

# **LOK SABHA DEBATES**

## **(English Version)**

**Seventh Session**  
**(Fourteenth Lok Sabha)**



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**LOK SABHA SECRETARIAT**  
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# LOK SABHA DEBATES

## LOK SABHA

*Monday, March 20, 2006/Phalgun 29, 1927 (Saka)*

*The Lok Sabha met at Eleven of the Clock.*

[MR. SPEAKER *in the Chair*]

*...(Interruptions)*

[English]

SHRI RUPCHAND PAL (Hooghly): Mr. Speaker, Sir, while the Parliament is in Session, important policy decisions are being announced by the Government outside the House. This is not correct. *...(Interruptions)*

MR. SPEAKER: Let us pass the Finance Bill first. It will be over soon and thereafter all these important matters will be allowed to be raised.

[Translation]

PROF. RAM GOPAL YADAV (Sambhal): Mr. Speaker, Sir, it is a question of loss to the tune of Rs. 9 thousand crore on 'BALCO'. *...(Interruptions)* It is likely to be sold at throw away price. *...(Interruptions)*

[English]

MR. SPEAKER: I will allow your matter to be raised. I am not minimising the importance of it. Let us pass the Finance Bill first and then you can raise it.

SHRIMATI KIRAN MAHESHWARI (Udaipur): Sir, what about 'Zero Hour'?

MR. SPEAKER: There is no official 'Zero Hour', Madam.

11.01 hrs.

## PAPERS LAID ON THE TABLE

THE MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE (SHRI PRITHVIRAJ CHAVAN): Sir, on behalf of Dr. Manmohan Singh, I beg to lay on the Table a copy of the US-India Strategic Economic

Partnership (US India CEO Forum, March 2006) (Hindi and English versions).

[Placed in Library. See No. LT 4016/06]

[Translation]

THE MINISTER OF SMALL SCALE INDUSTRIES AND MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): Mr. Speaker, Sir, I beg to lay on the Table.

- (1)
  - (i) A copy of the Annual Accounts (Hindi and English versions) of the Coir Board, Kochi, for the year 2004-2005, together with Audit Report thereon.
  - (ii) A copy of the Review (Hindi and English versions) by the Government on the Audited Accounts of the Coir Board, Kochi, for the year 2004-2005.
- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT 4017/06]

- (3)
  - (i) A copy of the Annual Report (Hindi and English versions) of the Khadi and Village Industries Commission, Mumbai, for the year 2004-2005.
  - (ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the Khadi and Village Industries Commission, Mumbai, for the year 2004-2005.
  - (iii) A copy of the Annual Accounts (Hindi and English versions) of the Khadi and Village Industries Commission, Mumbai, for the year 2004-2005, together with Audit Report thereon.
  - (iv) A copy of the Review (Hindi and English versions) by the Government on the Audited Accounts of the Khadi and Village Industries Commission, Mumbai, for the year 2004-2005.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. *See* No. LT 4018/06]

*[English]*

THE MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU): I beg to lay on the Table—

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Institute of Maritime Studies, Mumbai, for the year 2003-2004, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Indian Institute of Maritime Studies, Mumbai, for the year 2003-2004.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. *See* No. LT 4019/06]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Seamen's Provident Fund Organisation (Navik Bhavishya Nidhi), Mumbai, for the year 2004-2005, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Seamen's Provident Fund Organisation (Navik Bhavishya Nidhi), Mumbai, for the year 2004-2005.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. *See* No. LT 4020/06]

- (5) A copy of Notification No. G.S.R. 138(E) (Hindi and English versions) published in Gazette of India dated the 6<sup>th</sup> March, 2006 approving the Mormugao Port Employees (Conduct) Amendment Regulations, 2006 under sub-section (4) of section 124 of the Major Port Trusts Act, 1963.

[Placed in Library. *See* No. LT 4021/06]

- (6) (i) A copy of the Annual Report (Hindi and English versions) of the National Ship Design and Research Centre, Visakhapatnam, for the year 2004-2005, alongwith Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the National Ship Design and Research Centre, Visakhapatnam, for the year 2004-2005.

- (7) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (6) above.

[Placed in Library. *See* No. LT 4022/06]

THE MINISTER OF WATER RESOURCES (PROF. SAIFUDDIN SOZ): I beg to lay on the Table—

- (1) A copy of the Outcome Budget (Hindi and English versions) of the Ministry of Water Resources for the year 2006-2007.

[Placed in Library. *See* No. LT 4023/06]

- (2) A copy of the Performance Budget (Hindi and English versions) of the Ministry of Water Resources for the year 2005-2006.

[Placed in Library. *See* No. LT 4024/06]

THE MINISTER OF TOURISM AND CULTURE (SHRIMATI AMBIKA SONI): I beg to lay on the Table—

- (1) A copy of the Outcome Budget (Hindi and English versions) of the Ministry of Culture for the year 2006-2007.

- (2) A copy of the Performance Budget (Hindi and English versions) of the Ministry of Culture for the year 2005-2006.

[Placed in Library. *See* No. LT 4025/06]

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): I beg to lay on the Table—

- (1) A copy of the Outcome Budget (Hindi and English versions) of the Ministry of Company Affairs for the year 2006-2007.

[Placed in Library. *See* No. LT 4026/06]

- (2) A copy of the Performance Budget (Hindi and English versions) of the Ministry of Company Affairs for the year 2005-2006.

[Placed in Library. *See* No. LT 4027/06]

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): I beg to lay on the Table—

- (1) A copy of the Outcome Budget (Hindi and English versions) of the Ministry of Food Processing Industries for the year 2006-2007.

[Placed in Library. *See* No. LT 4028/06]

- (2) A copy of the Performance Budget (Hindi and English versions) of the Ministry of Ministry of Food Processing Industries for the year 2005-2006.

[Placed in Library. *See* No. LT 4029/06]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Paddy Processing Research Centre, Thanjavur, for the year 2004-2005, alongwith Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Paddy Processing Research Centre, Thanjavur, for the year 2004-2005.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. *See* No. LT 4030/06]

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): Sir, on behalf of Shri Praful Patel, I beg to lay on the Table—

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:—

- (i) Statement regarding Review by the Government of the working of the Pawan Hans Helicopters Limited, New Delhi, for the year 2004-2005.

- (ii) Annual Report of the Pawan Hans Helicopters Limited, New Delhi, for the year 2004-2005, alongwith Audited Accounts and comments of the Auditor General thereon.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. *See* No. LT 4031/06]

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI NAMO NARAIN MEENA): I beg to lay on the Table a copy of the Notification No. S.O. 94(E) (Hindi and English versions) published in Gazette of India dated the 25<sup>th</sup> January, 2006 making certain amendments in the Notification No. S.O. 93(E) dated the 29<sup>th</sup> January, 1998 issued under section 3 of the Environment (Protection) Act, 1986.

[Placed in Library. *See* No. LT 4032/06]

11.04 hrs.

## MESSAGES FROM RAJYA SABHA

[*English*]

SECRETARY GENERAL: Sir, I have to report the following messages received from the Secretary-General of Rajya Sabha:—

- (i) 'I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on Monday the 6<sup>th</sup> March, 2006 adopted the following motion in regard to the Committee on Public Accounts:—

"That this House concurs in the recommendation of the Lok Sabha that the Rajya Sabha do agree to nominate seven Members from Rajya Sabha to associate with the Committee on Public Accounts of the Lok Sabha for the term beginning on the 1<sup>st</sup> May, 2006 and ending on the 30<sup>th</sup> April, 2007, and do proceed to elect, in such manner as the Chairman may direct, seven Members from among the Members of the House to serve on the said Committee."

2. I am further to inform the Lok Sabha that in pursuance of the above motion, the following Members of the Rajya Sabha have been duly elected to the said Committee:—

1. Shri V. Narayanasamy

2. Shri R.K. Dhawan

3. Shri Janardhana Poojary
4. Shri Suresh Bhardwaj
5. Shri Prasanta Chatterjee
6. Dr. K. Malaisamy
7. Shri Ravula Chandra Sekar Reddy'

(ii) 'I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on Monday the 6<sup>th</sup> March, 2006 adopted the following motion in regard to the Committee on Public Undertakings:—

"That this House concurs in the recommendation of the Lok Sabha that the Rajya Sabha do agree to nominate seven Members from Rajya Sabha to associate with the Committee on Public Accounts of the Lok Sabha for the term beginning on the 1<sup>st</sup> May, 2006 and ending on the 30<sup>th</sup> April, 2007, and do proceed to elect, in such manner as the Chairman may direct, seven Members from among the Members of the House to serve on the said Committee."

2. I am further to inform the Lok Sabha that in pursuance of the above motion, the following Members of the Rajya Sabha have been duly elected to the said Committee:—

1. Shri Rishang Keishing
2. Shri Ajay Maroo
3. Shri K. Chandran Pillai
4. Shri Shahid Siddiqui
5. Prof. Ram Deo Bhandary
6. Shri Pyarimohan Mohapatra
7. Shri Dinesh Trivedi'

(iii) 'I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on Monday the 6<sup>th</sup> March, 2006 adopted the following motion in regard to the Committee on the Welfare of Scheduled Castes and Scheduled Tribes:—

"That this House resolves that the Rajya Sabha do join the Committee of both the Houses on the Welfare of Scheduled Castes and Scheduled Tribes for the term beginning on the 1<sup>st</sup> May,

2006 and ending on the 30<sup>th</sup> April, 2007, and do proceed to elect, in accordance with the system of proportional representation by means of single transferable vote, ten Members from among the Members of the House to serve on the said Committee."

2. I am further to inform the Lok Sabha that in pursuance of the above motion, the following Members of the Rajya Sabha have been duly elected to the said Committee:—

1. Shri Nandi Yellaiah
2. Dr. Radhakant Nayak
3. Shri Nabam Rebia
4. Shri Surendra Lath
5. Shrimati Maya Singh
6. Shri Veer Singh
7. Shri Robert Kharshiing
8. Shri Harendra Singh Malik
9. Shri Lalhming Liana
10. Shri Sharad Anantrao Joshi'

(iv) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Appropriation (Railways) No. 3 Bill, 2006, which was passed by the Lok Sabha at its sitting held on the 11<sup>th</sup> March, 2006 and transmitted to the Rajya Sabha for its recommendations to make to the Lok Sabha in regard to the said Bill."

11.04<sup>1</sup>/<sub>4</sub> hrs.

## STANDING COMMITTEE ON DEFENCE

### Eighth and Ninth Reports

[Translation]

SHRI MAHADEORAO SHIWANKAR (Chimur): Sir, I beg to present the following Reports (Hindi and English versions) of the Standing Committee on Defence (2005-2006):—

- (1) Eighth Report on Action taken by the Government on the recommendations contained in the 2<sup>nd</sup> Report of the Committee (Fourteenth Lok Sabha) on the demands for Grants of the Ministry of Defence for the year 2005-06.
- (2) Ninth Report on 'Defence Public Sector Undertakings'.

11.04<sup>3</sup>/<sub>4</sub> hrs.

## STANDING COMMITTEE ON SCIENCE AND TECHNOLOGY, ENVIRONMENT AND FORESTS

### 153<sup>rd</sup> and 154<sup>th</sup> Reports

[English]

SHRI BRAHMANANDA PANDA (Jagatsinghpur): I beg to lay a copy each of the following Reports (Hindi and English versions) of the Standing Committee on Science and Technology, Environment and Forests:—

- (1) One Hundred Fifty-third Report on Action Taken by the Government on the recommendations contained in the One Hundred Forty-sixth Report of the Standing Committee on Science and Technology, Environment and Forests on the Demands for Grants (2005-2006) of the Ministry of Environment and Forests.
- (2) One Hundred Fifty-fourth Report on the Wild Life (Protection) Amendment Bill, 2005.

11.05 hrs.

## STATEMENT BY MINISTER

[English]

**Re: Status of implementation of recommendations contained in the Twelfth Report of Standing Committee on Agriculture on Demands for Grants (2005-06) of the Ministry of Food Processing Industries**

\*THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): Sir, I beg to lay a statement on status of implementation of recommendations contained in the Twelfth Report of the Standing Committee on Agriculture (Fourteenth Lok Sabha) in pursuance of the direction 73A

\*Laid on the Table and also Placed in Library. See No. LT 4033/06

of the hon. Speaker, Lok Sabha vide Lok Sabha Bulletin—Part II dated 1<sup>st</sup> September 2004.

The Twelfth Report of the Standing Committee on Agriculture (Fourteenth Lok Sabha) was presented to the Lok Sabha on 20.04.2005. The Report relates to examination of Demands for Grants of the Ministry of Food Processing Industries for the year 2005-06.

An action taken statement on the recommendations/ observations contained in the Report of the Committee has been sent to the Standing Committee on Agriculture on 16.08.2005.

There are 12 recommendations made by the Committee in the said Report where action is called for on the part of the Government. These recommendations mainly pertain to the issues like inadequate budget allocation to the Ministry, overlapping in demarcation of responsibilities, review of infrastructure development scheme, food parks, integrated food law, submission of utilisation certifications, taxation, etc.

Present status of implementation of various recommendations made by the Committee is indicated in the Annexure to my statement and the same is laid on the Table of the House. I would not like to take valuable time of the House to read out all the contents given in the Annexure. I would request that this may be considered as read.

11.06 hrs.

## MOTION RE: REPORT OF COMMITTEE TO INQUIRE INTO ALLEGATIONS OF IMPROPER CONDUCT IN THE MATTER OF IMPLEMENTATION OF MPLAD SCHEME, FOR REPRIMANDING AND SUSPENSION OF MEMBERS

[English]

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): Sir, I beg to move:

\*That this House having taken note of the Report of the Committee to inquire into allegations of improper



[Shri Pranab Mukherjee]

conduct on the part of the some Members in the matter of implementation of MPLAD Scheme, laid on the Table of the House on 14 March, 2006, reprimands Sarvashri Alemao Churchill, Paras Nath Yadav, Fagga Singh Kulaste and Ram Swaroop Koli, MPs and resolves that:

- (a) the period of absence from the sittings of the House and the Committees of the said four Members on a request made by Speaker, Lok Sabha on 20 December, 2005, may be deemed to be their suspension from the membership of the House till date; and
- (b) the suspension of the said four Members from the membership of the House may continue till 22 March, 2006."

Mr. Speaker Sir, this is really a painful duty which is to be done. Just in the Winter Session, we had to discharge another painful duty/responsibility by expelling some of our colleagues. When a motion is moved to deal with misdemeanour or misbehaviour of the colleagues belonging to the House, it is always a painful duty. But, nonetheless, over the years, our parliamentary system, and particularly this august House, has developed a tradition. I must call it a good tradition, which may be described as self-correcting process.

Starting from the days of Mudgal episode to the latest events, this can be said that this House and the other House have always stood to rise to the occasion whenever it demanded some intervention to correct certain courses and to project the desired image of this sovereign highest legislative body of the country.

I would like to take this opportunity to place on record our appreciation of the Committee members, headed by our colleague, Shri Kishore Chandra Deo, who were entrusted by you to inquire into the matter. The report is a brief one. It is not a big report, having about 72 paragraphs, having 51 pages and the recommendations are also simple. But the hon. Members of the Committee have gone into the details, examined the observations and the views expressed by the charged Members and came to the conclusion. This conclusion is unanimous.

I would just like to draw the attention of the hon. Members to some general observations which the Committee has placed on record, particularly, paragraph 62.

Paragraph 62 says:

"The Committee feels that every vibrant and functioning democracy requires that those who wield power as legislators should use it for the public good and not make it an instrument of self-seeking. This they can do effectively by personifying the highest standards of personal integrity, probity and rectitude."

Perhaps, none of us would disagree with the observations of the hon. Committee. At the same time, perhaps, everybody will agree with me when I say that till date this is the only institution which promptly takes action whenever an action is called for. Perhaps, this certificate cannot be given to any other institutions which are equally vital for the smooth functioning of the democratic system which we have established.

Mr. Speaker, Sir, I would not like to lengthen my observations. As I started my observations by pointing out that this is a painful responsibility which is to be discharged, but at the same time, it is to be done. Therefore, I recommend to the hon. Members of the House to accept the motion which I have moved and where we have suggested that the Members be suspended. Their period of suspension should cover the entire period from the date from which on your advice the hon. Members abstained themselves from attending the Sessions of the House till the remaining part of the current Session.

At the same time, Mr. Speaker, Sir, two other important recommendations have been made by the hon. Committee. I would also like to suggest that these should be examined. Both the recommendations are to the Government. The first is that, while dealing with the subject they pointed out and they came to the conclusion in the course of the examination that there are certain lacunae in the Guidelines of the MPLADS. Therefore, they have suggested to the Government that—and Parliament can also put its contribution because there is a Parliamentary Supervisory Committee to look into the functioning of the MPLADS—those lacunae should be removed and Guidelines should be revised.

Another important recommendation which the Committee has made in Paragraph 72 is this. I quote that recommendation.

"The Committee recommends that the Union Government may initiate steps for laying guidelines and norms for sting operations."

This is also important. When I suggest that these recommendations should be examined, I do not mean that any effort should be made to gag the freedom of Press. That is not the intention. That is the Constitutional right guaranteed under Article 19 under 'Fundamental Rights' chapter of the Constitution. Therefore, nobody is suggesting it, but at the same time there should be some responsibility, some sense of self-imposed discipline on those who are doing these things so that there is a balance.

With these words, I would urge the House to accept my motion. As I understand, it was discussed in the meeting of the Leaders. There would not be much debate over it. If the House accepts it unanimously, it should be appreciated.

*[Translation]*

SHRI SANTOSH GANGWAR (Bareilly): Mr. Speaker Sir, I agree to the motion moved by the Leader of the House. Since the report has been brought unanimously, it necessary can be discussed in the next session. Therefore I think there should not be much discussion on it at the moment. ...*(Interruptions)*

*[English]*

MR. SPEAKER: Mr. Radhakrishnan, your motion is not in order.

...*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN (Chirayinkil): You have the right to disallow my motion, but I can have a submission.

MR. SPEAKER: Mr. Radhakrishnan, you have all the rights subject to the permission of the Chair. What is your point?

SHRI VARKALA RADHAKRISHNAN: My point is\*

MR. SPEAKER: We need not take into account of what happens in the other House.

SHRI VARKALA RADHAKRISHNAN: \*...

MR. SPEAKER: Let him stop. I will delete it.

SHRI VARKALA RADHAKRISHNAN: Sir, I also understand that even after their suspension by you, they are signing the Attendance Register. ...*(Interruptions)*

MR. SPEAKER: It has been agreed that there would be no discussion on this motion.

SHRI VARKALA RADHAKRISHNAN: They are still signing the Attendance Register. How could it be? ...*(Interruptions)* Some of them are still signing the Attendance Register. Sir, you have suspended them and you have asked them not to be present. They are coming here and putting their signature. ...*(Interruptions)*

MR. SPEAKER: Those signatures will be treated as *non-est*.

SHRI VARKALA RADHAKRISHNAN: Sir, they do not deserve a lenient punishment because of the fact that they come here and put their signature, and go away. It is the violation of your Order, Sir. ...*(Interruptions)*

MR. SPEAKER: Let me look after myself.

...*(Interruptions)*

MR. SPEAKER: Hon. Members, I wish to express my sincere gratitude to the hon. Chairman and hon. Members of the Committee for the very hard work that they put in and every comprehensive and unanimous Report. That shows how these matters are looked into above the party lines and not from any partisan point of view. This is only for maintaining the traditions and the glory of this great institution which has been given a pioneer role, the most important role under our Constitution.

Now I am confident that we shall not have any such painful experience in future and all of us will meet with the expectations of the people in the discharge of our obligations. My dream is, and all of you share that dream, that the people will feel proud of us.

It is our great honour that they have sent us here to look after the problems of this country, to secure the development of this country, to remove the problems of the country and to solve them, and they are looking up to us.

There are many national issues. There may be differences of opinion but ultimately we shall all work

together in a manner that will earn at least the support and the confidence of the people. Let us remember that and I am sure that the hopes and the expectations that have been expressed by the hon. Leader of the House will be met, and I endorse them. They are shared by all sections of the House. That shows that we take these matters with the importance that they deserve.

Let us now put the motion to vote of the House.

The question is:

"That this House having taken note of the Report of the Committee to inquire into allegations of improper conduct on the part of some Members in the matter of implementation of MPLAD Scheme, laid on the Table of the House on 14 March, 2006, reprimands Sarvashri Alemao Churchill, Paras Nath Yadav, Fagga Singh Kulaste and Ram Swaroop Koli, MPs and resolves that:

(c) the period of absence from the sittings of the House and the Committees of the said four Members on a request made by Speaker, Lok Sabha on 20 December, 2005, may be deemed to be their suspension from the membership of the House till date; and

(d) the suspension of the said four Members from the membership of the House may continue till 22 March, 2006."

*The motion was adopted.*

MR. SPEAKER: I am very thankful to all the hon. Members for their co-operation. The dignity with which this matter has been dealt with shows that it is not out of any vindictiveness but just to discharge our duties in a proper manner.

16.18 hrs.

### MATTERS UNDER RULE 377\*

MR. SPEAKER: Matters under Rule 377, listed for the day, may be treated as laid on the Table of the House.

- (I) **Need to open an Agriculture Research Centre for augmenting the productivity as well as the quality of spice seeds in Mehsana Parliamentary Constituency, Gujarat**

*[Translation]*

SHRI JIVABHAI A. PATEL (Mehsana): Mr. Speaker, Sir, crops of good quality spices like coriander cumini

\*Treated as laid on the Table.

seed, Isabgol, mustard, chillies and castor are grown on large a scale in Mehsana district as compared to other areas and several families depend on it for their livelihood. If quality of these spices is improved by adopting latest technique for cultivation thereof there will be more demand of these spices all over the world and the farmers will be benefited. Moreover we can earn sizable amount of foreign exchange by exporting spices. Till now the farmers are cultivating these crops in the traditional way and they are not aware of modern techniques of growing these crops. In this regard, I request the Government to set up an agriculture research centre for spices crops in Mehsana district so that work could be done to improve the quality thereof as well as increase the production capacity.

Through this House, I request the Government that an agriculture research centre should be set up early in Mehsana district to improve the quality of spices as well as to increase production capacity thereof.

- (II) **Need to complete the work on Palanpur-Ahmedabad Section on National Highway linking Delhi-Ahmedabad and declare Palanpur-Ambaji section via Kherbaha and Himmatnagar as a National Highway**

SHRI HARISINH CHAVDA (Banaskantha): Mr. Speaker, Sir, the Government have connected Delhi and Ahmedabad through a route via Palanpur but the work on the national highway between Delhi and Palanpur has not been done so far whereas a large number of vehicles from Delhi and Rajasthan ply on the road between Palanpur and Ahmedabad. There is heavy rush of traffic on the route to Ambaji, a place of pilgrimage via Palanpur Kherbaha and Himat Nagar and it is very necessary to declare this route as national highway so that pilgrims could perform their pilgrimage comfortably.

Through this House, I request the Government that the stretch between Palanpur and Ahmedabad be declared as national highway and developed like other national highways and facilities on national highways should also be provided on this route too. Besides, the road route to places of pilgrimage i.e. Ambaji and Kherbaha Palanpur via Kherbaha and Himat Nagar be declared national highway at the earliest.

- (III) **Need to look into the problems being faced by Gond Community in Varanasi district, Uttar Pradesh**

DR. RAJESH MISHRA (Varanasi): Mr. Speaker, Sir, the people belonging to Gond community are being

compelled to live much below the poverty line due to non-availability of facilities available to Adivasis. Government schemes have not been implemented so far for educational economic and social development of women, children, students and unemployed persons belonging to Adivasis Gond community. It is necessary to implement the government schemes meant for Adivasis overall development of Gond community.

