say this neither in a spirit of acrimony nor with a desire to apportion blame. But the time has come for the Government to share its concerns with the Parliament and the people, in an endeavour to evolve a national consensus, so that the restoration of the health of the economy is perceived as a collective responsibility.

Macro-economic imbalances which have been large and persistent are at the root of the problem. The fiscal deficits of the Government had to be met by borrowing at home. The current account deficits of the economy were inevitably financed by borrowing from abroad. The burden of servicing the accumulated internal and external debt has now become onerous. I need hardly stress that neither the Government nor the economy can live beyond its means for long. The room for manoeuvre, to live on borrowed money or time, has been used up completely. The soft options have been exhausted.

It is not surprising that the persistent fiscal imbalances have accentuated inflationary pressures in the economy and strained the balance of payments. Thus, even at the beginning of the current financial year, the economy was in serious fiscal crisis and faced a very difficult balance of payments situation. These problems have been sharply exacerbated by the oil shock and the dislocations caused by the crisis and the war in the Gulf. We have experienced a deterioration in the fiscal situation. Consumers are faced with double digit inflation. The economy is faced with a balance of payments crisis. The impact of the Gulf war on the economy, in the year to come, is difficult to assess fully at this point of time. The level at which international oil prices would stabilise thereafter cannot be predicted.

On assumption of office, we could not have waited and allowed a further deterioration in the budgetary situation. Therefore, without losing any time, I introduced a package of measures to mobilise additional revenue. Steps were taken to improve tax compliance and revenue collections. The strictest possible control was exercised on expenditure. At the same time, I had also assured the Parliament that the Government attached a very high priority to fiscal consolidation, even if it meant hard decisions and

difficult choices which had been postponed for long. I would like to stress, once again, that my commitment to fiscal adjustment in 1991-92 remains firm and irrevocable.

In the difficult set of circumstances, where the uncertainties remain, we shall need some more time to evolve a comprehensive strategy for restoring the health of the economy. In formulating the Budget, we want to ensure that such a macro-economic adjustment does not disrupt the rhythm of the growth process and does not place a burden on the poor. What is more, the process of fiscal correction needs to be situated in a medium term perspective. We are engaged in the formulation of a comprehensive approach which would provide a satisfactory and sustainable solution to these problems. This needs time. I would, therefore, plead with the House to wait until the regular Budget for 1991-92 is presented in May 1991.

#### REVISED ESTIMATES FOR 1990-91

In presenting the interim Budget, I would like to begin with a brief account of the Revised Estimates for the current financial year. The Revised Estimate of total expenditure for the Budget of 1990-91 is Rs. 1,06,717 crores which reflects a significant increase over the original Budget Estimate of Rs. 94,535 crores. For a more appropriate comparison, however, the original Budget Estimate should be adjusted to Rs. 99,309 crores, to include small savings loans to State Governments and a part of the capital expenditure of the Railways previously netted against receipts, which would make it consistent with the Revised Estimate. The increase would be off-set, to the extent of Rs. 4,100 crores, by matching receipts. Thus, the net increase in expenditure would be Rs. 3,308 crores. This expenditure overrun attributable, in significant part, to some unexpected post-budget developments during the current financial year which were beyond the control of Government.

[Sh. Vashwant Sinha]

Additional loans to State Governments, following larger collections of small savings, account for Rs. 2,270 crores. In addition, the Revised Estimates also include loans of Rs. 521 crores to States to meet a part of their opening deficits with the Reserve Bank of India, while another Rs. 966 crores has been provided to write-off loans to States as recommended by the Ninth Finance Commission.

