

[Shri Rajiv Gandhi]

natural gas. The effective rate of cess on crude oil is proposed to be raised from 1st March, 1987 from Rs. 300 to Rs. 600 per tonne. The proposals are expected to yield Rs. 800 crores by way of customs duty and Rs. 900 crores by way of cess with an equivalent reduction in non-tax receipts. These increases will be absorbed fully by the Pool Account and will not affect prices paid by the consumer in any way.

137. Apart from the above proposals, I have proposed certain amendments in the Finance Bill seeking to effect changes in the excise and customs tariffs. These amendments are merely enabling provisions and have no revenue significance. Besides, there are several proposals for amendments in existing notifications, excise rules which have merely procedural significance. In order to save the time of the House, I do not propose to recount them. Provision in the Finance Bill is also being made for continuation of the levy of auxiliary duty of customs and Special Excise duty.

138. Copies of notifications giving effect to the changes in customs and excise duties effective from 1st March, 1987, will be laid on the table of the House in due course.

139. My proposals in respect of Customs and Central Excise duties outlined above are likely to yield additional revenue of Rs. 531.73 crores from Customs duties and Rs. 431.80 crores from Excise duties. The concessions and reliefs aggregate Rs. 464.81 crores on the Customs side and Rs. 130.00 crores on the Excise side. The net additional revenue from Customs duties thus would be Rs. 66.92 crores and that from Excise duties, Rs. 301.80 crores. In Excise duties, the Centres share would be Rs. 109.48 crores and that of States, Rs. 192.32 crores. Out of the total net additional yield of Rs. 368.72 crores, Centre's share would be Rs. 176.40 crores and that of the States, Rs. 192.32 crores.

140. I had earlier mentioned that the Budget deficit at the existing rates of

taxes would be Rs. 6,010 crores. The proposed tax measures, taken together with reliefs, are estimated to yield net additional revenue of Rs. 322 crores to the Centre. This will leave an uncovered deficit of Rs. 5,688 crores. This is significantly lower than the deficit for the current year. As mentioned earlier, I have decided that this shall not be exceeded. I have set in motion measures to implement this decision.

141. Mr. Speaker, Sir, I am conscious of the enormous challenges that confront our economy. Some are inherent in the process of planned development in a democracy. But some are in the nature of a price that we have to pay for pursuing an independent foreign policy. The people of India have asserted their independence and willingly accepted these burdens. Their heroic exertions, their sacrifices, and their unshakable confidence in their capacity to build the India of their dreams are a source of strength, inspiration and direction to me. Let us move forward with determination.

142. I commend the Budget to the House.

18.35 hrs.

FINANCE BILL, 1987*

[English]

THE PRIME MINISTER (SHRI RAJIV GANDHI): I beg to move for leave to introduce a Bill to give effect to the financial proposals of the Central Government for the financial year 1987-88.

MR. SPEAKER: The question is:

"That leave be granted to introduce a Bill to give effect to the financial proposals of the Central Government for the financial year 1987-88."

The motion was adopted

is good that he did not violate another procedure.

SHRI RAJIV GANDHI : I introduce the Bill.

18.36 hrs.

MR. SPEAKER : The Finance Bill, 1987 has been introduced.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, March 2, 1987/Phalguna 11, 1908 (Saka)

PROF. MADHU DANDAVATE : It

** Introduced with the recommendation of the President.