Sir, through you I demand from the Government that seven and half per cent reservation should be provided for this community on the lines of central level. The proposed schemes should be implemented for their development. On the lines of Central Government seven and half per cent seats in the elections to Legislative Assemblies, three tier Panchayats, Municipal Corporations and other bodies should be reserved for them. All the block development officers of the state should be directed to register them in their family registers and other revenue records as tribals and to simplify policy relating to issuance and caste certificate to other Adivasis including Gonds so that they are not exploited economically. On the lines of the Union Government, State Tribunal Commission should also be set up and memorial in the name of Maharani Durgawati, a great Gond warrior be set up in each district.

**(iv) Need to set up an F.M. Radio Station in Amreli Parliamentary Constituency, Gujarat**

SHRI V.K. THUMMAR (Amreli): Mr. Speaker, Sir, I have said a number of times to set up an F.M. Radio station in my Parliamentary Constituency, Amreli. There are a large number of agricultural labourers and farmers in my parliamentary constituency who have no means of entertainment and this area is backward as compared to other areas of Gujarat. In other parts of Gujarat F.M. Radio stations have been set up but in my Parliamentary Constituency, FM Radio facility is not available so far and the people there ask me as to why this facility is not being provided to them in Amreli district whereas this facility is available elsewhere in the state. FM Radio facility is not available so far in Lathi, Leeliya, Dam Nagar, Bangsara, Dhariwadiya, Kukawar, Babra and Chital Tehsils under my Parliamentary Constituency.

Through this House, I request the Government that keeping in view the special circumstances of my constituency an FM Radio station should be set up at Amreli.

**(v) Need to take steps to protect the poultry industry affected due to spread of Bird Flu in Tamil Nadu**

*[English]*

SHRI S.K. KHARVENTHAN (Palani): Sir, in India landless labourers often comprises of more than 50% of their income from livestock especially from poultry. The value of output from poultry sector is nearly 15,000 crore and the sector provides direct and indirect employment to over 2 million people. With the output of 45 billion eggs in 2004-2005, India ranks among the top 6 egg producing countries in the world. Furthermore, poultry today is one of the fastest growing sectors in the economy. India is among the five top chicken meat-producing countries in the world. Around 1.65 metric tonne of chicken meat was produced in 2004. For poverty alleviation, nutritional nourishment and gender empowerment, Government is promoting the development of the poultry sector particularly of the rural backward areas. In view of the threat of Bird Flu throughout the country, the industry has collapsed. Government has taken various steps for prevention of the spread of the disease in the country. In Tamil Nadu, Coimbatore, Erode and Namakkal districts are the main centres for poultry and hatcheries. Sir, due to this Bird Flu, the Poultry Industry in Tamil Nadu is also very badly affected and has financially collapsed.

To safeguard this industry, I request the Government to start an International standards research laboratory in Tamil Nadu either at Coimbatore or at Namakkal and furthermore, cold storage facilities should be provided to protect 8 to 10 crore eggs and an insurance scheme has to be introduced for the chicken. Moreover, those industrialists who have borrowed loan from the nationalised banks, the interests should be waived off and the loans must be converted into a long term loan and the industry must be protected.

**(vi) Need to provide adequate compensation to the villagers in Tirunelveli Parliamentary Constituency whose lands have been acquired for expansion of Sterlite Copper Limited, Tamil Nadu**

SHRI DHANUSKODI R. ATHITHAN (Tirunelveli): The Sterlite Copper Limited, one of the major industries in Tirunelveli Parliamentary Constituency is situated at Sipcot Thuthukudi. Now it is undergoing second expansion. The company is a tenant under Sipcot and if they need further

[Shri Dhanuskodi R. Athithan]

land the Sipcot alone legally provide land for them. When Sipcot has been arranging the necessary land through acquisition under the prevailing Act, the Sterlite directly purchased land through sale deed at higher price and even took land under lease basis with annual rent of more than lakh. In the meantime the Sub-Collector, Thuthukudi also acquired some land at the cost of Rs. 1.42 lakh per acre. On the contrary, the Government under Land Acquisition Act fixed the rate at Rs. 7000 per acre and that payment has also not been given to the land owners. Before this, the Sterlite company entered into private land at South Veerapandiyapuram and surrounding villages without paying proper compensation. The people of South Veerapandiyapuram, Meelavitan, Madathur, Kayalurani, Saminatham and Rajavinkoil etc. are affected by the act of the Sterlite Company which pose law and order problem.

I urge upon the Central Government to intervene and give proper advice and guidance to the State Government to solve the problems being faced by the villagers.

**(vii) Need for construction of a bridge on river Chambal at Usedghat linking Uttar Pradesh and Madhya Pradesh**

[Translation]

SHRI ASHOK ARGAL (Morena): Mr. Speaker, Sir, the then Prime Minister Late Shri Rajiv Gandhi had laid the foundation stone of a bridge at Usedghat over Chambal River keeping in view the importance of a bridge there. However, even after 15 years, that foundation stone is waiting for the proposed bridge to be constructed. If foundation stone is laid by as high dignitary as Prime Minister then aspirations, expectations and hopes are naturally aroused. But after 15 years people have lost the hope, as the proposed bridge has not been sanctioned from anywhere. The proposed bridge would have been a boon for both the states of Uttar Pradesh and Madhya Pradesh but no attention is being paid to it.

I demand from the Union Government to immediately sanction the construction of the proposed bridge for which foundation stone was laid by the former Prime Minister late Shri Rajiv Gandhi.

**(viii) Need to open an LPG outlet at Ramganj Mandi in Kota district, Rajasthan**

SHRI SRICHAND KRIPALANI (Chittorgarh): Mr. Speaker, Sir, world renowned coriander and Kota stone

mandi Ramganj is situated in my Parliamentary Constituency. Its population is about 50 lakhs. People have to fetch gas cylinder from Suketa town 10-12 km. away from Ramganj as there is no LPG outlet there.

In past, notification was issue twice to open an LPG outlet in Ramganj but it has not been opened so far.

I, therefore, would request the hon. Minister, through you, to kindly open an LPG outlet in Ramganj so as to ameliorate the difficulties being faced by the local people there.

**(ix) Need to extend financial assistance to the Government of Rajasthan for providing relief to the farmers whose crops have been damaged due to rains**

SHRI JASWANT SINGH BISHNOI (Jodhpur): Mr. Speaker, Sir, untimely rains in Rajasthan have damaged crops. The situation has come to such a pass that the farmers have no other option than to commit suicide. Chief Minister of Rajasthan has visited the affected areas to take stock of the situation and has also assured to provide all possible help. But the State Government has got limited resources. The State Government, therefore, is not in a position to provide any relief even though willing to do so.

Sir, I would like to request, through you, the Central Government to dispatch a Central Study Team and provide compensation to the affected farmers. Loans, electricity bills and cooperative loans of farmers should be waived.

**(x) Need for gauge conversion of Rewari-Bikaner, Sadulpur-Hissar, Ratangarh-Degana, Loharan-Jaipur via Sikar sections in Rajasthan**

SHRI RAM SINGH KASWAN (Churu): Mr. Speaker, Sir, there has been a long-standing demand for gauge conversion from Rewari to Bikaner, Sadulpur to Hisar, Ratangarh to Degana, Loharan to Jaipur via Sikar from meter gauge to broad gauge. Due to gauge conversion from Delhi to Rewari, all the above trains halt at Rewari. As a result of it, rail link of the people of this area with Delhi has been broken. It is a big problem. I request the Railway Minister to kindly provide necessary funds for gauge conversion of this route so as to complete this long pending work.

**(xi) Need to release funds for setting up of a Valve Cluster in Hubli, Karnataka under the Industrial Infrastructure Upgradation Scheme**

*[English]*

SHRI MANJUNATH KUNNUR (Dharwad South): Sir, I wish to bring to the kind notice that there is a need to sanction Valve Cluster in Hubli, Karnataka under the Industrial Infrastructure Upgradation Scheme by the Ministry. Hubli is the most backward area in the North Karnataka. By setting up of Valve Cluster in Hubli, it would provide employment to 5,000 persons. Hubli would be an attraction to the Multi National Companies (MNCs) as it has huge potential to become an international market because of its geographical placement and quality products of valves and pumps.

Till now, only Bangalore has been identified as a Machine Tool Cluster. At present, there is an imbalance between the South and North Karnataka. Therefore, it has become absolutely necessary to give top priority to the Valve Cluster in Hubli.

I would be pertinent to point out the Hubli-Dharwad Valve Cluster in Karnataka has been approved by the State Government.

I request the Government to sanction a Valve Cluster in Hubli on top priority and funds be released for this purpose. Further, Karnataka should not be deprived of this important cluster when other States have already been sanctioned funds for 4/5 clusters.

**(xii) Need to amend People's Representation Act of 1950 with a view to confer voting right on Non Resident Indians**

SHRI VARKALA RADHAKRISHNAN (Chirayinkil): Sir, it has been a long-standing demand of the Kerala Government and people of Kerala to provide NRI's the right to vote. The Legislative Assembly has passed a resolution in this regard. The NRI's are citizens of India and their names may be included in the Voters list in place where they normally resided before going abroad. By giving voting rights to the NRI's we will be fulfilling our constitutional obligation to the citizens of India. Therefore, Government of India has been requested to include the names of NRI's in voter's list and to allow them to cast their votes if they are present in India at the time of elections, by making appropriate amendments in the People Representation Act of 1950 and thereby fulfilling the aspiration of millions of Indian Citizens abroad.

**(xiii) Need for manned level crossings along Ernakulam-Alleppey coastal railway line**

DR. K.S. MANOJ (Alleppey): It is essential to provide a manned level crossing at KM 35/100-200 along Ernakulam-Allappuzha coastal railway lines. A bridge has been constructed by the State Government with an expenditure of more than 40 lakhs rupees and a new road is formed. If a level crossing is provided here, more than 3 kms can be saved to reach the Cherthala town from the coastal villages. Hence a manned level crossing should be provided here.

Level crossings LC 54 at KM 51/200-300 and LC 64 at KM 55/200-300 should be manned immediately. Several accidents have occurred in these two level crossings. Recently, also a train collided on a Maruti Van at LC 64 causing deaths of three people. Hence, these two LCs should be manned with utmost priority.

**(xiv) Need to open the Branches of Nationalised Banks in Salempur Parliamentary Constituency, Uttar Pradesh**

*[Translation]*

SHRI HARIKEWAL PRASAD (Salempur): Mr. Speaker, Sir, people in several towns of Deoria district in my Parliamentary Constituency are deprived of bank facilities due to absence of banks in the towns. As a result of this the farmers are not able to make investment in agriculture. There is not even a single public sector or rural bank branch in Mehrauna under Lar Development Block, Rampur Bujurg under Bankata Development Block and small towns of Sidharia under Bhaluwani Development Block owing to which farmers are deprived of bank facilities in these areas. Farmers undertaking farming between Gandak and Ghaghra Rivers are also not able to achieve their economic development due to non-availability of bank facilities there. Besides, a large number of youth of this area are working abroad and send money to their relatives. They too face difficulties due to non-availability of foreign exchange facility here.

I, therefore, through this August House, request the Government to open Bank Branches in Mehrauna, Rampur Bujurg and Sidharia towns.

**(xv) Need to provide adequate compensation to the farmers whose land has been acquired for widening of National Highway in Chail Parliamentary Constituency, Uttar Pradesh**

SHRI SHAILENDRA KUMAR (Chail): Mr. Speaker, Sir, farmers have not been paid proper compensation in my parliamentary constituency for widening of the National Highway due to which there is widespread resentment among the farmers. Most of the farmer's land is adjacent to GT Road. SDM Sirathu, Kaushambi had assured to get 2500 sq. meter compensation paid but the assurance remained hollow. D.M. constituted an enquiry committee headed by SDM Kaushambi under which compensation will be paid. But this committee too remained on paper only. The Union Government should immediately order a probe into and ensure payment of proper compensation to the farmers.

**(xvi) Need to issue licences to tourist operator with a view to attract International tourists in the country**

SHRI ANIRUDH PRASAD ALIAS SADHU YADAV (Gopalganj): Mr. Speaker, Sir, foreign tourists have to face a lot of difficulties here due to private people. The tourist operators who help the foreign tourists are not given licences. This has discouraged the foreign tourists. As a result of this the foreign exchange earnings have declined.

I, therefore, demand from the Government to immediately issue licences to the tourist operators so that foreign tourism gets a boost.

**(xvii) Need to provide adequate funds for promotion of Tamil as a classical language**

*[English]*

SHRI C.K. KUPPUSAMI (Madras North): Tamil language which is being spoken by more than 10 crore people is a very ancient language which dates back to stone age. It is one of the classical languages in the country.

However, for the development, promotion and research of this classical language, the Centre has not done anything so far; nor any significant funds provided in the Budget. There is lot of rare literature, Sangam time literature, great epics like Silappathigaram, Manimekalai, Aga Nanooru, Pura Nanooru, famous two

line meter verses 'Thirukkural' authored by Thiruvalluvar which requires translation into other languages for the benefit of the people all over India. Bi-annual and Annual competitions should be held for the students of Tamil language at the national level for the promotion of this classical language. When more funds are being given to Sanskrit in the name of classical language, I request the Government to see that Tamil which is also a classical language is given the same status. They should introduce a scheme to award scholarships to students at school and college level, besides for M. Phil., and Ph.D. The Centre should also bring out a schemes for providing grants to State Governments, Deemed Universities and NGOs for promotion of Tamil as a classical language.

I would, therefore, urge upon the Central Government, especially the Hon'ble Minister for Human Resource Development and also the Hon'ble Finance Minister to provide adequate funds in the Budget and formulate various schemes and programmes for the promotion and development of classical language Tamil in the country.

**(xviii) Need to include more districts in Tamil Nadu under National Rural Employment Guarantee Scheme**

SHRI A.K.S. VIJAYAN (Nagapattinam): Sir, Apart from providing job to rural poor, building up rural infrastructure, the Union Government is ahead with the National Rural Employment Guarantee Scheme. In addition to that, the Government is learnt to have identified 60 districts in four States to go in for a further agricultural development scheme. At this juncture, I would like to impress upon the Union Government and the Ministry of Agriculture, in particular, this include a good number of districts in Tamil Nadu also for implementing this pilot project which well ensure streamlined farm credit flow and crop insurance schemes.

I also urge upon the Agriculture Ministry to make a Panchayat as a single unit to decide or declare natural disaster hit area for insurance claim purposes. For instance, Nagapattinam and Tiruvarur in my Constituency along with certain other taluks in Thanjavur and Southarcot districts have been worst hit by continuous drought conditions and unprecedented Tsunami in addition to non-availability of traditional irrigation of water from river Cauvery due to dispute in water sharing with Karnataka. Considering the fact that people in villages there were forced to eat even field rats for food due to famine conditions and also the fact that about 23 starvation

deaths were there in my constituency, I urge upon both the Agriculture Ministry and the Rural Development Ministry to take up this pilot scheme in Cauvery delta region to begin with a Tamil Nadu before taking the benefit to many other drought prone districts in Tamil Nadu.

**(xix) Need to declare Minimum Support Price of onions and potatoes and bring these crops under National Crops Insurance Scheme for the benefit of the farmers in Maharashtra**

SHRI ADHALRAO PATIL SHIVAJIRAO (Khed): I would like to draw the attention of the Government towards the deteriorating condition of onion and potato growing farmers of Maharashtra. A huge quantity of onion and potato is getting damaged due to lack of marketing, procurement arrangements and storage facilities. As a result of which growers are not getting even production cost of their produce. These growers have taken loans on heavy rate of interest and at present are not in a position to repay even the interest amount. The Central Government are giving Minimum Support Prices to the growers of other crops and have also included those crops in the Crop Insurance Scheme. But as far as onion and potato is concerned, nothing has been done to bring these products under Crop Insurance Scheme and also no Minimum Statutory Prices has been set for onion and potato. The prices of onion are going down gradually and are likely to go down further.

Therefore, I request the Union Minister of Agriculture to fix minimum statutory prices atleast of Rs. 500/- per quintal for onion and potato and bring these two products under Crop Insurance Scheme. I further request that adequate storage facilities, marketing opportunities and export incentives may be provided to the onion and potato growers of Maharashtra.

**(xx) Need to open Regional Directorate at Srinagar for promotion of handicrafts business in J&K and Ladakh region**

SHRI ABDUL RASHID SHAHEEN (Baramulla): Sir, Age old trade of Kashmir Province is the carpet weaving and the handicrafts. Among other things, the exquisite crafts of Kashmir are very well known all over the world but the export of these items make a very little contribution in the overall exports of the country.

There is no denying the fact the Textile Ministry is trying to make contribution to the sustenance of trade by

floating some schemes for the benefits of craftsmen. And imparting training for skill up gradation in some areas of the valley but the benefits and efforts of the Government are not percolating down because of remote control of Regional Directorate. The Regional Directorate is operating from Delhi. The irony of the situation is that the accounts branch for the paraphernalia of 1054 employees of All India Handicraft (J&K) is operating from Jammu.

In order to consolidate the efforts of the Government to make all the Central Government schemes in textile sector, effective in the remote areas of Jammu & Kashmir and Ladakh, Regional directorate for J&D should be created and the office of Regional Director should be located at Srinagar. So I reiterate the demand of opening the Regional Directorate at Srinagar.

11.19 hrs.

**FINANCE BILL, 2006**

*[English]*

MR. SPEAKER: Now, we will take up the Finance Bill first. Dr. Laxminarayan Pandey.

SHRI KINJARAPU YERRANNAIDU (Srikakulam): Sir, what about 'Zero Hour'? ...*(Interruptions)*

MR. SPEAKER: Today's Matters of Urgent Importance are of great importance. You will get longer time. It will take two hours or a little more time to pass the Finance Bill. There will be no Lunch Hour. We will take up around 1.30 p.m. the Matters of Urgent Importance. I want to give longer time for important matters. Everybody will get a chance to speak.

*[Translation]*

DR. LAXMINARAYAN PANDEY (Mandsaur): Mr. Speaker, Sir, some time ago we discussed the budget for 2006-07 and now we are discussing the Finance Bill for 2006-07. Several hon. Members have expressed their views on it. I do not want to repeat it but through you, Sir, I would like to draw the attention of the hon. Finance Minister to two-three points.

As far as parallel economy being run in the country is concerned, there is no mention of any measure in the Finance Bill as to how this black money or this parallel



[Dr. Laxminarayan Pandey]

economy would be curbed. Similarly, our tax-collection system is also not as fast as it should be. Even today tax-collection amounting thousand of crores is outstanding and that shows the inability, inefficiency and indifference on the part of the Government. Recently, it was reported in the newspapers that the Government is contemplating to take currency note of 500 rupee denomination off circulation from 1st April to curb black money. You know that earlier also thousand rupee note was taken off circulation to curb black money and people would find bundles of Rs. 1000 notes on roads or these were used to prepare tea by burning them. Even then black-money could not be curbed. Even now black money to the tune of Rs. thousands of crore is in circulation. Fake currency notes are also in circulation. Kindly do something to put an end to this parallel economy of black money.

Tax collection system is not proper and that should be set right and efforts should be made for the recovery of tax amount outstanding against big industrialists. And no such measure has been suggested therein.

Thirdly, I come to tax-evasion after taxation as to how people evade tax. Take such measures as no one could evade tax. Through you, I have just said about simplifying the income tax return. It can be done but what about the increase in the number of income tax-payers, that is not increasing. And for that income tax payers need to be given facilities as also simplifying of income tax return form is needed.

As regards direct and indirect taxes, separate guidelines have been issued in respect of direct and indirect taxes. He wants to increase recovery on the direct taxes front and some facilities have also been given in regard to indirect taxes as provided in the Finance Bill. But I would like to submit that the facilities which were really required or the facilities which a common man wanted, that has not been given. In so far as income tax is concerned, he has fixed its limit as it was earlier as announced in the budget and this has also been provided in the Finance Bill. The way our income tax has increased and the way our economic prosperity has increased and the way there has been increased in the consumption and requirement of consumer goods, keeping in view all these things, that limit needs to be enhanced and to peg it as its earlier limit is not good. He should look into it. A change in the present income tax limit is a must.

As regard women, he wants to provide incentives to women entrepreneurs and give them protection and those

who are aged, he wants to give them facilities and to augment their sources of income. In fact, there is a need to increase their income. But this limit has also been kept the same for them as it was earlier. Kindly reconsider on it.

Similarly, the income tax limit for senior citizens which is presently Rs. 1.85 lakh needs to be increased so that they can feel that they are also getting benefited and justice is meted out to them.

These two-three specific points and the points on which the hon. Members have drawn the attention of hon. Minister need to be looked into. One point which has been mentioned by all the hon. Members is the levying tax on the profits of the cooperative banks. The cooperatives are our backbone. The Government should consider about strengthening the cooperatives. The cooperatives should be strengthened and the income tax levied on the cooperative banks should be dispensed with or withdrawn so that the development of cooperative banks takes place in the manner in which we desire and we can do work on the basis of cooperative from all angles. Today, the cooperatives have spread over the all country. The hon. Finance Minister in his speech has said as to how they want to work on the basis of cooperative. He has mentioned that "only two institutes viz. National Highway Authority of India and NABARD are excluded from the ambit of section 58 LC and the remaining other institutes, cooperative banks which provide loan should pay tax on profit. Further, he has said that he has excluded all the cooperative banks from the ambit of the section. I want to say that this is not proper. In his budget speech at page 27, the hon. Finance Minister has said about the Charitable institutions where some unaccounted money comes. We do not know anything about it but barring such institutions, we have so many charitable institutions which are really doing good for the common man. They are doing a major work in the field and medical treatment. Some are working for the physically challenged. Some are working for the good of the deprived and helpless persons. And these very charitable institutions which are doing a fine job would also be deprived of it. Therefore, a re-look is needed in regard to these charitable institutions. Kindly ensure that the charitable institutions which are doing good work for the society could continue with their work.

Once again, I want to say about the excise duty and customs duty. Hon. Minister you have reduced both the excise duty and customs duty. With the reduction in

customs duty. I think, imports will increase and exports will decline. If our exports decline and imports increase, then it would lead to trade imbalance and cause harm to our domestic industries. To avoid harm to our domestic industries, kindly strike a balance between the imports and exports. At the very outset I had said that we should have an economic vision, an economic idea and an economic philosophy and if we keep this in mind, we would definitely make progress. The economists are also of the view that in the taxation proposed by him, some points viz. those relating to cooperative banks, religious institutions and senior citizens need to be reconsidered. So far as tax evasion is concerned, it should be stopped and endeavour made to unearth black money.

With these words, I conclude and lay the rest of the speech on the table of the House.

\*While speaking on budget, certain things were pointed out. Hon. Finance Minister has reiterated his resolve of *Bharat Nirman* and wishes to turn it into reality in a time bound manner but after other provisions when we come to taxation or tax collection in the Finance Bill, it seems quite disappointing. As the hon. Finance Minister has said in his budget speech, income tax and certain other taxes are likely to remain untouched and custom duty and excise duty on certain good is likely to be reduced. Amounts of Rs. 4000/- crore and Rs. 2000/- are expected to be received from direct taxes and indirect taxes respectively. Economic growth is estimated at 8 per cent for the financial year but according to economists, it is difficult to be achieved. Similarly, agricultural growth which is necessary to grow by 2.3 per cent is difficult to achieve. We have to see the tax proposals in this regard. So far as income tax is concerned, it has been maintained at its existing level. But with the increase in income, expenditure of common man has also increased. Therefore, it is necessary to increase the income tax limit of Rs. one lakh. Similarly, the limit of Rs. one lakh thirty five thousand in regard to women needs to be increased for their advancement and extending appropriate help to women. The limit for senior citizens is rupees one lakh eighty five thousand. It is necessary to increase this limit also. The Finance Minister should reconsider these points. Reconsideration of the rates of income tax proposed in the first schedule of the Finance Bill and simplification of income tax returns is also necessary. The Finance Minister often talks of unearthing black money but no concrete scheme is seen in this regard.

