

Consolidated Fund of India to make good the excess on the respective grants during the year ended 31st day of March, 1987, in respect of the following demands entered in the second column thereof:

Demand Nos. 11, 18, 19, 20, 21, 22, 54, 56, 56A, 74, 83, 93 and 97."

The motion was adopted

17.16 hrs.

APPROPRIATION (NO. 3) BILL*, 1989

[English]

MR. DEPUTY-SPEAKER: Now, we shall take up the Appropriation (No. 3) Bill.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): I beg to move for leave to introduce a Bill to provide for the authorisation of appropriation of moneys out of the consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1987, in excess of the amounts granted for those services and for that year.

MR. DEPUTY - SPEAKER. The question is:

"That leave be granted to introduce a Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1987, in excess of the amounts granted for those services and for that year."

The motion was adopted

SHRI. B.K. GADHVI: I introduce the** Bill.

SHRI. B. K. GADHVI: I beg to move***

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st, day of March, 1987, in excess of the amounts granted for those services and for that year, be taken into consideration."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1987, in excess of the amounts granted for those services and for that year, be taken into consideration."

The motion was adopted

MR. DEPUTY-SPEAKER: We now take up Clause by Clause consideration of the Bill.

The question is :

"That Clauses 2 and 3 and Schedule stand part of the Bill."

The motion was adopted

Clauses 2 and 3 and Schedule were added to the Bill.

MR. DEPUTY SPEAKER: The questions is

"That clause of Enacting Formula and the Long Title stand part of the Bill.

*Published in Gazette of India. Extraordinary, Part II, Section 2, dated 16.5.89

**Introduced with the recommendation of the President.

***Moved with the recommendation of the President.

The motion was adopted

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

SHRI B.K. GADHVI: I beg to move:

"That the Bill be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted

17.18 hrs.

UNION DUTIES OF EXCISE (DISTRIBUTION) AMENDMENT BILL
AND
ADDITIONAL DUTIES OF EXCISE
(GOODS OF SPECIAL IMPORTANCE)
AMENDMENT BILL.

[English]

MR. DEPUTY-SPEAKER: The House will now take up item Nos. 24 and 25 together.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): I beg to move*:

"That the Bill further to amend the Union Duties of Excise (Distribution) Act, 1979 be taken up for consideration."

"That the Bill further to amend the Additional Duties of Excise (Goods of Special Importance) Act, 1957 be taken into consideration."

The two Bills which I have moved today raise out of the recommendations of First report of the Ninth Finance Commission for 1989-90. In terms of Article 280(3) of the

Constitution, the Commission is required to make recommendations in regard to:

(a) the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under Chapter I of Part XII of the Constitution and the allocation between the States of the respective shares of such proceeds;

(b) the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India;

(c) any other matter referred to the Commission in the interests of sound finance.

Under Article 280 (3) (c) of the Constitution, the Commission is required, *inter alia*, to suggest changes, if any, to be made in the principles governing the distribution among the States of the net proceeds in any financial year, of the additional duties of excise leviable under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957).

Now, let me give a brief resume of the two Bills which I have moved today. The first Bill provides for sharing and distribution of the proceeds of basic excise duties. As stated earlier, the Ninth Finance Commission has recommended that 45 per cent of the net proceeds of shareable excise duties should be paid to the States during 1989-90. Of this, 40 per cent are recommended for distribution to all the 25 States, while the remaining 5 per cent are earmarked for distribution exclusively to the 13 deficit States in proportion to their assessed deficits. The estimated amount of transfer on this account to the States during 1989-90 is of the order of Rs. 7,476.46 crores.

The second Bill seeks to give effect to the recommendations of the Ninth Finance Commission for the distribution of the net

*Moved with the recommendation of the President.