Interest payments would be Rs. 1000 crores higher than the Budget Estimates. Pensions for defence personnel would be Rs. 170 crores more. The repatriation of Indian citizens from Kuwait would impose an unanticipated burden of Rs. 300 crores on the exchequer. The scheme of rural debt relief, which was not adequately provided for in the budget, would require another Rs. 500 crores. Technical credits would be Rs. 800 crores more than estimated because there is a temporary imbalance in trade under the rupee payment arrangements. The Revised Estimates for major subsidies exceed the Budget Estimates by Rs. 1,034 crores. The increase in food subsidies, at Rs. 250 crores, is attributable to sugar, in which the increase in issue prices to producers implemented in January 1990 was not followed by an increase in issue prices for consumers in the public distribution system. The increase in fertiliser subsidies, at Rs. 400 crores, is a consequence of the increase in the domestic prices of naphtha and the increase in the landed costs of imported fertilisers. The increase in export subsidies, at Rs. 384 crores, is because Cash Compensatory Support, given at *ad valorem* rates, is a function of the rupee value of exports.

Gross tax revenue is expected to be Rs. 58,916 crores, which is Rs. 862 crores less than the budget estimates of Rs. 59,778 crores. Income tax and Corporation tax are estimated to yield Rs. 134 crores and

261 crores, respectively, more than the budget estimates, largely as a result of the post budget additional resource mobilisation during the current year. However, customs duties and excise duties are expected to yield Rs. 660 crores and Rs. 625 crores, respectively, less than the budget estimates, despite the post budget additional resource mobilisation during the current year. Non-tax revenue is expected to be Rs. 419 crores larger. Capital receipts are expected to register an improvement of Rs. 4,399 crores, of which Rs. 2,500 crores will be from small savings collections.

Revised estimates of total receipts and total expenditure show that the current year is likely to end with a budget deficit of Rs. 10,772 crores compared to Rs. 7,206 crores estimated at the time of the budget. I would like to stress that, but for the measures implemented in the past three months, in the spheres of both revenue and expenditure, this budget deficit would have been significantly higher. It is a matter of concern that the additional expenditures have to be met from additional borrowings, thus pushing up the estimated fiscal deficit in the current year to Rs. 43,331 crores from Rs. 36,795 crores envisaged in the budget. The increase in the fiscal deficit is, to some extent, beyond the control of the Government due to the autonomous buoyancy in small savings collections, as a result of which the provision for loans to State Governments against small savings collections has gone up by Rs. 2,270 crores in the revised estimates. Were it not for this factor, the fiscal deficit, now estimated at 8.59 per cent of GDP, would have been 8.14 per cent of GDP.

#### BUDGET ESTIMATES FOR 1991-92

I shall now turn to the interim budget for 1991-92, which is being presented for the purpose of a Vote-on-Account to enable Government to meet essential expenditure during the first four months of the next finan-



cial year. The Demands for Grants and the Annual Financial Statement, which are for the entire financial year, would be revised as necessary and finalised at the time of presentation of the regular budget.

At this stage, budget support for the Central Plan outlay in 1991-92 is placed at Rs. 18,550 crores, while Central assistance for the plans of States and Union Territories is placed at Rs. 14,710 crores for 1991-92. On this basis, the outlay for the Central Plan would be Rs. 42,148 crores, while the plan outlay of States and Union Territories, including special area programmes, would be about Rs. 29,300 crores. It has been my endeavour to provide the maximum possible support to programmes for the poor and the weaker sections of society, specially in the rural areas.

We have stressed economy and austerity in non-plan expenditure in order to maintain levels of investment and sustain the momentum of growth. Thus, I have taken great care to ensure that non-plan expenditure is kept at the barest minimum level next year. In absolute terms, the total non-plan expenditure would increase by a marginal amount from Rs. 76,761 crores in the current year to Rs. 76,907 crores next year.

No provision has been made for additional instalments of dearness allowance that may become payable next year. I am requesting all Ministries and Departments to absorb this additional liability within their budgeted outlay by effecting suitable economies. The provision for payment of loans to States, on account of their share of small savings, is placed at Rs. 4,500 crores next year against Rs. 6,770 crores in the Revised Estimates for the current year. This reduction is due to the proposed transfer of the National Savings Scheme to the Bharat Bachat Bank, to be set up soon.

during the next year is placed at Rs. 16,850 crores. To meet the obligation of the Government under the scheme of rural debt relief introduced this year, a provision of Rs. 1,500 crores is also being made for the next year.