There is a parallel economy of black money which is necessary to be checked. As I said, he has to widen the process of filing income tax returns. The Minister has not said any thing with regard to big farmers who have adequately taxable income. Institutions like ASSOCHAM etc. have also pointed out this point. We are disappointed with regard to simplification or rationalization of direct taxes. I am afraid that we often talk about promotion of cooperative movement or cooperatives but even the project earned by cooperative banks is taxed. Basically these banks provide loan to farmers or small entrepreneurs working in rural areas whose professions are based on farming. This has to be reconsidered and the cooperative banks should be exempted from tax. Here, I would like to mention that the rebate under section 10 (23) on investments for infrastructure development is being discontinued from the year 2007. This is not proper. This is likely to affect our projects.

Sir, alongwith various tax proposals, he has increased the scope of service tax also covering even small services. Some 1500 services have been included which have very limited business and the tax rate has also been increased from 8 per cent to 12.5 per cent which has to be reconsidered. I would like to request hon. Minister that it should be kept at 8 per cent as earlier. Sir, I do not want to go into the details of various proposals but I would like to submit that Rajasthan is close to my constituency and marble mining is undertaken there in Kankroli, Rajasmand, Vakkamnagar and Banswada. Cutting and polishing work is undertaken at various places. Rajasthani marble is famous not only in India but also in the whole world after the Italian one. This marble mining has also been brought under the tax net. Kindly reconsider this decision as this is going to affected the livelihood of thousand of workers engaged in this profession as well as marble mining.

Presently, donations received by charitable, religious, and social organizations as well as those engaged in providing free medical services are exempted from tax. These donations are also being taxed. Kindly reconsider the same, otherwise the organizations providing free services will be rendered helpless. In the present tax regime, there are numerous tax reliefs most of which are related to customs duty and thus available to the industries only. Farmers and agriculturists have no benefit from them. Please make such arrangements that all classes are equally benefited.

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\*...\*This part of the speech was laid on the Table

[Dr. Laxminarayan Pandey]

I would like to make a brief submission regarding value added tax system. Some states have implemented it while some are still hesitant. Please resolve their doubts so that the VAT system is implemented in the entire country.

The present subsidies should continue. Even developed countries provide huge subsidies to benefit the farmers and the industries which may be helpful in development and progress of the country.

Government servants are fed up about rising prices of consumer goods. They look forward to a decision regarding the Sixty Pay Commission. I have drawn the attention of the Government towards some of the points in brief. I would not take up other points due to shortage of time. We all want that there should be a planned development of our country and it is necessary that we should build our economy accordingly.

[English]

MR. SPEAKER: Hon. Members, we propose to finish the discussion on the Finance Bill by 1.30 p.m. Thereafter the hon. Minister will reply.

\*SHRI BRAHMANANDA PANDA (Jagatsinghpur): Sir, Just the tabling of the Union Budget—2006-07 before the Lok Sabha, experts opined that this Budget gives prominence to both growth and development and accordingly, Government of India has fine-tuned its Finance Bill—2006 to ensure growth with development across the State and Union Territories. This may be due to the fact that the Indian economy is growing at a rate of 7.5% per annum and she has the potential to grow at a rate more than 10%.

While forecasting a rate of growth of 8 to 10% and taking various initiatives for facilitating the same, efforts should have been to give equal importance to the States of the country. The financial Bill has however not pronounced any special attention, which could have been taken for all-round development of backward States like Orissa, Bihar, West Bengal. Even after 5 decades of our independence, States like Orissa are still reeling under poverty line and are struggling for their subsistence. The long term growth of Net State Domestic Product (NSDP) over the period 1950-51 to 2004-05 at 1970-71 prices has been estimated to be below 3%. Looking at this

\*The Speech was Laid on the Table.

figure, even a layman can say that the State's growth is far from satisfactory. As far as the various individual economic sectors in the NSDP are concerned, it can be said the except mining and quarrying, the other sectors like manufacturing, trade, communication, hotels, restaurants, agriculture, and animal husbandry did not show a satisfactory progress during the above mentioned periods. This clearly indicates that the benefits of national priority spending on infrastructure development and social sector development has not percolated down to the backward most States like Orissa.

Orissa is rich in Minerals like chromate, bauxite, coal, dolomite, graphite, manganese etc. But, Orissa's share in all-India output is much less than her share in all India resource stock. This implies a relatively lower rate of exploitation of natural resources in Orissa as compared to other States. Thus the Budget 2006 should have put an emphasis on skilful and optimum utilization and exploitation of Orissa's rich physical resources. A special strategy is a 'must' for development of Orissa's inherent strength in handlooms and handicrafts industries as the same have the potential to provide gainful employment to the weaver and craft-workers. This will require very little financial investment. Considering the high percentage of poverty ratio and high rates of casualisation of labour prevalent in the State, the much hyped Rural Employment Guarantee Programme should be restructured and implemented in the State to ensure sustainable living condition to the millions of poor of Orissa.

Many a commendable steps are proposed to be initiated for facilitating road and energy infrastructure. The focus of the current finance bill has also been on rural agricultural development and on improving resource transfer to agriculture sector through interest subsidies, interest rate burden write-off and greater allocation of commercial bank credit. The Budget has also granted a 43% increase in funds allocation to the eight flagship programme of the Bharat Nirman Programme. Orissa has good potential for increasing its capacity in hydro and thermal energy and mineral based industries. At this juncture, efforts should be made to re-examine the financial transfer mechanisms towards execution of various plan and development oriented projects in backward States like Orissa.

[Translation]

SHRIMATI KRISHNA TIRATH (Karol Bagh): Mr. Speaker, Sir, I rise to speak on the Finance Bill. This Bill

of our UPA Government indicates as to how the Central Government has allocated funds under various heads for all round development of the country, from where the money will come, where will it be utilised and how the country will be developed. The Prime Minister of our country Dr. Manmohan Singh ji and UPA's Chairperson, Smt. Sonia Gandhi ji had taken these things into consideration right from the formation of this Government as to how there would be an all round development of India and how the labourers, farmers, poor people, dalits and women of the country would be benefited. We can see that India which was heading towards 21<sup>st</sup> century some time ago has become one of the fast growing nations of the world. My colleagues have said many things regarding this Finance Bill and I associate myself with all those points which have been suggested to strengthen the economy of the country. In addition to that, I would like to say that we have to see as to what is required today for all round development of India. Education, employment, housing, environment and health are vital areas which are to be looked into seriously. We have to see as to how much we should spend on education, employment, housing, environment, health for everyone in the country. But, most important among them is 'Education for All'. Everyone should get education in the country whether he is boy or girl, because the future of the country depends on these children. They should be healthy. There should be proper arrangement of hospitals and medicines. Sufficient quantity of free medicines should be available in the Government hospitals. It should not be so that the doctor gives them prescription and very costly and patients cannot purchase them from the market. Spurious drugs are also there in the markets which are affecting health adversely. Provision for all such things has been made in the Finance Bill. It is very important that women should be educated because women are the mirror of the country and house. Women's participation is maximum when a family is created. How a child is to be brought up, how to keep him healthy, which kind of education he should get, which career he should choose—all these things are in the hands of a woman as she is the architect of the home and runs it in a planned manner. Therefore, it is very necessary that women should be educated.

Even after the money being allocated for Sarv Shiksha Abhiyan, most of the women in the rural and backward areas are illiterate. They have no knowledge.

Their condition is even worse than animals. I would request the Finance Minister to make provision in the budget for providing incentives to women for education so that they may become literate. They should be given money in the form of stipend or the girl child should be given so much scholarship that she goes to school in view of the benefit of the scholarship. Her parents will also send her to school in such a situation. Time is short but I want to make a suggestion. The condition of women in villages is pitiable. If they do household chores or work in the fields or milk the animals or do any other work but they do not have time for themselves. They are ignorant. They cannot pay attention to cleanliness. The other members of the house also do not behave with them properly. Besides, household chores, she takes care of bringing up children, farming and keeping animals and that is why she has no time. My suggestion is that the poorest of the poor woman and other women who do not get assistance from the family members should be provided family welfare pension irrespective of class, region, caste or religion. They have no other means except work. It is not good if they do not get respect even after doing so much work. She can manage her house and bring up her children properly if money is given to her in the form of pension or family welfare. This will enhance her respect and she will gain knowledge and education. She should be able to understand as to how a house can be run. There should be NGOs or counselling arrangement for them to advise as to how they can develop and educate themselves along with the household work. It would be good if such a point can be included in the Bill and a plan is made. If they can get the pension fixed for them, then villages will develop everywhere—be it UP, Rajasthan, Punjab or Bihar and the condition of women in villages will also improve.

Artisans, whether they are engaged in handloom or handicrafts and whether they are women or men, should be allocated so much money that they get remunerative prices of their produce. They should be able to get fair prices, keeping in view their expenses. Similarly, all round development of the country can take place only if the Finance Bill contains provisions for the progress of poor women, children and aged persons. Our country can progress only if our factories, industries and agriculture are developed. The Finance Bill has been presented today. I have not gone through it much as all the things have already been approved. Various members of the

[Shrimati Krishna Tirath]

House have made their submission effectively. Today, I have raised the point that more stress should be given to women's development in this Bill. I think that this Bill should be made better by making improvements in it wherever necessary. I think you for giving me time to speak.

With these words, I conclude.

[English]

SHRI ANANDRAO VITHOBA ADSUL (Buldhana): Thank you, Mr. Speaker, Sir, I had raised some points during the discussion on the General Budget, but, unfortunately, I think that our hon. Finance Minister has not taken any note of it during the introduction of the Finance Bill.

Firstly, I had raised the point regarding standard deduction for the middle-class salaried persons, which was withdrawn last time. Why standard deductions were there? Income tax is deducted at source, that is, from the salary itself, and the salaried person was giving pie and pie income tax to the country. Therefore, this facility was given for the salaried persons. But no limit is raised for it this year, and standard deduction is maintained at that level only.

Secondly, a number of hon. Members have raised the point regarding the co-operative banks. The first time the hon. Finance Minister has withdrawn this facility of section 80 (p), where exemption was given to the co-operatives. In the Budget speech, the hon. Finance Minister has stated that Rural co-operatives, RRBs, and agriculture and Rural Development Banks are exempted because they are on a special footing. As per my knowledge, the special footing is that those rural banks, and agriculture and rural development banks are, particularly, working for the farming community and helping the rural people. But, at the same time, those co-operative banks are also helping the rural people and farming community. Simultaneously, there is a co-operative bank in an urban area, and they are also working for the common person who has migrated from the rural area to the urban area.

Thirdly, I had raised that point that we should not compare the co-operative banks with the commercial banks. I am saying this because the formation and functioning of the co-operative banks and commercial banks is very much different. Definitely, I will have to say it again that facility to the co-operative banks, and facility to the commercial banks is there.

The commercial banks are having their area of operation throughout the country. They are having a number of branches; they are having the facility of demand draft; they are having the facility of ATMs; they are having the facility of credit cards; and they are having business of the Government. Therefore, they are collecting huge amounts. Ultimately, they are doing their business for the middle-class, higher class, big industrialists, big merchants, and earning good profits from it.

In case of cooperatives, in the last five years, the Reserve Bank of India had not given permission to the cooperative banks to open a single new branch throughout the country. Ultimately, they are not developing, they are not expanding and they are not getting good business. They have to make the provision for the depreciation fund, reserve fund, dividend equalisation fund, etc., out of their profits. Afterwards, whatever net profit is there, they have to give it as dividend to their shareholders as per the laws. These banks are working for the very poor and common people in urban, semi-urban and rural areas. That is why, for the past 58 years of our parliamentary democracy, the cooperatives were exempted from paying income-tax. However, unfortunately, this year, our Finance Minister has levied tax on the profits earned by the cooperative banks. My request is that he should reconsider this decision.

Thirdly, I have got some representations and the Finance Minister, simultaneously, might have got representations on the issue of excise duty on *vanaspati*, which is imported by our neighbouring countries. In order to protect the interests of the indigenous industry in our country, it should be exempted from customs duty.

The stationery and paper production industry, around 70 to 60 per cent, is a home industry. This business is done by people belonging to the middle class and lower class. That is why, this stationery and paper industry, which is a home industry, should be exempted from payment of any tax.

Another representation that I have received is about *gur* produced in the villages, particularly in the sugar belt. It is also a home industry. Unfortunately, four per cent VAT is levied on it. Their request is, which is a reasonable one, that they should be exempted from the payment of this tax.

Another point is about VAT on essential commodities, like wheat, rice, chillies. They should also be exempted from payment of VAT.

These are all my requests to the hon. Finance Minister. I have appreciated some of the things in the General Budget because it is a good Budget, so far as the farming community and the poor people are concerned. Therefore, I have offered my sincere thanks to the Finance Minister. At the same time, I would request him to kindly consider the suggestions that I have made just now.

SHRI KINJARAPU YERRANNAIDU (Srikakulam): Mr. Speaker, Sir, I want to give some suggestions to the hon. Finance Minister.

Though the Members of Parliament are demanding every time that something should be done in regard to agriculture, I do not understand why the Finance Ministry is not coming forward. In the last three years, under the Tenth Plan, agricultural growth is only 1.5 per cent. This year, 2005-06, we have achieved 2.3 per cent growth, and our target in the Tenth Plan is to achieve four per cent growth. If we achieve the target of four per cent growth in agriculture, then GDP will grow beyond eight per cent and will reach ten per cent. Agriculture is the main component in the GDP. However, only 25 per cent of the agricultural credit comes from institutions and the rest of the credit comes from private moneylenders. In spite of the fact that the Government has said that institutional credit to agriculture will increase to 30 per cent within three years—in fact they should increase it to 100 per cent—it still remains 25 per cent. There is a big gap. The Government has to take necessary policy decisions immediately to fill this gap. Otherwise, it would prove to be detrimental to the farming community.

Interest charged on crop loans is nine per cent. It has been reduced to seven per cent in this year's Budget. However, it is applicable to crop loans for *kharif* season only and not for the entire year. It should be made applicable for the entire year. The Agriculture Commission headed by Mr. Swaminathan recommended to the Government that interest on crop loans should be reduced to four per cent. You give concessions to cars and other sectors of the industry. Why do you hesitate in reducing interest on crop loans to four per cent? This demand has been there for many years.

For crop insurance purposes, village should be taken as a unit and not a *taluka*. Sometimes crops in two-three *panchayats* get completely destroyed because of hailstorms, cyclones and floods. Under the present rules, people in those villages are not able to get the benefit

of crop insurance scheme. So, this insurance scheme should be extended to all the villages, for all crops and to all farmers including the small and marginal farmers. It is only then that the farmers will get the benefit of crop insurance.

Coming to remunerative prices, I cannot understand why the Government hesitates so much in this. It offers lot of packages for industry, even the sick industries. You are ready to create the price stabilisation fund which is very important. Without creating a price stabilisation fund you cannot provide remunerative prices to the farming community. The Government must take note of it. The Minister has to announce it today. It is a recommendation of the Swaminathan Commission.

Cotton farmers in Andhra Pradesh are not getting minimum price for their cotton this year. Chilly farmers and tobacco farmers are not able to get remunerative prices for their produce. I would request the Government to write off the debts of small and marginal farmers. You are giving one-time settlement packages for industries. If any industry has taken Rs. 100 crore loan and is unable to repay it, they get a one-time settlement for say Rs. 50 crore. On the same lines, we must give benefit to poor and marginal farmers. I am not asking the Government to give this benefit to big farmers. The loans of poor and marginal farmers should be written off. I am unable to understand why the Government is not able to do this? This is not a big thing. Within the limit of Rs. 10,000 crore to Rs. 5,000 crore this can be done. Then only the suicides of farmers can be prevented. Otherwise, it would be a big problem.

MR. SPEAKER: This is a discussion on the Finance Bill, not on the General Budget.

SHRI KINJARAPU YERRANNAIDU: These are all very important points, Sir.

Cooperatives banks have been exempt from tax since 1967. The Government has now imposed tax on cooperatives banks even at the village level. Can this be called a pro-farmer Budget? How can this be treated as a pro-farmer Budget when it imposes tax on cooperatives banks? The Government must withdraw this tax.

SHRI N. JANARDHANA REDDY (Visakhapatnam): Cooperative banks with licences to run banks only will be taxed, not others.

SHRI KINJARAPU YERRANNAIDU: With should even those be taxed? Why should the Government tax the cooperative banks, whether they are the State level cooperative banks or the District level cooperative banks? This position has been continuing since 1967. All the previous Governments including the Congress Governments gave exemption to them. This tax has to be withdrawn and *status quo* has to be maintained.

The number of educated unemployed in the country runs into lakhs. They are not only frustrated but also disgusted and are taking extreme steps. To bring them into the mainstream, the Government has to come out with a special scheme for them.

This is the need of the hour. This type of alarming situation is prevailing in the country. The Government has to launch a special scheme for the benefit of educated unemployed.

Hon. Prime Minister has made an announcement about the Sixth Pay Commission before the Budget Session. It should be formally announced and the Government should ask the Commission to submit the Report as early as possible. The Government should implement the recommendations of the Sixth Pay Commission for the Central Government employees and the employees of Railways.

I would like to state here that Service Tax has been raised from 10 to 12 per cent. Everybody is agitating against this. Earlier, Service Tax was 10 per cent. Now, the Government has increased it to 12 per cent. This is going to burden the poor people. Earlier, 96 services were kept under this purview. In this year, 15 new services have been included in the Service Tax network. This is quite improper.

There is a proposal to levy Service Tax on credit card, ATM services, air services, hospitals, schools, etc. The Government is passing the burden of Service Tax on the common man, which would result in growth in inflation. The Government is heavily taxing the poor people. If the Government is in need for more money, it should check black money and it should levy tax on luxurious hotels. Instead, the Government is burdening

the poor people with the increase in the Service Tax. This is a great burden on the poor people. Hence, the Government has to reduce the Service Tax from 12 per cent to 10 per cent and exempt ATM services and hospitals from the purview of the Service Tax.

I would also like to urge the Government to withdraw the Service Tax levied on the services rendered by the Company Secretaries and the Chartered Accountants. Earlier, they were not under the purview of the Service Tax. This year, the Government has included them. There are already a number of provisions under the Income-Tax Act and other Acts to penalise them. I would say the Government has committed a mistake here. Advocates and other professionals were exempted from the Service Tax net but Chartered Accountants and Company Secretaries were included. I would urge the Government that they should also be exempted from the purview of the Service Tax net.

The Government has given concessions to the car users and others but it has levied excise duty on umbrella. It is a shameful act. Who would use umbrella? On the one hand, the Government is reducing the taxes on cars; and on the other hand, it levies excise duty on umbrella.  
...(Interruptions)

MD. SALIM (Calcutta-North East): I fully support this.  
...(Interruptions)

MR. SPEAKER: This comment would further enervate him. You need not do this.

Shri Yerrannaidu, you have to conclude now. You have taken three times of your entitlement.

...(Interruptions)

SHRI KINJARAPU YERRANNAIDU: Mr. Finance Minister, I would like to bring it to your notice one of the major and alarming issues reported in the Press. It is about micro finance. Many companies. ... (Interruptions)

MR. DEPUTY SPEAKER: Do not show any papers. You are a senior Member.

...(Interruptions)

SHRI KINJARAPU YERRANNAIDU: In Andhra Pradesh, in the name of micro finance, a large number of companies are taking money from the RBI and in turn they are charging 36 to 50 per cent interest from the people. People are unable to repay the interest on the loans. People are committing suicides and in some cases they are selling their children. This is the fate of the people in Andhra Pradesh. I am sending a letter with the newspaper clipping on the subject to the hon. Minister. I would request the hon. Minister to order an inquiry into the matter and to ensure that those people who are charging 36 to 50 per cent interest are punished. This is an alarming issue which was brought out in the newspaper today. This issue was raised in the Andhra Pradesh Legislative Assembly also. I am concluding my speech with a request to the hon. Minister to reply to the points raised by me.

*[Translation]*

SHRI VIJAY KUMAR KHANDELWAL (Betul): Mr. Speaker, Sir, I am grateful to you for giving me an opportunity to speak on Finance Bill introduced by the hon'ble Minister of Finance. ...*(Interruptions)*

Before speaking anything on Finance Bill, I would like to say that certain provisions of budget towards which Yerrannaidduji drew the attention of the House are very important. The Government talks of the interests of the farmers but there is no special provision in the interests of farmers in the budget. He said that the rate of interest will be reduced to 7 per cent. Barring Nationalised Banks, only co-operative banks which have their infrastructure in rural areas can finance, which in turn, are refinanced by NABARD, as a result the interest rate reaches 11-12% by the time farmers get loan.

At present the Government do not procure goods at support price. It is importing wheat at a rate of Rs. 9/- per kg. and here wheat produced by farmers is not bought even at the rate of Rs. 6.30/- per kg. The Government have not purchased mustard at minimum support price during the last year and whatever was purchased the quantity of the same was not considerable. Replying to my question hon'ble Minister has just said that the Government have started procurement. But hardly 4 or 5 procurement centres have been opened and the rate of oil has not been increased. How is the rate of inflation measured? Tell me the name of even a single thing whose price has come down during the tenure of this Government? The prices of cereals, petrol, fertilizers, LPG

have gone up and if the price of only thing which has come down it is the produce of farmers. Therefore, I would like to draw your attention towards this that Rural Co-operative Societies and Rural Co-operative Finance have been exempted from taxation under section 80(D) but local co-operative Banks have been brought under the purview of tax net. Co-operative Banks are local Banks. Most of the funds provided to them are meant for economic development of local areas. That money is given to farmers and consumers. 40 per cent of the loan is provided to small farmers. Co-operative banks cannot be compared with commercial banks. There are about 1875 Urban Co-operative banks out of which 1200 are small banks and their total deposit amount is less than Rs. 25 crore. They cannot raise money from market too. At present nationalized banks raise money from IPO and share market but even these facilities are not available for co-operative banks. Hardly, revenue of Rs. 400 to 500 crore will accrue by bringing co-operative banks under the purview of taxation. It is not likely to improve the economic condition of small farmers and rural economy. The limited amount of loan provided to them by the bank will be discontinued whereas the commercial banks provide loan to only big industrialists and industrial houses. There are 31 National Co-operative Banks and 364 Districts Banks which provide loan to about one lakh primary agriculture co-operative banks. Therefore, I request the hon'ble Minister of Finance, as other Members have also said, that farmers cannot flourish until they are provided goods at affordable rates and remunerative price for their produce is provided. The GDP will not grow and there will be no progress without this. Only an income of Rs. 450 crore is likely to be earned by imposing taxes on co-operative banks. Therefore I would like to request the hon'ble Minister of Finance not to levy any kind of tax on 31 national cooperative banks and 364 districts banks. Total income from direct taxes will be more than Rs. 4 thousand crore and Rs. 2 thousand crore from indirect taxes.

12.00 hrs.

Mr. Speaker, Sir, there will be no need to levy any kind of taxes if the Government rectifies the administration of taxes being levied in the country. Even today when any VDS scheme is introduced, people declare crores of rupees. This is because income taxpayers are nervous to visit income tax office because they are questioned in such a way as if they had committed some offence. Hence public relationship of the officers of bank should be good. Information sought by the people should be



[Shri Vijay Kumar Khandelwal]

provided to them. Attempt should be made to realize the taxes worth Rs. 60-70 thousand crore outstanding against Big Industrial Houses.

Sir, the Government has set up tribunals for the disposal of cases related to nationalized banks but that opposite thing is taking place in the Income Tax Department. The decision given by the officers on appeal are invariably challenged by the Department in the Tribunal. Therefore, recovery is not being made in lakhs of cases because the cases are pending in the tribunal. My request is that this period should be short and there should be fair process of recovery. The officers of Income Tax Department should behave in polished manner with the consumers and income tax payers. A man wants peace. People do not care for money. He is ready to buy peace if it can be. But people do not pay income tax because administration is not good. So the administration of income tax should be set right.

Mr. Speaker, Sir, I know that there is paucity of time. So instead of going into the details of Finance Bill I would like to conclude after elaborating on two-three points related to direct taxes. As per the news item published in newspapers one million duplicate permanent account numbers (PAN) have been issued. the people use PAN for various purposes. Regarding this a good provision has been made that people will be required to get PAN if they carry out any big transaction and if he does not get PAN himself he will be compelled to get the same. I also request that it may also be ensured that people get PAN in a proper manner. Even today lakhs of people do not have PAN.

Sir, traders get rebate in income tax up to a certain amount out of the amount spent by them. Income tax rebate is also available to some extent on the amount spent on repairing of houses. Last year Hon'ble Minister of Finance had announced that he was increasing the limit of minimum taxable income, slab. That is why he withdrew the standard deduction for salaried employees who earn honestly. I request that standard deduction should be available as earlier. You may put some restriction on this. For example, it may be provided that salaried employees with Rs. 4 to 5 lakh annual income will not get standard deduction. But it should be available for small employees who have to suffer most in today's soaring prices.

Sir, women below 65 years of age used to get rebate of Rs. 5 thousand in income tax whereas senior citizens

get rebate up to Rs. 20 thousand in the income tax year 2005-06. But at present the rate of interest has been reduced. Where will people deposit their money? As a result senior citizens are facing difficulty in meeting their both ends. The limit of taxable income for woman has been fixed at Rs. 1 lakh 45 thousand and for senior citizens at Rs. 1 lakh 85 thousand in the income tax year 2006-07. Thus woman will get rebate of Rs. 3500/- only while senior citizens will get rebate upto Rs. 12 thousand. I request to you to provide same rebate to above categories like last year. Similarly the rate of interest when the assessee is a defaulter. ...*(Interruptions)*

*[English]*

MR. SPEAKER: There are many other hon'ble Members of your Party who wish to speak.

SHRI VIJAY KUMAR KHANDELWAL: Sir, I would just like to raise two or three points.

*[Translation]*

When the assessee is a defaulter he has to pay a separate rate of interest on his income for that whereas the rate of interest paid by the Department is 0.67% and that too is taxable. Therefore, both should either be tax free or taxable. Arrangement be made to ensure that people who deposit their money get back in time. Hence the rate of interest be simplified.

Under cash payment section 40(A)(C) cash payment for the amount above Rs. 20 thousand was not allowed for several years. Similarly under section 269(S)(S) nobody could get loan amount above Rs. 20 thousand in cash. ...*(Interruptions)*

*[English]*

MR. SPEAKER: Please cooperate.

*[Translation]*

SHRI VIJAY KUMAR KHANDELWAL: Prices have gone up considerably, therefore this limit should be increased up to Rs. 50 thousand. A big issue relates to the registration of land. At present registration is done at a rate. ...*(Interruptions)*

*[English]*

MR. SPEAKER: You just mention the points without elaborating them.

SHRI VIJAY KUMAR KHANDELWAL: Sir, I would mention only three more points.

[*Translation*]

When the rate of registration is fixed by the Government. If there is a piece of land at Kalbadevi in Mumbai the rate fixed by the Government is rupees one crore. But if the piece of land is not in possession it would be sold at Rs. 1 lakh only. Hence a provision is made in 50(C) that the Government will take capital gains tax on the basis of Government rate, on the amount the land is sold. The actual cost would not be realized, the price will be low and it was said. ...(*Interruptions*)

MR. SPEAKER: There is no need of details. If you have written speech you should table it.

SHRI VIJAY KUMAR KHANDELWAL: I have nothing in black and white. I have only points.

Therefore, capital gains tax should be calculated on the basis of actual registration. The court fee is a separate thing. The two per cent increase in service tax is likely to affect consumers. You have added 15 service tax heads, it has been increased up to 96 and the figure provided is Rs. 23 thousand crore from Rs. 17 thousand crore, estimate for the next year is Rs. 34 thousand crore, you can realize the entire amount from service tax. In various businesses TDS is carried out taking deemed income as your income and deemed income is taxed at the rate of 10% but the rate of TDS is not as much. I would like to conclude by saying one thing. The previous Government. ...(*Interruptions*)

[*English*]

MR. SPEAKER: Every point is your last point. Every time you are elaborating the last point.

[*Translation*]

SHRI VIJAY KUMAR KHANDELWAL: If you permit I will make it everlast one. It is for all, not only for me. I want to say only one thing that recommendations contained in the report of Kelkar Committee on tax reforms constituted by the Government have not been implemented till date. The recommendations in the report of Kelkar Committee be implemented.

[*English*]

MR. SPEAKER: I will have to deny chance to the other Members of your party. You have taken a very long time. Choudhary Lal Singh.

[*Translation*]

CHAUDHARY LAL SINGH (Udhampur): Sir, I rise to support the bill with your permission and I would like to make some suggestions.

The purpose of the Government is to impose tax and to provide funds to the states. The aim behind it is to provide qualitative education and to provide qualitative health service. The question here is to see whether we are providing to or not and to find out as to what are shortcomings in it.

I want to say that doctors appointed in the health department are never willing go to villages. Nobody is willing to provide service to the villages today. All of them want to live in towns and go on taking allowances, benefits and education also.

They neither get allowances in villages nor do they get other benefits. I want to say that a hard area allowance be provided to the doctors working in villages. If you give it in the name of hard area allowances, the people will certainly go there. A law be framed and provision be made in it that the people, particularly the doctors, who will serve there, will have to stay there for a certain period. Today, the practice is that doctors do government services and also run private clinics. They run their private clinics in medicine shop. They take fees from the patients and provide them sub-standard medicine. They also take money from that chemist in the evening. I request the hon. Minister to provide hard allowance so that the people in villages may get good quality medicine.

Mr. Speaker, Sir, our present education system is not proper. Both private and government schools are being run today but the condition of schools in villages are not good. You are talking of Sarva Siksha Abhiyan, there are only one room and two teachers in villages of five classes. There is no justice to the children in villages. Those two teachers take classes turn-wise. One teacher comes to school one day and the next the next day. I am talking practically. How will the children get qualitative education from this? The condition of middle and higher secondary schools are the same. You are providing facilities to the students studying in lower classes. I request to provide facilities to the students studying in upper classes also. The education loan being provided by you should be interest free so that the children may make progress. Please view agriculture and industry separately. I want to inform you about industry in Jammu

[Chaudhary Lal Singh]

and Kashmir. The people setting up industries there got subsidy in all-sales tax, toll tax, excise tax carriage tax etc. But after some time they closed the industry and fled. Industries are being set up there daily and are being closed daily. It appears from a distance that a lot of industries are being run but if seen practically all of them have been closed. Only fraud is being committed there. Similarly, the farmers can neither leave their land nor can they leave land lordship. He earns his livelihood from the land owned by him. Water is not available to that farmer for irrigating his garden. Those farmers are looking to the government. There are 65% such farmers in our country who do not have water to irrigate their field. The irrigation policy framed by you has been announced several times before, but nothing. Concrete takes place at ground level. I want to state to the Minister that every state, every area has a separate climate, separate environment. They have separate requirements. If some law is formulated, the concessions, funds provided to them under that law are equal. As it has been said many times before that—"Andher nagari chaupat Raja, Taka ser Bhaji, taka ser Khaja.". Therefore, it must be examined as to who needs what? There is horticulture in Jammu-Kashmir. Fruits like apple, pear etc. are grown in abundance there. Those people have competition with Canada, China and Australia. They prepare packets/bags of fruits at the rate of 16 rupees per packet/bag. There are sweet fruits in the upper most layer of the packet, below that is sour fruits and there are rotten fruits in the lowest layer. How can the farmers of our country compete with the farmers of other country in such a way? I would like to request Mr. Minister that you should pay special attention towards this as these farmers do not have any industry of their own there to utilize the fruits of 'B' and 'C' grade.

Tomatoes were getting rotten in a state some days before. There was no one to pick them up. I mean to say that proper market is not being provided for the development of this industry and particularly for the farmers. I want to draw your attention towards one more thing that there are tourist sites/places in our state. I mean to say that it be provided concession.

I would like to draw your attention towards one more thing. See the soaring price of flour. We have provided tax relief on cars so that middle class may purchase cars. The price of the same car was hiked in February which was to be purchased by middle class and now you have provided a tax relief on the same car and the

people selling car took benefit. Our government provided relief with the view that middle class could purchase car. The price of flour which is purchased by all and industry, has increased to Rs. 14-15 per kg. The problems being faced by the poor is increasing day by day. The prices of ration for them is increasing. What has been done for them in this budget now?

[English]

MR. SPEAKER: I am sure the hon. Finance Minister will reply to these points.

[Translation]

CHAUDHARY LAL SINGH: I request the Hon'ble Minister that at first, he should think of eradicating poverty. There are such departments to which you go on providing funds. See Air India, see Jet Airways, where has it gone today, where has the Sahara gone today and where has Spice gone today. ...*(Interruptions)*

[English]

MR. SPEAKER: This discussion is not on airlines.

[Translation]

CHAUDHARY LAL SINGH: Sir, but we have less infrastructure in the country. The price of flour is rising day-by-day. You provide fund to telecommunication but they always increase their rate and also see with whom they are competing. Please see where Airtel has gone? For what purpose you are providing funds to them? Sir, my last point is. ...*(Interruptions)*

MR. SPEAKER: You speak last-last every time.

CHAUDHARY LAL SINGH: I mean to say that... in my own area, in my state. ...*(Interruptions)*

[English]

MR. SPEAKER: You have not spoken one word on the Finance Bill.

[Translation]

CHAUDHARY LAL SINGH: Sir, if I am criticizing, I am doing, so for the sake of unity only. ...*(Interruptions)*

[*English*]

MR. SPEAKER: You should at least say whether you are supporting or opposing the Finance Bill.

[*Translation*]

CHAUDHARY LAL SINGH: Sir, I am supporting. Sir, there is a department, which is not audited. ...(*Interruptions*) Please note that billions of rupees are spent on that, please pay your attention to that.

At last, I thank you for giving me time to speak.

MR. SPEAKER: I do not know whether in future we should at all discuss the Finance Bill or not.

[*Translation*]

SHRI MITRASEN YADAV (Faizabad): Mr. Speaker, Sir, I thank you for giving me an opportunity to speak on the Finance Bill for the year 2006-07. Time is short, hence I would make only a few important points. I would like to bring to the notice of the Hon. Finance Minister that there is big financial indiscipline in the funds allocated under various heads by the Union Government. I would like to request the hon. Minister that an evaluation of the expenditure incurred under the budget provisions by the State Governments should be undertaken from time to time because such funds are often diverted by states for other purposes, be it the funds meant for BPL population or for the welfare of labourers. Though there are prescribed guidelines for the utilization of funds allocated by the Government under different schemes and the government also wishes to benefit the poor and the rural people. Yet the funds for such schemes are not being utilized in accordance with these guidelines. Therefore, there is a need to pay attention to this irregularity.

Secondly, branches of all the banks in the country do not operate in the rural areas. Only rural banks operate in such areas. The employees of such banks do not enjoy the same facilities and rights as are available to the employees of other banks. Therefore, the rural banks are not able to provide top notch services to the rural people. Hence, I would like to request the hon. Minister that rural banks should be provided with the same facilities as have been provided to other banks.

Sir, at times it has been seen that the Government does not give due consideration to the needs of its

employees till the said Union and the State Government employees do not take to the streets in protest to raise the matter of their pay, allowances and dearness allowances. You may have noticed that the Central Government employees also have to resort to strikes to draw the attention of the government towards their demands. There is a constitutional provisions for the constitution of a pay commission to carry out revision of the salary structure of government employees and if it is not done that shows the weakness of our financial system. Similarly, side by side, raise in the salaries of the Hon. Members of Parliament should also be effected.

Sir, the Committee for determination of prices of agricultural produce consists of Members who have nothing to do with agriculture, who have never even touched soil. Such people can have no idea of the cost of farming, production cost of various crops or the measures that are required to make farming remunerative. Since the farmers are not able to recover the money they invest in farming, the contribution of agriculture towards the gross product is not increasing as per requirement. The cost of agricultural production derived from the cost of farming in government farms and farms of agricultural universities should be taken as the basis for determining the cost of production of the farmers. This is the biggest need of the hour because the objective behind granting the status of industry to agriculture is that the financial facilities granted to industries should also be extended to the farmers. If it is done, the farmers would surely be able to increase their production and would be able to bring about prosperity for the country. Thereby they would also be able to contribute towards a substantial increase in the gross product of the country.

Sir, the Advisors working in the Planning Commission should be granted constitutional rights. Often it seems that the role of the Planning Commission is limited to that of being a Consultative Committee for the Government and some times its recommendations are ignored. It is my suggestion that the government should accord constitutional status to the Finance Commission and it should be made mandatory for the Government to accept its advice.

Sir, the State Governments delay the implementation of the schemes formulated for the development of the rural zones and the benefits of such schemes often do not reach the farmers. Similarly, the farmers face great difficulties in fulfilling the formalities that are needed to be completed before they can avail of the services offered

[Shri Mitrasen Yadav]

by the banks. Farmers get loan easily only when they have some property that they can offer as security. Therefore, in the implementation of developmental schemes meant for the poor, the condition of security for the loan should be relaxed so that landless and poor section of the rural people may also be able to avail of such facilities and get an opportunity to start their own business. The Hon. Finance Minister should think over it also.

Sir, I would also like to say that there is no uniformity among the different states of the country over the Value Added Tax introduced by the Union Government. VAT has not yet been introduced in some of the states. It is necessary to implement VAT because the buyer would be benefited by it, it would help put a check on malpractices and block money. Hence, efforts should be made to implement it uniformly in all the States. This should be done in consultation with the State Governments.

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Speaker, Sir, I would like to remind the Hon. Minister that although his election symbol is a hand, yet he has imposed taxes on hand made goods. This is not an exaggeration. He has imposed tax on walking sticks and spectacles. Both of us use spectacles and yet he has put it under the tax net. If the spectacles break, getting it repaired would also attract tax. Similarly, he has also imposed tax on umbrellas which is an item of common use and it is indispensable during the rains. He has taxed all the essential commodities. Therefore, it is necessary for the hon. Minister to reconsider all those tax proposals.

Mr. Speaker, Sir, keeping in view the time limit I would make my submission in brief. The Hon. Minister has brought washing soaps, under tax net which come under the category of cottage industries. Detergent soaps are part of the cottage industry and people running this industry are generally uneducated laymen. They cannot keep complex accounts regarding production. Besides, hand-made detergents industry is an employment generating industry. Lakhs of workers would be rendered jobless if imposition of excise duty leads to an increased use of machines for production. Therefore, I would like to request the Hon. Minister to withdraw the 16 per cent excise duty imposed on detergent soaps.

The Hon. Minister has imposed tax on paper as well. The receipt books etc. made expressly for use during Deepawali remain unsold after the festival is over but

these have also been taxed. Excise duty at the rate of eight per cent has been imposed on Stationery items made of paper such as diaries, registers, account books, file folders, receipt books, book covers, order books, blotting paper etc. under sub-heading 4820 and 4821 of chapter 48. All these items are made entirely by hand and no machines are used for this purpose. This is basically printing and book binding activity. This activity comes under the unorganized cottage and small scale industries sector. Hence, if they are forced to keep accounts, men and women involved in this industry would be affected adversely. These small entrepreneurs and factories have neither the ability nor the staff required to keep the intricate accounts needed for calculation of excise duty. Therefore, the Finance Minister is requested to withdraw the eight per cent tax imposed on the stationery items made from paper. Apart from this, I would like to request that there is an exemption of rupees one crore on the production of these goods, but this exemption is useless and these industries are unable to avail of these exemptions because all producers manufacture and supply goods under the brand name of various businessman and shopkeepers. By virtue of being branded goods, their producers automatically do not come under the purview of rupees one crore exemption. This is because levying excise duty starts from the first rupee spent on manufacturing branded goods. ...*(Interruptions)*

*[English]*

MR. SPEAKER: Many informal discussions are taking place in the House. Please keep silence.

*[Translation]*

SHRI GIRDHARI LAL BHARGAVA: On the one hand there is eight per cent excise duty on the goods made of paper under the sub heading 4820, there is no excise duty on goods made of paper such as paper envelopes and other goods under sub heading 4817 on the other.

There is so much contradiction in these rules that on the one hand government is not going to get excise duty on items the difficulties of small entrepreneurs have increased manifold. Certain goods as diaries are seasonal goods and they are sold only in the month of December and after the month of January such productions are treated as scrap. Similarly there are account books. These are also seasonal goods and remain in demand only in the first month of new financial year i.e. April. Hence there is no rationale of levying excise duty on such petty

goods. You are a good Minister and understand such things very well. Therefore, earlier exemption be restored by doing away with the excise duty on stationery items made of paper under 4820-4821 so that cottage and small industries may get a new lease of life.

I called upon Shri Jaswant Singh when he was Minister of Finance and other Ministers of Finance and requested them to restore this exemption as it was not proper to levy excise duty on these goods.

So far as housing loan is concerned, the rebate under section 24 of Income Tax Act is up to Rs. One and half lakh and it has been available over the years. But due to unprecedented hike in the prices of houses the limit of this rebate should be increased up to rupees two and half lakh from rupees one and half lakh. Hon'ble Minister of Finance should increase the limit of rebate up to rupees two and half lakh for those people who raise loan from banks.

The same holds good for tax on donations. Hon'ble Minister of Finance knows well that India is a country of many religions. There is a tradition to donate to all the religions of our country. Earlier all such cash donations were totally tax free. For example the amount of donation dropped in the donation box. But in the present budget proposal the above rebate on the amount of donation has been discontinued. Therefore, from now onwards the amount of donations will be taxed at the rate of 30%. My humble request to you is to do away with this tax and rebate restored in income tax.

The contribution of Mehndi is 7.0% in the production of country. Women of our country use Mehndi in their hairs. It is not a part of agriculture and farmer oriented product but also provides employment in the form of cottage industry to several poor families.

Nothing has been done to simplify the method of filing income tax return. The scope of service tax has been increased from 10 per cent to 20 per cent. The employees of State and Central Government are aggrieved regarding the constitutions of pay commission. Government has the right to constitute pay commission, and demand for the same should be accepted immediately and salary and benefits of hon'ble Members be linked with the recommendations of pay commission. I am demanding for more money because the salary we get is spent on the hospitality of guests and how can we meet our other expenses. And people say that now-a-days.

Parliamentarians have turned dishonest and they need to be suspended later, so please understand our helplessness. Therefore, please understand our helplessness and constitute pay commission so that we can welcome our guests and also hon. Members. The rate of interest of rural banks is high. The rate of interest on agricultural loans be reduced to 4 per cent. The subsidy on purchasing tractors be increased.

Rajasthan particularly Kishangarh is famous for marble mining, world over. About 90% of total marble mining is done in Rajasthan. The Central excise duty levied on it is impractical. The new provision incorporated regarding production process of marble be done away with. The earlier provisions should be restored. This is the demand of the people of Rajasthan. The marble statues of Jaipur and Kishangarh and of Madam's constituency are famous. You should also think about it.

Hon'ble Minister of Finance has reduced the excise duty of polysters yarns to 8% from 16%. Congratulations for this but it is an injustice to small scale industries. There is 16% duty on the raw material for small scale industries make yarn from polyster chips whereas large scale industries make yarn from direct process and they have to pay just 8% duty on finished products. The small scale industry, which provides employment to lakhs of people, will cease to exist as a result of such discrepancy. Government always provides priority and certain concessions to small scale industries and this is the reason why I have introduced an amendment. If you want I shall read out my amendment now or later. UPA is a hotch potch government, you ousted us but employees are aggrieved. The government should have taken the decision to increase the rate for these aggrieved employees but it did not do it. The kind of arrangement I like is given in this chart. Where the total income does not exceed Rs. 1,50,000 it is nil. From 1 lakh fifty thousand to two lakh—10% of the amount by which the total income exceeds Rs. 1,50,000. Whose total income is between rupees two lakh to two and half lakh it should be Rs. 5,000 for them. Rebates is required to be given to the widows and women. All these are mentioned in my proposed amendment. This is certainly in the interest of employees and also in your interest because you are also a Member of the House. You might have been thinking and Bhabhiji also must be wanting to get your salary increased this time. Therefore, on behalf of Bhabhiji. I request you and hope that you will certainly constitute the pay commission at the earliest. If it is constituted it will be good for you and also for Bhabhiji.

[Shri Girdhari Lal Bhargava]

You have imposed tax on mehndi, please consider to withdraw it. There are several small things. For example, when man gets older he walks with the help of a stick, but you levied tax on stick which is the support of old age. You have also levied tax on spectacles on the frame of spectacles. You will certainly reconsider it. ...*(Interruptions)* And you will also consider to withdraw the taxes levied. ...*(Interruptions)* I am not talking to you, why are you interrupting? I am getting your salary increased, for this thank me. Since several announcements have been made through notifications, for that I am giving motion for modification of relevant notification.

[English]

MR. SPEAKER: I compliment you that except two matters, you have spoken only on the Finance Bill.

[Translation]

SHRI GIRDHARI LAL BHARGAVA: Mr. Speaker, Sir, I am grateful to you as you gave me an opportunity to speak.

[English]

SHRI NAVEEN JINDAL (Kurukshetra): Mr. Speaker, Sir, at the outset, I would like to thank you for giving me this opportunity to speak on the Finance Bill.

Sir, I rise to support the Finance Bill. I would like to extend my heartiest congratulations to the hon. Finance Minister for presenting a growth-oriented, outstanding Budget. By following the prudent financial practices, the hon. Finance Minister has been able to achieve financial consolidation by reducing the revenue deficit to 2.6 per cent which was originally expected to be 2.7 per cent, fiscal deficit to 4.1 per cent which was expected to be 4.3 per cent. The hon. Finance Minister has targeted further reduction in the revenue deficit to 2.1 per cent of GDP and the fiscal deficit to 3.8 per cent of the GDP in the year 2006-07. The hon. Finance Minister has successfully managed to increase the collection of Gross Tax Revenue from 9.8 per cent of GDP in 2004-05 to 10.5 per cent in 2005-06 and further targeted this to be 11.3 per cent of GDP in the year 2006-07. This has become possible due to the reforms-oriented tax policies and better implementation of tax laws. The robust economic policies followed by the UPA Government helped in achieving the GDP growth of 8.1 per cent in 2005-06.

The Indian economy continues to show buoyancy backed by strong economic growth accompanied by an even better growth in the service sector. However, to ensure maintenance of buoyancy in economic growth, it is important to maintain liquidity in the finance market and availability of funds at competitive rates to the industry.

The growth of agriculture in the last decade has been rather low. It has suffered from severe drought conditions or excessive rainfall causing floods. Non-availability of credit was a severe problem. But, Sir, our Government has continuously increased by credit to the agricultural sector. Now, the hon. Finance Minister has provided in the Budget to give farm credit to the farmers at a lower rate of interest of 7 per cent on the principal amount of up to Rs. 3 lakh which is a very welcome step. However, there is need that the banks actually ensure that this credit reaches farmers.

The hon. Prime Minister has raised the bar on GDP growth from 8 per cent to 10 per cent. It is possible to achieve this target only when there is substantial growth in agriculture of more than 4 per cent.

The hon. Finance Minister has given a major boost to tax nationalisation by proposing the time-line of April 1, 2010 as the date for the introduction of Goods and Services Tax, the GST. The GST would be the convergence of various taxes prevailing in India. It would help commerce and industry. It would reduce time and cost and also help in keeping track of multiple taxes.

This will help in submission of returns, assessments and also in dealing with inspectors of various departments. This will also help the Government in enhancing collection and reduction of administrative costs. I would really like to congratulate the hon. Finance Minister for proposing to introduce the GST in 2010. In fact, I would request him that he should even try to do it earlier, earlier the better.

Sir, I would also like to congratulate the hon. Finance Minister for the introduction of Outcome and Performance Budget. Presentation of the Outcome Budget by each Ministry would bring in efficiency and transparency in spending of various Government departments and improve the delivery mechanism. Till now, we have only been talking about how much expenditure is being incurred by various Ministries, but we do not know what is the actual performance and what is the outcome of the expenditure

incurred. Now with the introduction of this Budget, we will not only go towards quantitative norms but also see qualitative norms as to how we are going to improve the delivery mechanism.