In our quest for fiscal consolidation, it is essential to rationalise expenditure on subsidies. As a first step in this direction, I propose to reduce the budgetary allocations for the major subsidies on exports, fertilisers and food from Rs. 9,550 crores in the Revised Estimates for 1990-91 to Rs. 8,616 crores in the Budget Estimates for 1991-92. In my view, a better targeting of subsidies for the poor and the needy, combined with an improvement in management, should make it possible to attain the desired objectives within these allocations.

In the sphere of receipts, at the existing rates of taxation, gross tax revenue is estimated at Rs. 65,354 crores next year, compared to the revised estimate of Rs. 58,916 crores in the current year. The payments to States of their share of taxes is placed at Rs. 15,900 crores next year as against Rs. 14,535 crores in the current year. Thus, the net revenue receipts of the Centre, including non-tax revenue, are estimated to increase from Rs. 57,381 crores in 1990-91 to Rs. 63,584 crores in 1991-92. Under capital receipts, market borrowings are placed at Rs. 7,500 crores next year which is lower than Rs. 8,000 crores in the current year. Budgetary receipts from net collections of small savings are estimated at Rs. 6,000 crores in 1991-92 as compared with Rs. 8,000 crores in 1990-91 on account of the transfer of the National Savings Scheme to the new Bharat Bachat Bank, proposed to be set up. External assistance excluding grants but net of repayments is expected to be Rs. 4,000 crores in the next year as against Rs. 3,984 crores in the current year.

It has been decided that Government

[Sh. Yashwant Sinha]

in selected public sector undertakings, in favour of mutual funds and financial or investment institutions in the public sector. This disinvestment, which would broad-base the equity, improve management and enhance the availability of resources for these enterprises, is also expected to yield Rs. 2,500 crores to the exchequer in 1991-92. The modalities and details of implementing this decision which are being worked out, would be announced separately.

Taking into account the other variations in receipts and expenditure, total receipts at the 1990-91 rates of taxation are estimated at Rs. 1,00,190 crores, while total expenditure is estimated at Rs. 1,10,167 crores, so that the budget deficit, without additional resource mobilisation, would be Rs. 9,977 crores.

The increases in the budgetary provisions for plan expenditure and other important categories of expenditure are related to, and depend upon, the magnitude of total receipts that emerges in the rural budget. The interim period, before the presentation of the regular budget, would be utilised for a close scrutiny and review of all these expenditure provisions, so as to ensure that the fiscal deficit of the Central Government is about 6.5 per cent of GDP in 1991-92. The increases in provisions, wherever these are substantial, could not therefore be taken fully into account in determining the provisions for which the Vote-on-Account is to be sought, except in respect of items such as interest payments, salary or pension payments and statutory grants to State Governments. I am requesting all Ministries, Departments and public sector undertakings of the Central Government not to take up any new schemes and not to enter into any fresh major commitments during this period. All

Ministries and Departments will also be advised to observe utmost economy in expenditure and austerity would continue to be the watchword of the Government.

I propose to introduce a Finance Bill which seeks to continue the existing rates of Income tax in the financial year 1991-92. There is no change in the rates of Customs and Central Excise duties. However, provision has been made in the Finance Bill for the Continuance of the auxiliary duties of Customs and special duties of Excise at the existing rates in the next financial year.

[Also Placed in Library. See No. LT—2193/91

13.14 hrs.

FINANCE BILL, 1991\*

[English]

THE MINISTER OF FINANCE (SHRI YASWANT SINHA): Sir, I beg to move for leave to introduce a Bill to continue for the financial year 1991-92 the existing rates of income-tax and to provide for the continuance of the provisions relating to auxiliary duties of customs and special duties of excise for the said year.

MR. SPEAKER: The question is:

"That leave be granted to introduce a Bill to continue for the financial year 1991-92 the existing rates of income-tax and to provide for the continuance of the provisions relating to auxiliary duties of customs and special duties of excise for the said year."

*The motion was adopted*

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