Sir, with the pragmatic economic policies followed by the UPA Government, the country is now expecting to achieve a GDP growth of 10 per cent and above. To achieve and sustain this growth, infrastructure in the country is required to be given a big push and our Government is doing that. Ports and airports are required to be upgraded. Road network is being strengthened and new roads are being added. Rail network is being expanded. I would like to submit that a lot of public-private partnership is required to achieve this objective.

Sir, availability of power is very important to ensure the GDP growth rate of 10 per cent. The Ministry of Power is giving a big boost to enhance power generation by proposing to set up ultra mega power projects of 4,000 megawatt each. Since these projects are not going to come up till 2010, I would like to request the hon. Finance Minister to extend the benefit under Section 81A of the Income Tax Act, which is presently available only up to 31<sup>st</sup> March, 2010, till 2012.

Sir, even though I compliment the hon. Finance Minister for presenting an outstanding Budget, I would like to draw his attention towards sports. We all have seen as to how our country is performing in the Commonwealth Games being held at Melbourne. Our shooters have brought laurels to our country, but it is disheartening to note that the amount of allocation for sports in the Budget is very low. In fact, if we take out the allocation of Rs. 150 crore given for the Commonwealth Games which India would be hosting in 2010, the outlay for sports has come down. Even though there is corporate sponsorship of sports in our country, about 95 per cent of all corporate sponsorship is cornered by cricket in this country and very little is left for the Olympic sports. Olympic sports are played by more than 200 countries in the world whereas cricket is being played only by less than 10 countries in the world. I would really request the hon. Finance Minister to increase the allocation for sports.

Last time, I had requested for some kind of tax exemption to be given to corporates who are engaged in promoting all Olympic sport. Presently 100 per cent tax exemption is given for any company engaged in promoting for sponsoring of Olympic sports. I would request that

this limit should be increased from 100 per cent to 150 per cent so that more and more companies would come forward to sponsor Olympic sports. If they see a talented tennis player or a hockey player or a shooter, they would then come forward and sponsor him. As a result, they would save 50 per cent on taxation and 50 per cent would be their contribution. So, they would be making an equal contribution which would definitely help sports in the country.

Sir, China spends almost \$70 million for getting an Olympic Gold Medal and they got more than 32 Gold Medals in the last Olympics whereas we only got one Silver Medal. We should have been preparing for 2012 Olympics and 2016 Olympics, but we are not even preparing well for the 2008 Beijing Olympics. Every time after the Olympics, we always wonder as to what had happened and what needs to be done, but we do very little. So, we are already quite late and we need to do a lot more to improve sports in our country. I feel it is very important that we should allocate more money towards promotion of sports and we should prepare well for getting more and more medals in future Olympics so that we feel proud of our country. Sir, I would really request the hon. Finance Minister to do a lot more about sports.

Sir, I would like to bring one other point to the notice of the hon. Finance Minister that he should remove the anomalies in the excise and customs duties structure for polymer chips to manufacture polyester POY. The excise duty on polyester POY has been reduced to 8 per cent, whereas the excise duty on its raw material, polyester chips still remains at 16 per cent. As a result they are incurring huge losses and they are not able to take the value added credit. I would request the hon. Finance Minister that both the duty structures, on polyester chips, raw materials and the polyester POY, should be kept at the same level. It should both be either at 8 per cent or 16 per cent, so that they are able to avail the benefit.

Sir, I once again congratulate the hon. Finance Minister for presentation of a growth oriented Budget and the major directions given to the country in the form of introduction of GST and to bring maximum accountability and enhance efficiency, transparency through the Performance and Outcome Budget.

*[Translation]*

SHRI AFZAL ANSARI (Gazipur): Mr. Speaker, Sir, I thank you for providing me an opportunity to participate



[Shri Afzal Ansari]

in the discussion on Finance Bill 2006-07. Through you, I want to make some suggestions to the hon. Minister. When the new year ushers in and discussion on budget starts in the country then it is hoped that in the forthcoming budget required means will be achieved and country will develop and progress on one hand, while the public will be freed from burden on the other. But, unfortunately in this budget, many points of which have been discussed by my colleagues and I also want to say one thing in particular that a new burden has been imposed by increasing the service tax. The poor people in the country will have to face a lot of difficulties because of this. First of all, the service tax was started by the Atal Bihari Vajpayee Government at the rate of 5% which was raised to 8% later. After that, in the year 2004 when hon. Shri Manmohan Singh's Government was formed, then it was raised from 8% to 10%. Last year, hon. Chidambaram ji had presented his budget which did not increase the rate but ten new services were included within its ambit. At that time, it was said that service providers were exempted from it upto the limit of four lakh rupees as a result of which 80% people will remain exempted from it. But the strange thing this year is that while 15 new services have been included on one hand, the tax burden has been increased to 12% from 10% on the other. The target for this year through this is Rs. 34,500 crore in comparison to last year's Rs. 17,500 crore. Looking at this, it appears that somewhere at some point the people of the weaker sections will have to bear a heavy loss through this burden. Many such services have been included in it which were never covered under it earlier whether it is advertising our anonymous donation. This is beyond comprehension.

Through you, I want to say that the inclusion of the co-operative banks in it will result in an adverse impact on the farmers and workers living in the rural areas in particular. While on one hand the Government claims to be the protector of the interest of the workers, on the other imposition of such taxes on the workers in the organized sector who have uncertain future in this country by the Government is an effort to weaken them. A provision has been made in the budget for increasing the pension of Rs. 75 for senior citizens. The Minister has increased it to Rs. 400 by taking Rs. 200 from the Central Government and Rs. 200 from the State Government, which is appreciable. But, it should have also been included in it that the age limit for senior citizens be lowered to 60 years from 65 years and even in that the age limit for women be fixed at 55 years.

Mr. Speaker, Sir, I would like to say that the Finance Minister has not done as much as was required for the protection of the interests of the farmers in regard to the provisions made for them. I have no hesitation to tell the truth that even after sixty years of independence 75% people in the country do not even understand the meaning of the budget and they also do not have any idea of any benefit or loss that will accrue to them through the budget. We prepare budget here, present it in the House, discuss it and then pass it. But, 75% population of the country living in the rural areas does not even understand its meaning. It is unfortunate that the interest of only those 25% people who understand the meaning of budget have been kept in mind and efforts have been made to appease those people only.

The farmers in the country are in a deep crisis today. The cooperative banks from where the farmers used to take loan have been included within the ambit of taxation. The farmers used to take loans from these banks to purchase seeds, fertilizers, tractor and other equipments required for their fields. But now these banks will also have to pay tax. This morning, I was reading a statement in which the Finance Minister had said that he would provide loans to the farmers at 7% rate of interest. I request him to reconsider it. The hon. Members sitting here must have observed in their areas that a farmer who purchases a tractor on loan for cultivating his fields but after some time when he is not able to repay his loan then he loses not only his fields but also the tractor and even after that, he is not able to come out of debt trap. I want to say that providing loans to the farmers at the 7% rate of interest is not sufficient. If the Government cannot give subsidy to a farmer willing to purchase a tractor then, he should at least be made debt free and tractors and other resources should be provided to the farmers under the debt free system.

Mr. Speaker, Sir, the point that the Government has given the guarantee of providing 100 days employment to the poor in the rural areas was put across in an impressive manner. The Central Government has given the guarantee of providing 100 days employment to one member each in a family. I want to say that the Government may have made a provision of providing employment for 100 days but it is being seen in the country that a parallel system of depriving people of employment they used to get in the rural areas is also running. Earlier the workers used to sow paddy and wheat in the fields in villages and reap them. They had to do

many other tasks besides reaping but now very huge machines are doing that. Here I would particularly like to mention about harvesters. If we look around we can see that harvesters are now present everywhere through which reaping work is being done and because of this workers are not getting any work. It has been mentioned that one member each in a family in rural areas will be given 100 days employment. Earlier, members of every family used to make their ends meet by getting employment and even unorganized workers used to get employment. Not only that, they used to get work for more than 100 days too but now they have been deprived of it because of harvesters. I request the Finance Minister that the Government should take care of the interests of the rural workers who are being overlooked.

Mr. Speaker, Sir, I would conclude by saying one thing in the end as I am getting signals for this from your side. The situation of the farmers in this country is very strange. Often it is seen that there is no maintenance of all the irrigation resources in the country provided by the Government for the farmers and also no new resources have been provided. Besides, neither any new project has been prepared nor any borewell or new canals are being constructed. Even if a new canal is constructed, it remains limited to 2-4 districts only. There are conflicts on water management of the canals. One state has conflict with other state. The farmer has reached the stage of devastation. There is tremendous lack of means of irrigation particularly in Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan. I request the Finance Minister that a provision in the budget should be made for development of irrigation resources in these areas.

With these words, supporting the Finance Bill, I thank you for giving me time to speak.

PROF. RASA SINGH RAWAT (Ajmer): Mr. Speaker, Sir, there is an oft quoted slogan of the Congress "Congress ka hath, Garib ke sath" but it seems that the hon. Finance Minister has been very clear in the present budget to create more difficulties for the poor than extending a helping hand to them.

Sir, the hon. Finance Minister has increased the rate of service tax from 10% to 12%. This service tax is this way or the other, bound to be borne by the consumers as the service tax payers are going to charge the consumer on this account too. This is certain to affect price rise. Today, everything, be it wheat, flour, diesel, petrol, steel or iron is costly in the market. Nobody is

spared from price rise. While presenting the budget, the hon. Finance Minister got all praise and said that the market rates were to change but today the rates of commodities are sky rocketing. It seems that tax on idli and dosa has been reduced, may be the people from South India are praising the Finance Minister for that and they may feel relieved but the poor people in the rest of the country do not live on idli-dosa, ice creams and cold drinks on which he has tried to reduce tax.

Mr. Speaker, Sir, in this budget, tax has been imposed on sticks, umbrellas, soaps etc. Poor people make soap in cottage industries. All these items have been taxed. This is going to increase the burden on the poor as the poor, shepherds and herdsmen, young or old men who go to market, all use umbrella and tax has been imposed on umbrellas too. I urge the hon. Finance Minister that tax imposed on small items like umbrella, stick, soap etc. be rolled back and an announcement to this effect be made during his reply to this debate.

13.00 hrs.

The people will feel relieved a lot with this.

Sir, marble industry is one of the main industries in Rajasthan supporting a lot of lives. The state is facing famine for the five consecutive years. Mining and marble industry is the one which provides job opportunities to the labourers even during famine time. Kishangarh is the biggest marble *mundi* which falls in my constituency. It caters to the needs of the entire country. You have imposed excise duty on marble as a result of which foreign blocks will enter the country and beat the Indian marble. This is likely to have adverse effect on the domestic stone industry including the marble cutting machines in Rajasmand, Chittaur and Ajmer etc. in Rajasthan which, I fear, may have to close down. This is likely to have great impact on marble industry.

Sir, through you, I would like to urge the Government Soniaji and Chidambaram Saheb, who are present here. I want them to take steps to save the marble and mining industry in Rajasthan. This industry is already going through the phase of low production and to add to the woes, excise duty has been on it. This industry was exempted from excise duty and was put under the category of small and cottage industries. Therefore, please exempt marble industry from excise duty.

Sir, some states have introduced VAT while some have not. After the assurance of the Finance Minister ,

[Prof. Raza Singh Rawat]

all the States are introducing VAT. You have given an assurance that if at all, there is any shortfall in sales tax or other taxes, the Central government would compensate the same. These states are going to introduce VAT with effect from 1st April but the hon. Finance Minister has not uttered even a word of assurance for these states. The Committee of Finance Minister had also suggested that the loss suffered by the states due to introduction of VAT should be compensated by the Central Government. Rajasthan and Madhya Pradesh are also going to introduce VAT. It is requested that all possible concessions be provided to the states which are going to introduce VAT from 1st April.

Sir, on the income tax, I would like to say that even an ordinary employee in the country earns an annual income of rupees one lakh. We all were very optimistic in this regard that the limit for income tax would be extended this year but it has been kept unchanged. I think that if limit of personal income tax is extended to rupees two lakh, it will benefit the service class a lot.  
...(Interruptions)

Sir, in order to save the domestic marble industry, the Government should adopt such measures that marble is not imported from other countries. I am sorry, I am going to refer to Italy but I do not mean anything otherwise. I have come to know that the Minister of Commerce is trying to import marble blocks from Italy. Maximum taxes should be imposed on such imports in order to discourage the same so that our domestic marble industry can grow.

I want to draw the attention of the Government towards one more point. We all use paper and paper products like diaries, letter pads etc. Eight per cent excise duty on register, diary, file folder, receipt book etc. has been imposed which will have adverse effect on cottage and small scale industries. At a time when we are set to achieve complete literacy and incurring crores of rupees through the programmes like 'Sarva Shiksha Abhiyan' then even rural people are going to use paper and paper products like diary, receipt book etc. But rise in prices of such items is going to have adverse effect on paper related cottage industries. I demand from the Government that whatever taxes have been imposed on and whatever concessions have been withdrawn from these industries should be reversed so that the items like register, account book, note book, order book, receipt book, letter pad, diary, blotting paid, binder folder, file, manifold business form, album for sample book, over are made cheaper and cottage industries are promoted.

Sir, poor rural people depend on cooperative banks for their financial needs for marriage, death, agriculture etc. and cooperative banks have also been brought under tax net. The Government has declared that it is free from the agricultural purpose but who is there to ensure this? Rural banks charge higher interest rates therefore, cooperative banks should be exempted from income tax.

Mr. Speaker, Sir, I am thankful to you for giving me time to speak.

MR. SPEAKER: You spoke well on the Finance Bill.

[English]

PROF. M. RAMADASS (Pondicherry): Hon. Speaker, Sir, I am indeed grateful to you for the opportunity given to me to say a few words about the Finance Bill. At the outset, I am delighted to support the Finance Bill, 2006 presented to this House by the hon. Minister of Finance. I support this Bill because there are three clearly distinguished merits in this Bill. The first merit of this Bill is that it is based on the sound principles of fiscal prudence. It tries to satisfy the principles of equity, efficiency and transparency in the tax system and it tries to augment the resources for this country. Today, the UPA Government has launched a number of programmes of welfare which perforce require a lot of resources and these resources would have to come from a sound tax system which is provided by this Finance Bill. Therefore, I support this Bill.

The second reason why I support this Bill is that there is a lot of stability in the various provisions in the Finance Bill. What we have seen in the past is that there has been annual variations in the tax rates year after year and various loopholes and exemptions have been given. But, in the last three Budgets presented by the hon. Minister of Finance of the UPA Government, there is an element of stability. There are no setbacks and there are no chocks that are given to the income-tax payers or to the excise duty payers or the import duty payers. Therefore, there is a stability which has brought a congenial and healthy environment in which production can take place.

13.07 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

The third and the most important and fascinating aspect of this Bill is that it tries to strengthen the existing

tax system of the country. It is in this context that we will have to see that a Finance Bill is more concerned about the direct taxes and the indirect taxes in the total revenue rather than the revenue expenditure. We are not concerned about the Budget, but we are concerned only about the Finance Bill. In that respect, the provisions contained in this Finance Bill go a long way in strengthening the existing tax structure of the country and tax system of the country.

As we know, the tax system, at least up to 1970s, was in a mess. We have taken a large number of reforms to bring the tax system at the world level. In this context, from 1991 we have been improving the tax system through various measures and it is in continuation of these efforts that the hon. Minister of Finance has brought a number of measures which are in conformity with an ideal tax system that is prevailing even in the western countries, leave alone the developing countries.

According to tax experts, there should be six criteria which should be satisfied by a healthy tax system. One is that the personal income-taxes should fall on broad-based levels with moderate taxes. There should be low import tariff. There should be equity in the terms of a consumption VAT as well as a broad-based consumption VAT. Company taxation should be at a single rate. The tax law and administration should be simplified and streamlined. When we look at these six criteria on the efficacy of a sound tax system, we have to compare and see whether the Finance Bill conforms to these six criteria or not. In this respect I would say that in a large measure the Finance Bill conforms to this ideal tax system provided by these six criteria.

Today we have a moderate personal income-tax. The income-tax has been amended to rationalise and simplify the procedures and widen the tax base. There is a lot of progressivity in the tax. The corporate tax system also has been improved. The fringe benefit tax has been rationalised. The customs duties have been reduced to the lowest level to the level of the East Asian levels. Therefore, in all these respects, the Finance Bill deserves our appreciation.

But, at the same time, there is also a lot of scope to improve the tax system through the provisions of the Finance Bill. One important aspect is with respect to import duties. There is a plethora of complex exemptions which still plague the customs tariff and it has to be reduced.

The second important aspect with regard to import duty is that non-agricultural tariffs are bunched between zero per cent and 15 per cent. There is a tremendous opportunity for quickly shifting to a uniform 10 per cent tariff. Thirdly, the present structure of agricultural tariff need to be reviewed.

Coming to the excise duty reforms, the hon. Finance Minister must know that the buoyancy of this tax is now declining. The weak performance of Central Excise cannot be adequately explained by the reduction in rates alone, but by a number of other possible explanations which include proliferation of exempted products, abuse of CENVAT crediting provisions and wide-spread evasion. In either case, the administrative reforms of excise must command high priority. In addition, there is a strong case for carefully reviewing the large number of products which enjoy complete exemption. Aside from loss of revenue, such exemptions breach the CENVAT provision which provides a core value of tax types taxes. Many products needs to be restored to CENVAT 16 per cent rate. Secondly, there is an equally strong case for restructuring the role of excise duty on a limited number of luxury consumer products.

The third issue is with regard to integration of CENVAT with State VAT. Now, we are moving towards VAT in all the States except U.P., Tamil Nadu and Pondicherry. So, now CENVAT must be integrated with the State VAT. In this case, the hon. Finance Minister has announced the proposal of goods and service tax which must be explored possibly so that in ten years, we can move towards an integrated VAT and CENVAT.

MR. DEPUTY SPEAKER: If you have a written speech, you can lay it on the Table.

PROF. M. RAMADASS: Sir, I have no written speech.

There should be integration of CENVAT with State VAT and it should be done.

With regard to widening of tax base of income tax, there is no reason why we should exempt the dividend tax as well as long-term capital gains arising from the security transactions because this will erode the base of the income tax. With regard to corporate tax, still there are a number of exemptions given in terms of IT parks, in terms of exports and in terms of several other factors which must also be removed so that the system can be cleared of a large number of exemptions.

[Prof. M. Ramadass]

Finally, we are raising revenues through a number of items out of this Finance Bill as well as financial transactions, but how it is spent is more important. It should not be spent on unproductive expenditure.

The Central Sales Tax is incompatible with VAT provisions. The Union Territory of Pondicherry, which I represent, is unable to implement VAT because there is an element of CST. When CST is imposed on the raw materials which we get from the other States, it increases the rate of tax in the Union Territory. Therefore, the VAT and CST are incompatible and the hon. Finance Minister should be able to reduce or phase out the CST.

MR. DEPUTY SPEAKER: Now Shri Kiren Rijju will speak. You can speak for five minutes. So, be very brief.

*[Translation]*

SHRI KIREN RIJJU (Arunachal West): Mr. Deputy Speaker, Sir, I am very thankful to you for giving me an opportunity to participate in such an important discussion. I had prepared several points to speak on the Finance Bill but due to lack of time and mentioning of these points by several hon. Members in their speeches, I would like to repeat them.

*[English]*

I would like to request the hon. Finance Minister that he has got all the suggestions from both sides of the House, but most of the speakers from the UPA side have supported his move. So, I would request him to consider most of the points suggested by the NDA speakers. I have to just point out one or two issues. I cannot elaborate them due to lack of time.

I would just request the hon. Finance Minister to have a re-look at the Fringe Benefit Tax. He had proposed the cash withdrawal tax which is still continuing despite lot of protests and anger outside, which he must be well aware of. He has imposed Service Tax, but at this stage, it is also very important to see the public reaction and review it.

Hon. Finance Minister has said that he wants to make India a hub for manufacturing, especially small size cars. I would like to say that manufacturing should be export-oriented. So, benefit should be given to automobile component manufacturers, but at the same time, we have to see that our cities are not over-congested.

Therefore, more subsidies for the public transport systems should be looked into, so that all our major cities become world class cities. I am saying this because more and more time is taken today for going to attend office, etc. We need more efficient public transport system. A subsidy policy from the Government side is also very very necessary at this point of time. At the same time, we need to decongest all the major city areas. We should levy taxes on those people who try to go into areas that are very congested or tax the car owners heavily who use the parking areas, etc. I am not able to elaborate these points because of lack of time.

Another very important point is with regard to tax holiday, which you have provided to the industries that are being set up in the North-East area. The benefits that we were supposed to receive are getting reduced, particularly, after the policy with regard to the North-East was brought at par with States of Uttaranchal, Himachal Pradesh and all the hill areas nearer to Delhi. Actually, the Government intended to give benefits to the States of North-East, but due to an equating policy—as they are to provide it to other States also—we are losing these benefits. I hope the hon. Finance Minister will definitely have a re-look on the tax holiday, which is being given to the corporates and other people who are going to the North Eastern region.

I would like to conclude by supporting my colleague Shri Naveen Jindal who said that special tax exemption should be given to the corporate sectors who are sponsoring sports, particularly, the Olympic sports. I would like to further add that those companies who sponsor sports-persons from the North-East should be exempted too. They should be given some special benefits, so that more and more people get encouraged from the North-East. I will, definitely, not talk about cricket because cricket is eating too much of our money and resources.

Sir, finally, it may not be your area of jurisdiction, but I would like to mention one more important point as Shrimati Sonia Gandhi is also here. The only cooperative apex bank in Arunachal Pradesh is totally defunct. All the major programmes launched by the Government of India cannot be implemented because the only apex bank that handles these programmes is defunct. Therefore, the hon. Finance Minister should immediately intervene to ensure that this apex bank in Arunachal Pradesh could be revived.

MR. DEPUTY SPEAKER: Next speaker is Dr. Sebastian Paul. Dr. Paul, I would be able to give you only five minutes to speak. I am sorry.

DR. SEBASTIAN PAUL (Emakulam): Thank you, Sir. While extending my support to the Finance Bill, I request the hon. Finance Minister to restore the exemption granted to the Chartered Accountants, Cost Accountants and Company Secretaries from paying service tax in respect of taxation and legal services. The withdrawal of the 1998 Exemption Notification has deprived such professionals a level-playing field along with advocates and other tax practitioners. As a consequence of the withdrawal of exemption, the Chartered Accountants, Cost Accountants and Company Secretaries would be required to pay service tax at the rate of 12 per cent putting them at a disadvantage *vis-à-vis* other categories of professionals extending similar services. The Government is making the service provider taxable instead of the services by withdrawing the exemption to particular categories. It is natural that service seekers would approach those providers who would not charge service tax.

It may also be noted that the Chartered Accountants alone had contributed Rs. 303 crore to the exchequer in 2004-2005 on account of their taxable accounting, auditing and statutory certification services. The present exemption would help the advocates and other non-professional tax practitioners, who are not liable to pay service tax. In effect, the Government would not get anything more. All the service tax exemptions, which are proposed to be withdrawn, are in relation to a service, and it would be applicable to all the providers in the field. But in this particular category, only a section of the providers are made liable to pay tax, which is legally bad because it is arbitrary.

Principles of equity and equality demand the continuation of the exemption, at least, till 2010 when GST is expected to be introduced which will ensure a level playing field among different categories of professional service providers.

[*Translation*]

PROF. MAHADEORAO SHIWANKAR (Chimur): Mr. Deputy Speaker, Sir, the interest rate on the loans to farmers is fixed at seven per cent. I want to know from the hon. Finance Minister whether the cooperative Banks would also charge interest at the rate of 7%. I believe this will be disclosed before the bill is passed.

The second thing is that today the price of paddy in the country is uneconomic. I demand that it should be

fixed at Rs. 1000/- per quintal. The third thing is that the central irrigation projects which include the Gose-khurd project of Maharashtra, the 'bhoomi puja' of which was done by Late Smt. Indira Gandhi and Late Rajiv Gandhi also went there, later the UD Government started work on it. But now its cost has gone up to Rs. 4500 crore. I, therefore, request that the above project should be declared as centrally sponsored and the entire amount should be provided by the Union Government.

Mr. Deputy Speaker, Sir, one more thing that I want to say is that the Vidarbha region experienced heavy rainfall and was hit by hailstorms only three days back. The Congress President also demanded assistance for there but merely making demand outside services no purpose. I, therefore, request the Finance Minister not to leave this region at the mercy of the State Government and provided adequate central assistance so that the people get relief as the rain has caused damage worth Rs. 15 thousand crore and 75 people were killed and more than one hundred fifty injured in the rains.

The fourth issue is that more than one thousand farmers have committed suicides in Maharashtra. The Maharashtra Government has given Rs. 1 lakh to the families of the deceased persons. In some states a member of the deceased family is given employment also but that is not enough. I demand that the Union Government should also give Rs. 1 lakh to each of the families of the farmers who commit suicide. And such a provision be made in the budget besides one member of each such family should be provided employment. Finally, I would like to submit that poultry farm owners are suffering a loss of Rs. 200 crore daily due to the bird flu menace. The Health department of Union Government has placed order for the procurement of the Temi flu drug ignoring the vaccine recommended by the World Health Organisation. I have been informed that this drug worth Rs. 400 crore has already been procured and a further purchase of this drug to the tune of Rs. 1600 crore is being made. It has been reported in the press that the Minister of Animal Husbandry, Maharashtra has had interaction with the Agricultural Minister, Shri Sharad Pawar on this issue. I do not know anything about what transpired between the two. But there is large scale corruption there. The Health Departments of the Central and State Governments are involved in it. I want to know from the hon. Minister whether he will conduct an inquiry into it? I demand a CBI inquiry into this.

[English]

\*SHRIMATI ARCHANA NAYAK (Kendrapara): Sir, thank you very much for giving me the opportunity to take part in the discussion on the Finance Bill, 2006. Many proposals have been given in the Budget for the acceleration of growth in the country. The rosy picture is because of the fact that the economy is growing at a rate of 7.5% per annum and it may grow at a rate of more than 10 per cent.

The Finance Bill 2006 do not give any proposal for the development of backward State like Orissa are still suffering below the poverty line. Special proposal/fund allotment should have been made to help the growth of Orissa. The long term growth of Net State Domestic Product (NSDP) over the period 1950-51 to 2004-05 at 1970-71 prices has been estimated at below 3%.

Orissa has a tremendous potential of hydro, thermal and mineral energy in the country, which should have been fully utilized.

Efforts should have been made by the Finance Minister to tax big industrialists, catch hold of tax evader, black marketers and hoarders in the country. More and more service taxes are a burden on the tax abiding citizens. Service charge on A.T.M. operation should be withdrawn forthwith.

Taxing the Co-operative Banks will definitely affect the poor farmers. The proposal should be withdrawn.

Even though Hon'ble President has announced the setting up of Sixth Pay Commission for Central Government Employees the Budget is silent about the same. It should be set up without delay. The Government should have taken steps to recover bad debts from big industrial houses.

Special financial package should have been given for the infrastructural development of States like Orissa. The Bill is silent about giving incentives to women and senior citizens. The concession given earlier to them should be reinstated. With these words, I stand to oppose the Finance Bill 2006.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Mr. Deputy-Speaker, Sir, I am grateful

to the hon. Members for this brief but illuminating debate on the Finance Bill.

I shall not cover the ground that I have already covered while I replied to the general discussion on the Budget, nor will I cover the ground which I covered when we discussed the Appropriation Bill. Let me confine myself to matters arising out of the Finance Bill, which is really Part B of the Budget Speech.

Along with the Budget papers I presented a statement called the Tax Expenditure Statement. This is the first time such a statement has been placed before Parliament. In simple terms this means a statement of revenue forgone. Parliament legislates a certain tax regime; either Parliament or the Executive grant exemption. The result of that is, that much revenue is forgone. World over such a statement is called the Tax Expenditure Statement. We have used the same terminology, but for better understanding I am using the expression 'Revenue Forgone Statement'. The amount of revenue forgone from the legislated tax rates is as high as Rs. 1.58,000 crore.

SHRI K.S. RAO (Eluru): Compared to last year?

SHRI P. CHIDAMBARAM: Every year, I am saying.

If you look at the size of the gross budgetary support to Plan this year, it is Rs. 1,72,728 crore. It is nearly equal to what we spend on Plan. The Kelkar Committee, and many other Committees that have gone into the matter, recommended that these exemptions must be removed. If Parliament thinks that these exemptions should be permanent, then Parliament should legislate those tax rates. You cannot legislate tax rates on the one hand and grant exemptions on the other. Yes, it may be necessary for a specific period of time. In order to deal with an emergent situation, it may be necessary to grant an exemption. But what is happening in this country is that tax laws are more or less permanent and the tax exemptions are also more or less permanent. That is not a very satisfactory state of affairs. Therefore, we have to remove these exemptions over a period of time so that the revenues that we legitimately expect to collect must be collected so that we can then spend on such areas that we require to spend.

Unfortunately, behind every tax exemption there are a set of people who have enjoyed the tax exemption. So, if you touch any tax exemption, immediately there is a hue and cry. Take for example one tax exemption—

donations to charities are indeed exempt. Let me ask a question, 'Why should an anonymous donation be exempt? I can understand an anonymous donation to a religious institution or a religious trust. Somebody wants to put a large amount of money in the *hundi* of Tirupati temple. Even so I think he should disclose his identity and tell us whether he has paid tax on that amount. But that. I can understand having regard to the sentiments of the vast majority of people in this country. I can understand anonymous donation to religious institutions. But why should there be an anonymous donation to an educational institution. The presumption is that someone does not want to disclose his income. Therefore, we say, anonymous donation must be taxed. But then I hear voices rising and saying, 'Do not remove that exemption'. I can go exemption by exemption. I can go exemption by exemption. I think each one of these exemptions must be removed over a period of time. There is no justification for these exemptions. And you will find that the few exemptions'. I can go exemption by exemption. I think each one of these exemptions must be removed over a period of time. There is no justification for these exemptions must be removed over a period of time. There is no justification for these exemptions. And you will find that the few exemptions that I have dealt with this time, flow directly from the Kelkar Report or some other Report that these exemptions must be removed removed over a period of time.

We have, of course, made some changes in the tax rates, and these have, of course, invited comment. Let me quickly deal with them. There has been a demand that the withdrawal of exemption from excise duties on certain goods manufactured without the aid of power should be revisited and exemption restored. This classification between aid of power and without the aid of power was a classification introduced many years ago. It is no longer relevant. There is hardly anything made today where one can honestly say that power is not used at all.

Even in the smallest of units, power is used for something or the other. In fact, thousands of disputes arise as to whether power is used or not. These are flooding our tribunals and courts. Therefore, we decided that this artificial distinction introduced many years ago 'with the aid of power' and 'without the aid of power' deserves to be removed and we have removed it. Nevertheless, I recognised that there are a few items where the blanket removal of 'with the aid of power'. 'without the aid of power' may in fact affect some goods

like candles. Now, there are candles which are sold at one rupee a candle; and there are candles which are sold at Rs. 1,000 a candle. All we need is to go to some of these expensive malls, you will find candles which are at Rs. 1,000 a candle. They also say that they are manufactured without the aid of power. People buy these candles also. Any way, having regard to the sentiments expressed by hon. Members, I will remove the withdrawal of exemption in respect of candles from excise duty and restore the exemption for candles.

Likewise, take bricks. Yes, I agree that still in some places, bricks are made without the aid of power. But that is dwindling. If you want to build a house today, you probably use only bricks which are machine cut bricks. Having regard to the sentiments expressed by the hon. Member I will restore the exemption for bricks also.

Hon. Members from Kerala represented to me that there are some machinery, manually operated rubber roller machines and copra dryers, which deserve to be exempted from excise duty. I have looked into the items. We have looked into the descriptions. These are small machines. Therefore, I propose to exempt from excise duty the manually operated rubber roller machines and copra dryers.

There was an inadvertent inclusion in the notification relating to food supplements supplied free of cost to the weaker sections of the society. This error was brought to my notice. We have already corrected that three days ago. This was on the food supplements supplied free of cost for the weaker sections of the society which is certified, as it is today, by the Government of India or the State Government authority. It will continue to enjoy the exemption limit.

There is an issue of Supari. Not that Supari should not be taxed. I think, Supari should be taxed. The problem is that Supari comes in packets of 50 paise. It is sold at 25 paise. It is sold at 25 paise. *Paan* shop person does not have 25 paise coin to return as a change or it is sold at 30 paise and he does not have 20 paise coin and he says to pick up a toffee or a lollypop. Therefore, I think, having regard to this, we are exempting fully the scented Supari from excise duty, if the MRP does not exceed 50 paise per packet. ...(*Interruptions*)

SHRI KHARABELA SWAIN (Balasore): This is not the supari to kill others! ...(*Interruptions*)



SHRI P. CHIDAMBARAM: You are aware that we have done a major reform on the man-made sector. Now, I have with me the advertisements published by the man-made sector before and after the tax regime was changed. It is quite clear that by and large there has been a very warm welcome to the reduction of excise duty on man-made fibre from 16 to eight per cent. As a consequence, there has been an inversion of duty on one item. Polyester fibres and yarns attract import duty at 10 per cent, whereas on the raw material, polyester chips, the duty is 12.5 per cent. Similarly, in the case of carbon black, which attracts import duty at 10 per cent, the raw material carbon black feedstock attracts duty at 12.5 per cent. When my attention was drawn to the inversion of excise duty, I have addressed this.

So, I propose to address this by reducing import duty on polyester chips to 10 per cent and on carbon black ink stock to 10 per cent.

Sir, it has been represented to me that while a large number of lifesaving drugs and lifesaving equipment had been exempted from customs duty and CVD because they were not manufactured in India, there is one item which goes to the heart of the matter, namely, stents and coronary stents. Now, coronary stents today attract customs duty at five per cent, nil CV duty and because of the new four per cent special CV duty, that is being added to the customs duty. Now, I do not want to make an exemption on the CVD. So, what I propose to do is that I am fully exempting coronary stents and coronary stents system for use of cardiac catheters from customs duty and special CVD. This just shows that our heart is in the right place! ...*(Interruptions)*

Sir, while these are the concessions that I wish to grant, I wish to address particularly the issue of soap. There is a complete misconception. There is a misconception that all soaps have been brought under excise duty; it is completely wrong. First of all, the SSI exemption is available to soap, which means, all the cottage and tiny industries, which manufacture soaps with a turnover up to Rs. 1 crore are exempt from excise duty. So, please do not be under the impression that all soaps have been brought under excise duty. So, up to Rs. 1 crore exemption is available, and that means a benefit of Rs. 16 lakh a year. So, no tiny, no cottage sector soap manufacturer is affected.

Secondly, laundry soap and carbolec soap manufactured in rural areas by specified units like

registered co-operative societies, women societies, institutions recognised by the KVIC, institutions recognised by the State Khadi Village Industries Board or units run by cash assistance from the DRDA, which includes self-help groups, continue to be exemption from excise duty without any limit. So, this is a complete confusion that all soaps have been brought under excise duty. Therefore, units in rural areas making laundry soaps by any one of these sectors—tiny sector, cottage sector, KVIC, State Khadi Village Industries Board, SHG, women societies, co-operative societies—all continue to be exempt. The persons who are not exempt anymore are persons with a turnover of Rs. 125 crore. I do not want to give names. In the name of manufacturing soaps for poor people, there turnover is Rs. 125 crore. So, why should they be exempt? There is no reason for them to be exempt.

Then, from all over India, several people came to me. The heading of the letter pad says: "Small and Tiny Soap Manufacturers". So, I said: "Fine, please sit down. You are small and tiny soap manufacturers, what is your problem?" They said: "Excise duty has been imposed." I said: "How can it be imposed? You are small and tiny manufacturers, and by definition up to the turn over of Rs. 1 crore, you are exempt." They said: "No, no; some of us are big." Then, I said: "You better change your letter head and bring those people. Why should I deal with you, you are only small and tiny?" Let me give an example. Manufacturers from Bengal came. So, we called them. I said: "How many members are you?" They said: "Five hundred members." I said: "How many of you have got a turnover of more than Rs. 1 crore?" They said: "One person." So, 499 out of soap 500 manufacturers have a turnover of less than Rs. 1 crore.

Therefore, Sir, it is right to bring in soap. It is a product, it is a growing market, it is a profitable product, it is a lucrative market and they should also pay excise duty.

13.39 hrs.

[MR. SPEAKER *in the Chair*]

Umbrella—again there is a confusion. I did not want to impose excise duty on umbrella; it is the industry which wants the excise duty on umbrella. The Ministry of Small-Scale Industries wants it. I would tell you why. Umbrellas are today being imported from, I do not have to say which country. ...*(Interruptions)*

Now, if you have an excise duty zero, CVD is zero. So, for the Indian industries, there would be no protection at all. Therefore, the Ministry of Small-Scales Industries, in writing, has told me to please impose an excise duty so that CVD will be on imported umbrellas. The Indian umbrella industry will manufacture and all the inputs will be CENVAT-ed against CVD. Let me read what they have said:

"Domestic umbrella industry is facing tough competition from the imported umbrellas. Thus, imposition of 16 percent CVD on imported umbrellas will enable the domestic manufacture to have a level playing field."

With the imposition of excise duty on umbrellas, the domestic manufacturers can avail CENVAT as most of the umbrella components, that is the steel rod, the cloth, the handle, attract excise duty at 16 per cent and this will be CENVAT-ed against 16 per cent imposition of excise duty. So, I have done it at the request of the industry. I have done it at the request of the Ministry of Small Scale Industry.

SHRI KHARABELA SWAIN (Balasore): They are all proletariat umbrellas from China.

SHRI P. CHIDAMBARAM: You will recall that on man-made fibre I have reduced it to 8 per cent. By and large, it has been welcomed but suddenly a demand is made that since you have reduced it to 8 per cent, now go back to PTA, DMT and MEG and reduce that also. This is not fair. Here is an advertisement published before the Budget and here is an advertisement published after the Budget. Before the Budget and after the Budget they say, reduce it to 8 per cent. We know that there will be some excise duty overflow but we can absorb the excise duty overflow. Please do 8 per cent reduction and the man-made fibre industry will get a big boost like the cotton textile industry has got a big boost when we reduced the CENVAT to zero two years ago. They say:

"Thank you. This will help realise US dollars, 85 billion dollars, of textile dream."

I have done exactly what the industry wanted. Suddenly, one or two voices rise saying, please go back to DMT and PTA. It cannot be done. There is a huge tax implication. What we have done is more than adequate for the man-made fibre industry. Let the man-made fibre industry release its energies and do what the

cotton textile industry has done in the last two years. Let them produce, let them sell in the domestic market and let them sell in the export market.

There is one last item on software. Again, there is a misconception. I have imposed an 8 per cent excise duty on packaged on canned software but this does not apply to customised software. When a software company gets an order from another company to prepare a software for that company, it is customised software and there is no excise duty. It applies only to software which is sold in the market off the shelf. Look At this.

"HTML authoring animation and graphics."

This is standard software which can be purchased off the shelf like you can purchase soap, toilet powder, cream or anything. This is a standard software. Coral web designer, Coral web move, Coral web draw, coral web world, coral web gallery. This is not aimed at any customer. This is a commodity now. This is really a mass produced commodity. Like every other commodity which pays excise duty this must also pay the excise duty. While the customised software is not affected, this is a commodity and this must pay excise duty like any other commodity sold off the shelf. That is all on the indirect tax. I think I have answered most of the questions on the indirect tax.

PROF. RASA SINGH RAWAT (Ajmer): What about marble?

SHRI P. CHIDAMBARAM: I will answer about marble. Under the law that is in force, marble was always subject to excise duty. Pre-NDA, during NDA or post-NDA, it has always been subject to excise duty. What happened is, a Supreme Court judgement intervened and said, please follow my words carefully, I quote:

"Cutting and polishing of marble does not amount to manufacturing."

How can we accept that? The value addition really is in cutting and polishing. That is a big industry today. Marble and granite are being exported to all over the world for wall-facing, monuments and for a lot of other things. All of that is cut and polished marble. All that we have done now is, nothing has been changed to tax laws, we have issued a clarificatory note in the Chapter saying cutting and polishing amounts to manufacturing. Today cutting and polishing is a big industry. The tax law has not been changed. The tax law is the same. The cutting and polishing has been recognised as manufacturing.

SHRIMATI KIRAN MAHESHWARI (Udaipur): Cutting and polishing cannot be treated as manufacturing because

[Translation]

mining is done of marble, then how can we recognise cutting and polishing? ...*(Interruptions)*

[English]

SHRI P. CHIDAMBARAM: Madam, I would invite you to go and visit the cutting and polishing factory to see the kind of equipment that are being used there.

SHRIMATI KIRAN MAHESHWARI: Sir, I visited that area and that is why I am saying that the small traders do this work. Therefore, you cannot say that it is a manufacturing item.

SHRI P. CHIDAMBARAM: Madam, I am sorry. The small traders cannot do cutting and polishing. The small traders trade in marble.

SHRIMATI KIRAN MAHESHWARI: Mining is done in my area. ...*(Interruptions)*

SHRI P. CHIDAMBARAM: Mining is not subject to excise duty. It is cutting and polishing which is subject to excise duty.

[Translation]

SHRIMATI KIRAN MAHESHWARI: They are small traders. ...*(Interruptions)*

[English]

SHRI P. CHIDAMBARAM: I am sorry. There are no *chhote-chhote* traders in cutting and polishing. ...*(Interruptions)*

[Translation]

SHRIMATI KIRAN MAHESHWARI: You visit there sometime. ...*(Interruptions)*

[English]

My Constituency and Kishanganh, these are the areas where mining is done.

[Translation]

MR. SPEAKER: You have already said what you wanted to say on this matter.

...*(Interruptions)*

[English]

MR. SPEAKER: You visit him before the next Budget. Let him give his reply now.

...*(Interruptions)*

MR. SPEAKER: Prof. Rasa Singh Rawat, please sit down. This is not fair. Nobody interrupted you.

...*(Interruptions)*

[Translation]

MR. SPEAKER: This does not behove you. Please sit down.

...*(Interruptions)*

[English]

MR. SPEAKER: You cannot go on making a running commentary.

[Translation]

SHRIMATI KIRAN MAHESHWARI: Cutting and polishing of marble is done by small traders and you have imposed tax on these small traders. ...*(Interruptions)*

[English]

MR. SPEAKER: We should have patience to hear each other.

...*(Interruptions)*

SHRI P. CHIDAMBARAM: Marble is not a poor man's item. ...*(Interruptions)* We cannot have a running dialogue. ...*(Interruptions)*

MR. SPEAKER: This is very unfair. The reply is being given after a thorough discussion.

...*(Interruptions)*

[*Translation*]

SHRIMATI KIRAN MAHESHWARI: Sir, it would be injustice to them ...(*Interruptions*). You are not imposing any tax on the import of marble. ...(*Interruptions*)

[*English*]

SHRI P. CHIDAMBARAM: If I recall rightly, this litigation started many years ago and the previous Government also defended it in the court and said that cutting and polishing amount to manufacture. Therefore, marble is not poor man's item. There are marbles today which are Rs. 300 a square foot and Rs. 400 a square foot. Marble is a rich man's item. ...(*Interruptions*)

MR. SPEAKER: You carry on. You cannot go on replying to everybody.

SHRI P. CHIDAMBARAM: Sir, I now turn to the direct taxes. In direct taxes, we have made a few changes and questions have been raised on those changes. I would address them very quickly.

Firstly, as regards Section 10(23G), it was not originally there in the Income Tax Act. It was introduced by way of an amendment. Why was it introduced? When PLR was 17 per cent, the corporate tax rate was 40 per cent with a surcharge of 7.5 per cent. Now PLR has come down very sharply. It is no longer 16 per cent or 17 per cent. The benchmark PLR is now between 11 and 11.5 per cent and the corporate tax rate has now come to 30 per cent with a surcharge of 10 per cent, making it 33 per cent. Secondly, Section 10(23G) has three components. One is capital gains, one is dividend and one is interest. On dividend there is no tax. The tax on dividend has been removed. Capital gains for infrastructure capital companies can only arise if they invest in securities. That is also a long term capital gain. There is no tax. Thus two out of three elements in Section 10(23G) are irrelevant. It is only on interest. Since interest rates have sharply come down, the interest rates today are only about 60 per cent of the interest rates that prevailed at the time when Section 10(23G) was imposed. The time has come to remove that exemption. We have the calculations. We have got an infrastructure capital company to make the calculations. The calculation shows that if you continue to access capital at the same cost, the increase in interest rate to the ultimate borrower will be 0.4 per cent. But this is on the assumption that the infrastructure capital company will continue to access its

capital at the same cost. But they had ignored the fact that I have already announced in the last Budget zero-coupon bond. The zero coupon bond is a new avenue for the infrastructure capital company to raise capital.

Therefore, balancing the Zero Coupon Bond and the benefit available under 36(i)(viii) of the Income Tax act on the one hand and the negative is that the exemption under 10(23G) is gone, our calculation shows that the lending rate should not increase to the ultimate borrower. Even if it increases to the ultimate borrower, it may increase by about 0.2 per cent to 0.3 per cent. Therefore, there is a very cogent and a logical case as to why this exemption under 10(23G) is no longer relevant.

Sir, the next issue, on which there are some questions raised on Direct Taxes, is section 80(P). Let me take a few minutes on dealing with this issue. We have not removed the exemption to co-operatives in general. We have only removed it for certain co-operative banks. All co-operatives which are in dairy, weaving and in other co-operatives here the principle of mutuality applies continue to enjoy exemption under section 80(P). We have removed exemption for one category of co-operative banks. Why? Today, there are 1,08,791 institutions which do one form of banking or another. Out of these 1,08,791 institutions, 1,05,735 institutions are primary agricultural credit societies which are expressly exempt. Therefore, nobody should have any fear that these are being taxed. Out of these 1,08,791 institutions, 1,05,735 institutions are expressly exempt. Then we have 768 Primary Co-operative Agricultural and Rural Development Banks which are also expressly exempt. These leave only 2,288 banks falling under four categories—Urban Co-operative Banks, State Co-operative Banks, Central Co-operative Banks and State Co-operative Agricultural Rural Development Banks, that is banks at the apex level and banks at the district level. These are only 2,288 in number.

Sir, today Member after Member have met me and said that these banks are mismanaged; there is malfeasance and misfeasance; the monies of the depositors are not being paid and they requested me to pay to the depositors out of the Credit Insurance Corporation. In Gujarat we have finally released Rs. 1,00,000 per depositor. Hundreds of Members have met me and said that the whole thing is in the hands of the worst people in this country. Why? It is because they are not subjected to any kind of regulation. Today all that they have to say is that they are banks and are covered under section 80(P). They do not even file their

[Shri P. Chidambaram]

income tax returns and audited statement of accounts. They are under State Regulators. Now, we all know that State Regulators have failed. In Gujarat, dozens of banks have collapsed; in Maharashtra, dozens of banks have collapsed. In Madurai, the Urban City Bank has collapsed. In my own district, the DGCBS is under moratorium by the Reserve Bank of India. Now, the only way we can bring in some discipline and save these banks is to make them file proper audited income and expenditure statement which can be scrutinised by the Income Tax Department. Today, out of the 2288 banks, which have now been brought under the income tax net, one half of them, are reporting losses and so they are not paying income tax. They would pay tax only when they are making profits. But I do not believe that one half of them are making losses. One half of them are reporting losses because nobody is questioning them, nobody is looking at them. Now, let me say with utmost humility, if we allow this situation to continue, then all of them will one day make losses. We have to bring some discipline. They are banks and the principle of mutuality does not apply there because they are lending even to non-members. Public deposits are taken and they are lending to even non-members. What they do is that they take certain categories of members and call them nominal members. They take rupee one from them and begin to lend to them. These are banks like any other banks.

Many of them are scheduled banks also because they are in the schedule to the RBI Act. We are bringing only these banks under taxation under section 80P if you make a profit, please pay tax. Whether you are making a profit or not, I can find out only if you are required to file an audited income and expenditure statement. I think it is an important step in order to bring some financial and management discipline into the banks. I humbly appeal to the House to allow me to do this.

...(Interruptions)

[Translation]

PROF. MAHADEORAO SHIWANKAR: His medicine will kill the patient. ...(Interruptions)

[English]

MR. SPEAKER: If the hon. Minister has finished his reply. I may allow one or two clarifications, if he yields.

...(Interruptions)

[Translation]

MR. SPEAKER: What is this?

...(Interruptions)

[English]

SHRI ANANDRAO VITHOBA ADSUL (Buldhana): Sir, I have a small query to make.

MR. SPEAKER: You know there is a procedure for this. Let him finish first. You had been a Minister and you know it very well.

SHRI ANANDRAO VITHOBA ADSUL: My query is whether tax will be levied on the net profit or the gross profit.

MR. SPEAKER: I cannot compel him to answer every question.

SHRI P. CHIDAMBARAM: In fact, I was in Mumbai and the Chairman of one of India's most successful co-operative banks met me. I would not mention the name of the bank. I asked him, "Are you aggrieved by the fact that I have withdrawn section 80P?" He said, "No. I am India's most profitable bank. I do banking and I have 48 branches. I make profit and you impose tax." But the only thing he requested me was that, for the last two years, RBI was not giving him a licence to open new branches. He said that he can compete with any other bank, be it an Indian bank, a foreign bank, a public sector bank or a private sector bank and to allow him to open more branches. Even while I am imposing income tax on the profit made by these cooperative branches, let me assure the House that I intend to take up this matter with the RBI so that these successful, profitable and well managed banks can open more branches in the country.

There is one more point about senior citizens and women. We cannot tinker and tamper with rates every year. What we did last was virtually inflation proof as regards the exemption that was available in 1997. You please take the exemption limit of 1997 and the exemption limit raised last year. You will find that we have indexed it for inflation and we have brought it up. I do not think that the Government should keep on tinkering with the rates and slabs every year. When a new Government comes into office, it must settle the rates and allow it to

continue for three to four years. We can revisit it later. But I do not think that we should tinker with the rates for slabs year after year after year.

Regarding anonymous donations, I do not think that anyone would seriously argue that anonymous donations should not be taxes. I have exempted religious institutions. I have only brought in educational and charitable institutions here. If somebody wants to remain anonymous, let God bless him. But let him pay the tax on that account.

I think Shri Navin Jindal raised the issue about donation for sports. Donations by a company to Indian Olympics Association or any notified association or institution is allowed, under section 80G, 100 per cent deduction. Now, we have taken the power to identify international events also. And in respect of international events also, income tax is not levied. As and when the Commonwealth Games comes to India, that will be the first occasion, I believe, that people will apply for it. It was introduced in the context of World Cup Test Cricket match and it will apply to all the games, if it is an international event. ...(*Interruptions*)

SHRI D.C. SRIKANTAPPA (Chikmagalur): What about the issue raised by the Chairman of the Coir Board? ...(*Interruptions*)

SHRI P. CHIDAMBARAM: I will come to your point. The Chairman of the Coir Board, Shri Jose met me. He was under the impression, as I believe, you are under the impression that coir products are being brought under taxation. We was wrong and I am sorry that you are also wrong. No coir product is being brought under taxation. It is in another chapter. You have looked at one chapter and you are not looking at another chapter. A clarification has been issued by the Department day before yesterday. I read it in the papers yesterday. I will post you the clarification. No coir product has been brought under taxation.

14.00 hrs.

Sir, some questions were raised about the price rise. I do not know why they were raised. The WPI is 4.02 per cent: the Consumer Price Index, in January, was 4.37 per cent. The Consumer Price Index was 4.37 per cent in January 2005 and in January 2006 also it was 4.37 per cent. So, it is not as though inflation is raging.

In fact, given the high crude prices and the partial pass through, I think the Reserve Bank of India and the Government, working together, contained the prices. The price index of 4.02 per cent for the WPI and 4.37 per cent for the CPI is a tolerable limit for a developing country. In any developing country there will be some inflation. You cannot have zero inflation in the developing countries. We are trying to contain it. We will take every step to contain it. The prices of some products, like potato and wheat, have gone up; and prices of some products have come down. But by and large we are containing inflation and we will continue to contain inflation.

With these words, I commend the Bill for consideration and passing.

MR. SPEAKER: The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 2006-2007, be taken into consideration."

*The motion was adopted.*

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

The question is:

"That clauses 2 to 15 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 to 15 were added to the Bill.*

#### Clause 16

#### Amendment of Section 80C

*Amendment made:*

Page 8, for line 2, *substitute—*

"(xci) as term deposit—

(a) for a fixed period of not less than five years with a scheduled bank; and

(b) which is in accordance with a scheme framed and notified, by the Central Government, in the Official Gazette for the purposes of this clause." (1)

(Shri P. Chidambaram)

MR. SPEAKER: This question is:

"That clause 16, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 16, as amended, was added to the Bill.*

*Clauses 17 to 67 were added to the Bill.*

#### Clause 68

#### Amendment of Act 32 of 1994

#### *Amendments made:*

Page 27, after line 22, insert—

'(1A) after section 93, the following section shall be inserted, namely:—

"93A. Where any goods or services are exported, the Power to Central Government may grant rebate of service tax grant paid on taxable services which are used as input rebate services for the manufacturing or processing of such goods or for providing any taxable services and such rebate shall be subject to such extent and manner as may be prescribed:

Provided that where any rebate has been allowed on any goods or services under this section and the sale proceeds in respect of such goods or consideration in respect of such services are not received by or on behalf of the exporter in India within the time allowed by the Reserve Bank of India under section 8 of the Foreign Exchange Management Act, 1999, such rebate shall be deemed never to have been allowed and the Central

Government may recover or adjust the amount of such rebate in such manner as may be prescribed."'. (2)

Page 27, after line 33, insert—

'(4) after clause (h), the following clause shall be inserted, namely:—

"(hh) rebate of service tax paid or payable on the taxable services used as input services in the manufacturing or processing of goods exported out of India under section 93A;"'. (3)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That clause 68, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 68, as amended, was added to the Bill.*

*Clauses 69 to 76 were added to the Bill.*

#### First Schedule

MR. SPEAKER: Shri Girdhari Lal Bhargava, are you moving your amendment?

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Speaker, Sir, I beg to move that:

"(8) page 29, for lines 10 to 35 substitute,—First Schedule

'Rates of Income Tax

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|     |                                                                              |                                                                                            |
|-----|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| (1) | where the total income does not exceed Rs. 1,50,000                          | Nil;                                                                                       |
| (2) | where the total income exceeds Rs. 1,50,000 but does not exceed Rs. 2,00,000 | 10 per cent. of the amount by which the total income exceeds Rs. 1,50,000;                 |
| (3) | where the total income exceeds Rs. 2,00,000 but does not exceed Rs. 2,50,000 | Rs. 5,000' plus 20 per cent. of the amount by which the total income exceeds Rs. 2,00,000; |
| (4) | where the total income exceeds Rs. 2,50,000                                  | Rs. 15,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 2,50,000. |

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\*Moved with the recommendation of the President.

*Rates of income-tax*

(ii) In the case of every individual, being a resident in India, who is of the age of sixty-five years or more at any time during the previous year,—

|     |                                                                              |                                                                                                   |
|-----|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| (1) | where the total income does not exceed Rs. 2,00,000                          | Nil;                                                                                              |
| (2) | where the total income exceeds Rs. 2,00,000 but does not exceed Rs. 2,50,000 | 20 per cent. of the amount by which the total income exceeds Rs. 2,00,000;                        |
| (3) | where the total income exceeds Rs. 2,50,000                                  | Rs. 10,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 2,50,000. |

Sir, I have said the right thing that this table should be changed and the limit should be raised. Regarding individual, I request the Finance Minister to accept the amendment. Then I will have no problem in withdrawing it. I will see if I will be satisfied with the hon. Finance Minister's reply. Otherwise, I will do as per the party's command.

[*English*]

SHRI P. CHIDAMBARAM: This is about anonymous donations. I am sure you are not pleading that anonymous donations to non-religious institutions should not be taxed. If he makes donations by name, it is not taxed. If it is anonymous, why should it not be taxed?

[*Translation*]

MR. SPEAKER: Speak what you want to speak.

SHRI GIRDHARI LAL BHARGAVA: The party has asked me to withdraw my amendment.

[*English*]

MR. SPEAKER: Is it the pleasure of the House that the amendment moved by Shri Girdhari Lal Bhargava be withdrawn?

*The amendment was, by leave, withdrawn.*

MR. SPEAKER: The question is:

"That the First Schedule stand part of the Bill."

*The motion was adopted.*

*The First Schedule was added to the Bill.*

*The Second and the Third Schedules were added to the Bill.*

**Fourth Schedule***Amendments made:*

Page 70, line 6, in column (2), for "Aluminium phosphate", substitute "Aluminium phosphite". (4)

Page 70, for line 23, substitute "—Other:". (5)

Page 82, for line 60, substitute "611529—of other textile materials". (6)

Page 146, line 67, in column (4), for "Nil", substitute "8%". (7)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That the Fourth Schedule, as amended, stand part of the Bill.

*The motion was adopted.*

*The Fourth Schedule, as amended, was added to the Bill.*

*The Fifth and the Sixth Schedules were added to the Bill.*

**Seventh Schedule***Amendment made:*

Page 146, line 67, in column (4), for "Nil", substitute "8%". (7)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That the Seventh Schedule, as amended, stand part of the Bill."

*The motion was adopted.*

*The Seventh Schedule, as amended, was added to the Bill.*

*The Eighth, the Ninth and the Tenth Schedules were added to the Bill.*



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

MR. SPEAKER: The Minister may now move that the Bill, as amended, be passed.

SHRI P. CHIDAMBARAM: Sir, I hope, you have noticed that this is one of the fewest amendments ever moved to the Finance Bill.

MR. SPEAKER: What it proves, I do not know.

SHRI P. CHIDAMBARAM: Sir, I beg to move:

"That the Bill, as amended, be passed."

MR. SPEAKER: The question is:

"That the Bill, as amended, be passed."

*The motion was adopted.*

[English]

SHRI BASU DEB ACHARIA (Bankura): Sir, ...*(Interruptions)*

MR. SPEAKER: I have been requested to give a short adjournment for a recess.

...*(Interruptions)*

SHRI BASU DEB ACHARIA: Sir, I want to raise a very urgent issue. The Election Commission of India has issued. ...*(Interruptions)*

MR. SPEAKER: We cannot raise Election Commission's notice. They are independent.

...*(Interruptions)*

SHRI BASU DEB ACHARIA: A *farmaan* has been issued that the elected representatives, even the MLAs, remain confined. ...*(Interruptions)*

MR. SPEAKER: Election Commission is an autonomous body. You know, it is a constitutional body. It is not proper for us to make comments here.

...*(Interruptions)*

SHRI BASU DEB ACHARIA: This is an infringement. ...*(Interruptions)*

MR. SPEAKER: Okay, it has been mentioned.

...*(Interruptions)*

SHRI BASU DEB ACHARIA: How can that restriction be imposed on the Members of Parliament? ...*(Interruptions)*

MR. SPEAKER: Let us have half-an-hour adjournment.

...*(Interruptions)*

SHRI BASU DEB ACHARIA: They cannot move outside from the place where he is the voter. ...*(Interruptions)* How can such restriction be imposed on the Members of Parliament, and even the MLAs? ...*(Interruptions)*

MR. SPEAKER: This House cannot take a decision on this. You know that Election Commission is independent on this. Therefore, I cannot allow a longer discussion.

The House stands adjourned to meet again at 2.45 p.m.

14.07 hrs.

*The Lok Sabha then adjourned till forty five minutes past fourteen of the Clock.*

14.48 hrs.

*The Lok Sabha re-assembled at forty eight minutes past fourteen of the Clock.*

[MR. DEPUTY SPEAKER *in the Chair*]

[English]

MR. DEPUTY SPEAKER: We will now take up matters of urgent public importance. Prof. Ram Gopal Yadav.

[Translation]

PROF. RAM GOPAL YADAV (Sambhal): Mr. Deputy Speaker, Sir, I am going to raise a question of public

importance in the House that the country and the Government are likely to lose about 9000 crore rupees if the proposed move of the government is not checked. Everyone is aware that the NDA Government had disinvested 51% shares of BALCO in favour of Sterlite India Limited in March 200%. Now the Government are going to disinvestment the remaining 49% shares also which are worth about Rs. 10,81,00,000.

Sir, the current price of the share of BALCO is one thousand rupees and the valuator has valued the share's prices as Rs. 77. There will be a direct loss of about Rs. 9000 crore if the disinvestments takes place. The sad part is that there were five evaluators in the beginning and rather than choosing an independent evaluation out of them the Finance Ministry had proposed the name of SBI capital. And SBI capital, instead of evaluating itself got it done by a company Messers Dalal not Donald. This company first worked for the Vedanta Aluminium and is now working for BALCO. Vedanta Aluminium is that company of England in which our Finance Minister was on the Board of Directors, till one day before becoming the Minister. That is why the role of Finance Ministry is suspicious. Such a large scale scam is going to take place which has not taken place earlier if the Government does not make efforts to check it. The PMO has also expressed its displeasure over it and the Prime Minister has also said that it should not be hastened and it should be probed. But, the Finance Ministry is in a great hurry and efforts are being made to sell it at rock bottom price.

[English]

SHRI BASU DEB ACHARIA (Bankura): Mr. Deputy-Speaker, Sir, I associate myself with the matter raised by Prof. Ram Gopal Yadav.

MR. DEPUTY SPEAKER: All right. Your name will be associated.

...(Interruptions)

[Translation]

SHRI DEVENDRA PRASAD YADAV (Jhanjharpur): Sir, it is a very serious matter. The manner in which BALCO ... (Interruptions)

MR. DEPUTY SPEAKER: Shri D.P. Yadav, Shri Alok Kumar Mehta and Shri Ram Kripal Yadav should also be associated with it.

...(Interruptions)

[English]

MR. DEPUTY SPEAKER: The name of Shri Basu Deb Acharia, Shri Devendra Prasad Yadav and Shri Ram Kripal Yadav will be associated.

...(Interruptions)

MR. DEPUTY SPEAKER: Please do not show any paper.

...(Interruptions)

SHRI BASU DEB ACHARIA (Bankura): Sir, the Government should make a statement on this issue. ... (Interruptions)

MR. DEPUTY SPEAKER: You know very well that I cannot compel the Government to make a statement.

...(Interruptions)

SHRI BASU DEB ACHARIA (Bankura): Sir, this is a very serious issue. You should direct the Government to respond. ... (Interruptions)

MR. DEPUTY SPEAKER: It is not possible for me to compel the Government to make a statement on any subject.

...(Interruptions)

MR. DEPUTY SPEAKER: Shri Rupchand Pal will make his submission now.

...(Interruptions)

MR. DEPUTY SPEAKER: Nothing is going on record now.

...(Interruptions)\*

MR. DEPUTY SPEAKER: Mr. Acharia, your own party Member is on his legs. Please take your seat.

...(Interruptions)

[Translation]

SHRI PRABHUNATH SINGH (Maharajganj, Bihar): Sir, the question is serious but the Government is silent on the matter ... (Interruptions). Such an important question has been raised in the House, the Government should reply to it.

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\*Not recorded.

MR. DEPUTY SPEAKER: All of you have been associated.

Shri Rupchand Pal.

[English]

SHRI RUPCHAND PAL (Hooghly): Mr. Deputy-Speaker, Sir, I want to raise another very serious matter. ...*(Interruptions)*

MR. DEPUTY SPEAKER: Mr. Acharia, Mr. Devendra Prasad Yadav, you are all very senior hon. members of this House. You know very well that it is not possible for me to compel the Government to make a statement. Please take your seats.

Now, I request Shri Rupchand Pal to make his submission.

...*(Interruptions)*

SHRI BASU DEB ACHARIA: Sir, they should respond to it. They should convey the feelings of the House to the concerned minister so that tomorrow he can make a statement because the House will adjourn tomorrow. ...*(Interruptions)*

[Translation]

SHRI DEVENDRA PRASAD YADAV: Mr. Deputy-Speaker, Sir, it is a very important and serious matter. Some Minister should respond to it on behalf of the Government. ...*(Interruptions)*

[English]

MR. DEPUTY SPEAKER: I cannot say, please understand my position.

...*(Interruptions)*

SHRI BASU DEB ACHARIA: Sir, they should convey this to the Minister of Finance so that he can make a statement. ...*(Interruptions)*

[Translation]

SHRI DEVENDRA PRASAD YADAV: Mr. Deputy-Speaker, Sir, national property is being sold openly. The Government should give a reply to it. ...*(Interruptions)*

[English]

SHRI RUPCHAND PAL: Sir, I would like to draw the attention of this august House. ...*(Interruptions)*

[Translation]

SHRI PRABHUNATH SINGH: Mr. Deputy Speaker, Sir, it appears that the ministers of the Government sitting here do not consider themselves responsible and that is why they are not responding. Therefore, I request you to direct some responsible minister to be present in the House as the Government is not responding to such a serious issues. What will be more serious than it to which the government will respond? ...*(Interruptions)*

[English]

SHRI RUPCHAND PAL: Sir, you have called my name. ...*(Interruptions)*

MR. DEPUTY SPEAKER: Nothing should be recorded except the submission of Shri Rupchand Pal.

...*(Interruptions)\**

SHRI RUPCHAND PAL: Sir, I would like to draw the attention of this august House to a very serious development that is taking place in the financial sector. The Reserve Bank of India was set up by an Act of Parliament in 1934.

Section 58 (2)(p) of the Reserve Bank of India clearly stipulates that clearing of cheque activities is an exclusive jurisdiction of the Reserve Bank of India. But surreptitiously, behind this House, there is a move to privatise this activity of the Reserve Bank of India. A company is being proposed to be set up for which a notice has been given and hung in the office of the Indian Banks' Association. Some individuals say that they are setting up a company in the name of National Payments Company.

This is a very serious matter. Without the knowledge of the Parliament, an Act of Parliament, that is, RBI Act, cannot be violated in such a manner. But of late, things like these are happening. While the Parliament is in Session, the hon. Prime Minister is announcing from Mumbai that the country should go for full convertibility of rupee.

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\*Not recorded.

For, all these years, we have been in the Committees, we have no occasion and no opportunity to discuss certain matters. Similarly, in Mumbai Journal, an advertisement has come that the individuals mentioned therein are setting up one company under the Companies Act 1956. The RBI Board is the sole authority to oversee, monitor and look into these cases of clearing. Clearing is a very serious matter. it involves serious risk.

In such an area, we do have skilled personnel, we do have skilled expertise available with the Reserve Bank of India. In such a situation, this move, of such a huge wastage of our skilled personnel, such wastage of our arrangement, should be stopped. The message should go to the Government that such a reckless privatisation of important activities of an organisation like the Reserve Bank of India should never be undertaken. That will harm our economy, that will harm our financial sector. It involves great risk to the economy of this country.

*[Translation]*

CHAUDHARY LAL SINGH (Udhampur): Mr. Deputy Speaker, Sir, I want to draw the attention of the House, particularly that of the Ministry of Telecommunications towards an urgent matter regarding Jammu and Kashmir with your permission.

15.00 hrs.

Both of us, the MPs of Jammu have submitted a joint written representation to him. I mean to say that the office of the Chief General Manager of telecommunications was functioning in Kashmir. Their people were also killed during militancy. ...*(Interruptions)*

*[English]*

MR. DEPUTY SPEAKER: Silence please. No murmuring.

*[Translation]*

CHAUDHARY LAL SINGH: That office was shifted to Jammu due to militancy. The office of GM functioning in Jammu has been upgraded to the office of CGM. That office is functioning continuously for last 15-16 years. Now it is heard and I am surprised that all the directorate offices of Jammu Kashmir like that of agriculture, horticulture, tourism functioning in the state have been bifurcated and made independent. I want to request that

these people should not spread a new thing in Jammu nor should they create confusion, and create law and order problem. We, the MPs will also be involved in that. It is certain. It is very clear and that will occur when any sort of conspiracy is hatched by anyone to shift the office from Jammu. It has been heard that a meeting was held some days before to shift the office to Srinagar. When the people migrate from there, and if they are killed, we hold them on our head and bring them. 200 employees from those 200 migrant families are still working in the office of the CGM.

I mean to say that if it is necessary to run an office there, open an independent office there, set up a CGM office so that no one may blame of imbalance. If the office from our region is shifted there, it will create confusion, dispute and we shall oppose the most, it is very clear. I want to say that. Although, this office cannot be shifted as we are not so weak that the office will be shifted. ...*(Interruptions)*

As far as development is concerned, it is two minutes job. When WLL was being set up in Kashmir, 24 thousand were set up in Kashmir and 6 thousand in Jammu although most of them are in hilly terrains in Jammu. Jammu has a wide-spread area, area of a district being 12 thousand square kilometres. The area of Jammu is thrice the size that of Srinagar. So far as the mobile services are concerned, telephone service is concerned, Kashmir has been provided a lot. We do not oppose the development there, but we will fight if someone says that our share will be transferred to somewhere else.

SHRI MADAN LAL SHARMA (Jammu): Mr. Deputy Speaker, Sir, I want to associate in the matter just said. ...*(Interruptions)*

MR. DEPUTY SPEAKER: Associate him. This is not going on record. You have not given notice, still I got you associated.

...*(Interruptions)\**

*[English]*

MR. DEPUTY SPEAKER: Shri Madan Lal Sharma, your name will be associated.

...*(Interruptions)*

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\*Not recorded.

MR. DEPUTY SPEAKER: Your name has been associated.

...(Interruptions)

[Translation]

MR. DEPUTY SPEAKER: Lal Singh ji, please sit down. Your point has come, please sit down. Shri Prabhunath Singhji.

[English]

CHAUDHARY LAL SINGH: The hon. Minister is here. He should reply. ...(Interruptions)

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHAMED): We have collected the information. ...(Interruptions)

MR. DEPUTY SPEAKER: We have noted your point, therefore we will think over it. ...(Interruptions)

SHRI PRABHUNATH SINGH: Mr. Deputy Speaker, Sir, there is only one sanctioned post of Director General of Police in every state of the country, but in many states, equivalent officers are provided benefit of promotion. But they have not been given salary and other facilities since the State Government may provide the salary of director general of police to only one person as per provisions. According to the Comptroller and Auditor General, the State Government has no power to create second equivalent post under section 9(7) of rule 1954. This power is with the Central Government only. One of the equivalent officers of Jharkhand was made DGP. The officer senior to him was appointed to other post of the level of DGP, but he is not getting salary and other benefits since the Central Government has not created equivalent post. I want to request, through you, that since the power for the same rests with the Central Government and it is not necessary to demoralize the officer when he is senior, the Central Government should take interest in creating equivalent posts in Jharkhand in such a situation. An officer named Shri M. Mahapatra is being affected there, who has been given a post equivalent to that of Director General of Police. But he is not getting other benefits. I would like to request the Central Government to take interest in this regard and sanction an equivalent post.

SHRI SHAILENDRA KUMAR (Chail): Mr. Deputy Speaker, Sir, I am grateful to you for giving me time to speak. I would like to draw the attention of Central Government through you to the fact that no attention is being paid by the Central Government on the development schemes proposed by the Government of Uttar Pradesh. Whereas it was demanded by all the MPs from Uttar Pradesh, whether they be of our party or from other parties, that special package be given to Uttar Pradesh. Uttar Pradesh is the heart of the country and the largest state of the country. If Uttar Pradesh does not develop, I think, the development of the entire country is impossible. Therefore, I demand from the Central Government, through you, to provide funds for development schemes of Uttar Pradesh pending with the Central Government. The Government should provide special package of Rs. 18,730 crore for development of U.P.

[English]

SHRI BASU DEB ACHARIA: Sir, the Ministry of Labour has resorted to the arbitrary step of releasing new series of Consumer Price Index for the Industrial Workers with the base year 2001 as 100 points ignoring the unanimous opposition from all the Central Trade Unions.

Sir, in order to determine about the base year of the Consumer Price Index for the Industrial Workers, three meetings were held. The national level Index users' meeting was held in the month of May, 2005. The meeting with the Central Trade Unions was held in the month of September, 2005. Recently, a special meeting of the Technical Advisory Committee on Statistics of Price and Cost of Living was held. In these three meetings, the representatives of all the Trade Unions voiced their concern over the faulty procedure adopted in the compilation of the new series of Price Index. The Government had deliberately failed to consult the Trade Unions, prior to the compilation of the new series, on the methodology to be adopted—the methodology regarding family budget survey, consumer basket, selection of centres and markets, etc.

Sir, the Government, in fact, turned a deaf ear to the demand of the Trade Unions for the appointment of the Index Review Committee.

Sir, the Government turned a deaf ear to their demand for the implementation of the Rath Committee

Report on the Consumer Price Index. These new series of Consumer Price Index will have an adverse effect on the Dearness Allowance of crores and crores of industrial workers. That is why, all the Central Trade Unions are opposing this and they are demanding the withdrawal of the new series of Consumer Price Index.

Therefore, I urge upon the Government that it should review and withdraw the new series of Consumer Price Index where the base year has been taken as 2001, which will adversely affect, rather scuttle the Dearness Allowance of crores of industrial workers.

MR. DEPUTY SPEAKER: Shri Santosh Gangwar.

...(Interruptions)

[Translation]

SHRI RAM KRIPAL YADAV (Patna): Sir, my name is also listed. When will my term come. ...(Interruptions)

[English]

MR. DEPUTY SPEAKER: I will try my best to accommodate you.

...(Interruptions)

MR. DEPUTY SPEAKER: I will try to accommodate you all. I will call you one by one. I cannot call all of you at the same time. I know how to accommodate you.

[Translation]

SHRI SANTOSH GANGWAR (Bareilly): Mr. Deputy Speaker, Sir, I would like to draw your attention towards a problem related to the Ministry of Health. There is an autonomous institution under the Ministry of Health—National Institute of Biological Sciences. This is an apex institution for keeping a check on the quality of medicines and their proper storage. I have said earlier too, in the matter of appointments to important posts and promotions, irregularities and disputes have come to light in the said institution. I had urged the Health Minister earlier too to pay attention towards the said problems and address the grievances or problems that were being brought to his notice but unfortunately no steps were taken in this regard. Instead amendment in the recruitment rules was carried out and as a result undeserving people are being appointed on such posts. I would like to request the Hon. Health Minister, through you, to give consideration

to the matter and carry out necessary reforms and changes to move the institution towards the right direction.

SHRI RAM KRIPAL YADAV: Sir, through you, I would like to draw the attention of the Hon. Petroleum Minister towards the problem of scarcity of kerosene being faced by the people in Bihar. The supply of oil is far lesser than the demand leading to large scale blackmarketing of kerosene. It is being sold at the rate of Rs. 28 to Rs. 30 per litre. This is causing a lot of problem to the people. The rural areas on the periphery of the urban areas of the capital city, Patna are facing the greatest shortage. The whole of Bihar is in an uproar over the issue. The farmers are facing a lot of problems. The Hon. minister is present here. I would like to request him to take concrete steps in this regard and to tackle the issue in all seriousness. To check blackmarketing in State Government's work. If proper steps are taken to stop blackmarketing even at this stage, people would feel relieved. The large scale blackmarketing is depriving people of their quota of Kerosene oil. Hence, I would request the Hon. Minister to pay attention towards this issue.

[English]

SHRI B. MAHTAB (Cuttack): Thank you, Mr. Deputy-Speaker, Sir.

I am raising a very important and emotional matter. I would like to draw the attention, especially of the Defence Minister. An Oriya-lad is languishing in the Lahore Central Jail for the last many years. His photograph was published in Oriya newspapers; and the request was to identify this person.

Accordingly, he was identified by Shri Ravindranth Mohanty, a 75-year old person of my constituency. He is a resident of Sauri village, Salepur in Cuttack district. He has identified the person whose photograph has been published as Shri Sukanta Kumar Mohanty. He has identified him because of his age, complexion and cut mark on the forehead. He has said that his son had joined the Army in 1986 and was posted in Agra Regiment. Later, he was posted in Amritsar from where he went missing from June 08, 1999, believing that Shri Sukanta had inadvertently migrated and crossed the border to Pakistan and was apprehended by the Pakistan Army. With all paraphernalia which the Army do, they finally declared Shri Sukanta as an absconder and on April 19, 2003 was dismissed from service.

[Shri B. Mahtab]

My allegation is that proper investigation was never made. Even Shri Sukanto's wife, Shrimati Jyotsnamai Mohanty says that the photograph is that of her husband. Though the Pakistan Government has sent a communiqué to its counterpart in India to facilitate the prisoners' repatriation by producing some documents, not much progress has been done till date. I urge upon the Government to take immediate steps for repatriation of Shri Sukanta Kumar Mohanty from Pakistan and provide all support that is due to his position, at the earliest.

SHRIMATI TEJASWINI SEERAMESH (Kanakapura): Sir, through you, I would like to draw the attention of the concerned Minister to an incident of girl child abuse. In spite of our bringing stringent laws to protect the girl child in this nation, such a shameful incident like sexual abuse on a minor girl child is taking place everyday. All of us are reading that in the newspapers.

One such incident occurred in my State Karnataka at a place called Chincholi where a minor girl student lost here bus pass. Just to get her second bus pass, she approached an advocate. She had only Rs. 100 in her pocket whereas the advocate demanded Rs. 300. She was unable to pay Rs. 300. That minor girl child was sexually abused not only by that one advocate, but he also allowed three of his advocate colleagues to sexually abuse that child.

When she did not get justice, she went to the judge directly in the court and narrated her story. She told that due to that sexual abuse, now she was pregnant. Then, the judge directed the Police to file her complaint. Since that girl did not have the money, the judge asked the girl that he would extend the legal aid. Afterwards when she went to the Police Station, the Police also refused to file the complaint. Then, the court staff only helped her.

Sir, I would like to ask this House that just by bringing laws, we cannot protect the girl child. By providing proper legal methods only, we can protect the girl child. Sir, I am appealing through you. I know that all my women Ministers are very competent and committed. Not only Ministers, all of us in this House, all my colleagues are equally concerned about it. Therefore, I am requesting the Chair to set up a committee of Members of Parliament to follow such cases all over India. Then only, we can bring justice. Otherwise, everybody will escape from the hands of the law.

SHRI BRAJESH PATHAK (Unnao): Sir, constitute a committee for this.

MR. SPEAKER: Shri Mitrasen Yadav—Not present.

[English]

SHRI LONAPPAN NAMBADAN (Mukundapuram): Mr. Deputy-Speaker, Sir, I rise to bring to the notice of the House the need for taking urgent steps for global acceptance of Ayurveda as a holistic system of medicine. In this context, I request the Government to take the following steps, *inter alia*, to ensure that this ancient Indian scientific system of medicine is accepted nationally and globally as a holistic one:

1. Issue suitable guidelines to include Ayurveda in the curriculum from Standards 1 to 10 in order to spread literacy on Ayurveda.
2. Take suitable and adequate steps to reorganise the paramedical system on Ayurveda at par with the modern system of medicine. Such a step will boost employment potential for persons working in this area globally.
3. On the lines of legislation prevalent in Kerala, pass suitable legislation to prevent unhealthy practice of modern medicine by Ayurveda practitioners which also pollutes the image of Ayurveda.
4. Earmark at least an amount of Rs. 1000 crore to the private sector as promotional subsidy or grant to modernise Ayurveda centres so as to attract high-class and valued customers from around the globe.
5. Set up a Committee of experts from all related fields to upgrade the standard of the syllabus of Ayurveda to an international level and report to the CCIM.
6. Take steps to identify the medicinal plants which are one the verge of being extinct and encourage them to be grown and sustained on Government land.
7. Make adequate budgetary provision and take steps to promote research in Ayurveda globally so that it grows into a system of tomorrow and the future generation.

I, therefore, request the Central Government kindly to take necessary steps in the matter immediately.

[*Translation*]

SHRI RAGHURAJ SINGH SHAKYA (Etawah): Mr. Deputy Speaker, Sir, I would like to thank you giving me an opportunity to speak. The work on National Highway No. 2 is progressing well. The people are facing many problems due to a lack of over-bridge in Dhaulpur Khera. We have requested the Road Transport Minister many times to get a small overbridge constituted which would facilitate drainage of water and enable the children studying in the two primary schools and one college in the town to use it to pass over to other side. Similarly, Etawah has Mainpuri district adjacent to it. There is a primary school and an inter-college in Nonmai. A bridge needs to be constructed there as well. Besides this, there is an inter-college and a big temple at the Khanpur cross-roads in Oraiya district. Ravines are present in this area and people find it difficult to commute. A National Highway passes through the place. We had demanded construction of a bridge in that area as well. Construction work is going in on the stretch between Makhanpur and Etawah, but construction of Etawah by-pass has been halted. The Minister had given an assurance that work on the by-pass would be started by October 2005 but March 2006 has arrived and the said work has not even been started. I would like to request the Surface Transport Minister and the Government that construction of bridges mentioned here may be expedited. In addition, the construction work of Etawah by-pass may be started immediately because it is an accident-prone area and people are troubled by dusty roads. Hence, this work may be expedited.

SHRIMATI KIRAN MAHESHWARI (Udaipur): Mr. Deputy Speaker, Sir, I would like to draw the attention of the Government towards the many schemes which are pending in Rajasthan, particularly the schemes related to lakes. Udaipur in Rajasthan is called the City of Lakes. It is the Venice of India and the Kashmir of Rajasthan. It has a number of lakes namely Pichola Lake, Fatehsagar Lake, Swaroopsagar Lake, Udaisagar Lake and Rajsamand Lake adjacent to the Rajsamand region which also holds the Jaisamand Lake, the largest fresh water lake in Asia. There is a Lake Conservation Act in place and the Government has also made a substantial budget provision for conservation of Lakes. But the present Government has a neglectful attitude towards this issue and does not allocate any funds for the conservation of lakes. Rajasthan showcases natural beauty through its lakes. But although we have submitted plans to clear the

way for inflow of water in the lakes and for desiltation of lakes, the government has not taken any steps to allocate funds for the said schemes. Therefore, Mr. Deputy Speaker, Sir, I would like to urge the Hon. Minister, through you, to show concern in this regard. These lakes attract tourists from far off places but they go back disappointed. Hence, the Government should allocate funds for conservation and desiltation of lakes and take steps to remove the blockages in the way of the water flowing into the lakes. This is my request.

MR. DEPUTY SPEAKER: Shri Raghunath Jha. Not Present.

Shrimati Jayaben B. Thakkar. Not Present.

[*English*]

SHRI S.K. KHARVENTHAN (Palani): Sir, the Life Insurance Corporation of India employed temporary employees to carry out the backlog of work in various divisions throughout India. The above persons were appointed initially for a period of 85 days. After an artificial break of two or three days, they were again appointed for a further period varied from 85 days to 500 days. They are not appointed permanently. They have to be given first preference to any vacancy in Class-III posts and Class-IV posts in their respective divisions in terms of Award passed by the National Industrial Tribunal.

Sir, I want to bring to the kind notice of the House that National Industrial Tribunal passed an Award in the previous circumstances directing the LIC to absorb those who have completed 85 days in Class-III posts within a period of two years and 70 days in Class-IV category within a period of three days. The above Award would be applicable only for the period from 01.01.1982 to 20.05.1985. Against the Awards, the LIC went to the Supreme Court and based on the compromise, the hon. Supreme Court directed to hold a formal examination and to solve the issue. Based on the direction, almost all the employees were absorbed by the LIC after 20.05.1985. Similarly, hundreds of employees worked for the period ranging from 85 to 500 days, and most of them are graduates. The Union Labour Ministry also referred the above dispute to the Central Government Industrial Tribunal for adjudication. Hon. Central Government Industrial Tribunal also passed an Award on 18.06.2001 and directed to absorb all the temporary employees working in LIC.



[Shri S.K. Kharventhan]

Hence, I urge upon the Government to absorb all terminated full time temporary LIC employees on permanent basis and save the lives of 30,000 employees of the country.

SHRI VARKALA RADHAKRISHNAN (Chirayinkil): Sir, I raise the matter of urgent public importance. At the outset, I must categorically say that Tamilians and Malayalis are brothers. They belong to the Dravidian family, if I have to use the words of EVR Ramasamy Naicker. We have no dispute at all. There is a question of Mullaperiyar Dam about which I would like to lay before the House all the facts. Mullaperiyar dam was constructed in the year 1896 when the Travancore State was governed by a Maharaja.

The British as well as the King entered into an agreement and it was agreed to supply water to the people of Tamil Nadu. We have no objection. Now, the question is that the dam was constituted only with lime and sand. Two districts, namely Iduki and Pathanamthitta are lying adjacent to this Mallai Periyar Dam. ...*(Interruptions)*

MR. DEPUTY SPEAKER: Nothing will go on record except what Mr. Radhakrishnan says.

...*(Interruptions)\**

SHRI VARKALA RADHAKRISHNAN: Let me make my submission. ...*(Interruptions)*

Sir, if this dam explodes, these two districts will be submerged entirely in water. We are not so cruel to deny water to Tamil Nadu. We are prepared to give surplus water to Tamil Nadu at any time; we have no objection. But the point is that the dam was constructed 110 years back with lime and sand only, it may explode at any time. Now, our attempt is to construct it afresh on modern techniques. Then only, we can give water to Tamil Nadu.

MR. DEPUTY SPEAKER: What is your demand?

SHRI VARKALA RADHAKRISHNAN: The question is that the political parties in Tamil Nadu are unnecessarily politicising this issue. Today, AIDAMK is arguing; tomorrow, DMK would argue in the coming Assembly elections. But my point is that this issue should not be made a political issue. We have no objection to give

\*Not recorded.

surplus water to Tamil Nadu. Mr. Subramanian Swamy gave a statement that it is an inter-State river. No; Mullai Periyar Dam is completely within the jurisdiction of Kerala State. That is why Kerala Assembly was specially convened on 14th and 15th March, and they have passed a new Statute giving protection to the dam, which is inside the State of Kerala. They are perfectly all right to pass the Statute like that. This is the situation now. ...*(Interruptions)* If they are prepared to fight with each other on political arena, we have no objection, but Kerala should not be made as the topic of discussion.

MR. DEPUTY SPEAKER: I have heard you two to three times on this issue. Now, please conclude.

SHRI VARKALA RADHAKRISHNAN: This is the position. We have no objection giving water to Tamil Nadu but our attempt is to construct a new dam with the support of the Government of India.

MR. DEPUTY SPEAKER: Now, you are repeating. Please sit down.

Now, Shri Alok Kumar Mehta.

...*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN: Sir, no water at this level can be allowed to Tamil Nadu. We have to address this issue. We have to answer. The Supreme Court cannot answer the lives of so many people living in the submerged districts of Iduki and Pathanamthitta. They can interpret a law, but they cannot interpret the situation arising out of the explosion of the dam. The people sitting there can discuss it, we have no objection. But they have no right to disturb the lives of the people living adjacent to the dam. Thank you. ...*(Interruptions)*

MR. DEPUTY SPEAKER: Mr. P.C. Thomas, please sit down. I have already called Mr. Alok Kumar Mehta to make his submission.

...*(Interruptions)*

MR. DEPUTY SPEAKER: Nothing will go on record except what Mr. Alok Kumar Mehta says.

...*(Interruptions)\**

\*Not recorded.

[Translation]

SHRI ALOK KUMAR MEHTA (Samastipur): Mr. Deputy-Speaker, Sir, flood is such a natural calamity which occurred in many parts of the country. ...(*Interruptions*)

[English]

MR. DEPUTY SPEAKER: Mr. Thomas, please sit down. You have not given any notice.

...(*Interruptions*)

[Translation]

MR. DEPUTY SPEAKER: Nothing is going on record, why are you speaking?

...(*Interruptions*)

[English]

MR. DEPUTY SPEAKER: Whosoever speaks without my permission, that will not go on record.

...(*Interruptions*)\*

[Translation]

MR. DEPUTY SPEAKER: Thomasji, nothing is going on record, you are speaking unnecessarily.

...(*Interruptions*)

[English]

MR. DEPUTY SPEAKER: You are speaking without my permission. Please sit down.

...(*Interruptions*)

MR. DEPUTY SPEAKER: Have you given any notice?

SHRI P.C. THOMAS (Muvattupuzha): I have not given any notice but actually the issue is. ...(*Interruptions*)

SHRI S.K. KHARVENTHAN: The Supreme Court has appointed a Committee. ...(*Interruptions*)

MR. DEPUTY SPEAKER: You have already spoken. Nothing will go on record.

...(*Interruptions*)\*

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\*Not recorded.

[Translation]

MR. DEPUTY SPEAKER: Nothing is going on record.

...(*Interruptions*)\*

MR. DEPUTY SPEAKER: You have not given notice, please sit down.

...(*Interruptions*)

[English]

MR. DEPUTY SPEAKER: Shri Alok Mehta, you may first of all go to your seat.

...(*Interruptions*)

[Translation]

MR. DEPUTY SPEAKER: Mehtaji, whenever you want to speak, please speak from your seat.

...(*Interruptions*)

SHRI ALOK KUMAR MEHTA: Mr. Deputy Speaker, Sir, flood is a horrible problem before the country and solution to this problem cannot be found in two days. Since formation of UPA Government, problem of flood has been discussed several times in the House. Two years back there was devastating flood in Bihar and Assam. Bihar and Assam are the states where flood occurrence is not an unexpected thing rather it is an expected thing and causes devastation there on a large scale every year. This year Bangalore and Mumbai experienced devastating floods unexpectedly. During the last session a discussion on disaster management was held here in the House and the Government had given an assurance at that time and provisions were made under the rules. Four months are left and after four months there will be devastating floods in Bihar and Assam. Shall we be able to do all the possible arrangements to deal with disasters within those four or five days? We should have a look over the last years records in this regard. If you think that you will be able to provide relief within a few days it is not possible. I demand that repairing work of dams and barrages should be started right now and this work should be completed before occurrence of floods. There are several aggressive rivers like Bagmati and Gandak which cause heavy land

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\*Not recorded.

[Shri Alok Kumar Mehta]

erosion and wash away several villages with them. Such places should be identified and boulder pitching should be done at such places. Particularly in my constituency Samastipur, Darbhanga and Madhubani are flood prone areas. Some places there like Kharsar, Kalanjar and Namapur are such flood affected areas where three or four villages are completely washed away in floods. Such places should be identified and boulder pitching should be done there. The Government has allocated funds for raising ground level to save life and property of flood affected people but that scheme has not been implemented so far. Relief work should be started partially right now. The Government should arrange in advance to deal with any mishap in case floods occur.

[English]

DR. THOKCHOM MEINYA (Inner Manipur): Sir, the Olympics-2008 is knocking at the door. The Commonwealth Games are going on. I congratulate all the medallists from our country. Two weightlifters from Manipur—Ms. N. Kunjarani Devi and Ms. Yumnam Renubala Chanu won gold medals for the country in Melbourne. Ms. Kunjarani brought the first gold medal of the country and Ms. Renubala Chanu brought the second gold medal in weightlifting. My State, Manipur is the home of many national and international players who brought laurels to the country. Manipur has a reasonably good infrastructure for sports following the successful conduct of the Vth National Championships. I do urge upon the Union Government to see that more national championships are awarded to the State so that the infrastructures, crying for proper maintenance, may be maintained and put in full use and players from different States including Manipur are exposed to the national level competitions. If it is done, the likes of Ms. Kunjarani Devi and Ms. Renubala Chanu can be trained for Olympic Medals.

MR. DEPUTY SPEAKER: The following hon. Members—Md. Salim, Shri Santosh Gangwar associated themselves with the matter raised by Dr. Meinya.

\*DR. R. SENTHIL (Dharmapuri): Hon'ble Deputy Speaker, Sir, I would like to draw the attention of the Union Agriculture Minister. There were unprecedented rains in Tamil Nadu. After four serious drought hit years in succession, Tamil Nadu got a highest rainfall in 63 years. While it caused havoc and devastation in some places, it also brought good news and gave relief to

farmers in some districts, particularly, agriculturists from the Northern Districts in Tamil Nadu, who used to rely on wells for irrigation were enthused by a good rainfall. They took vegetable cultivation and this had resulted in abundant growth of Tomatoes. This excessive growth caused a glut in the market and a great fall in tomato prices. For instance, the price of tomato in this current week is 30 paise per kg. So is the fall that the growers could not get remunerative prices. This is not even adequate to meet the expenses involved in growing them, harvesting them and transporting them to the market. To avoid expenditure on harvesting and transporting, vegetable growers even preferred to leave the ripe tomatoes to perish in the field without harvesting them. So, the loss is huge and there is a great wastage. Farmers are facing great hardships. They could not get respite after going through four successive draught hit years. Even after good rainfall, no good has come about to the farming community. Two days back, the agriculturists in Papparapatti took their produce to the highways and crushed tomatoes on the roads in protest against the indifference of the Government. That did not ensure either Minimum Support Price or a remunerative price. At this juncture, I would like to humbly request the Hon'ble Minister for Agriculture to ensure that the MNCs that procure tomatoes in a big way come to the rescue of the vegetable growers now. Such MNCs and middlemen are exploitative and selfish. They make use of this precarious situation to their advantage. Hence, as a minimum measure as in Karnataka, Minimum Support Price may be determined for tomatoes. This is my first prayer. Secondly, Union Government itself may arrange for procurement of tomatoes. Government may either set up cold storage facilities in exclusive warehouses or make use of private sector cold storage facilities to preserve the tomatoes grown abundantly this year. My third prayer is that a regulatory mechanism with a regulated marketing to save these vegetable growers from being exploited by the unregulated market forces may be set up.

SHRI CHENGARA SURENDRAN (Adoor): Sir, I would like to draw the attention of the House to more than one lakh Mahil Pradhan Agents who are engaged in collection of recurring deposits in the country. At present, they are the part and parcel of the Postal Department. By their hard work, the Postal Department in the country is getting a considerable amount as deposits. But unfortunately the benefits they are getting from the Department are very meagre. The five per cent commission which they were getting has been decreased to four per cent now. The

\*English Translation of the speech originally delivered in Tamil.

major difficulty which they are experiencing now is the non-cooperation of the staff of Post Offices.

Therefore, it is submitted that the hon. Minister may kindly look into the grievances of the Mahil Pradhan Agents and consider the following proposals as early as possible. The order of decreasing the commission from five per cent to four per cent may be withdrawn and it should be revised upwards considering the increase of cost of living. Secondly, they may be absorbed in the Postal Department as regular staff. Thirdly, ensure full co-operation from the postal staff.

MD. SALIM (Calcutta—North East): Sir, I rise to raise an issue reflecting on the gravity of the situation in the newspaper industry in general and that of Delhi in particular. Without seeking mandatory permission of the State Government under the Industrial Dispute Act, the employees including journalists have been terminated. It is sad that both the Central and the State Governments are not taking punitive action against the delinquent management. They have turned a deaf ear to the scores of pleas by the DUJ and HTEU.

After illegally terminating 362 permanent workers, *The Hindustan Times* management is again poised to retrench another 400 permanent employees. The Accounts Department and the Co-operative Thrift and Credit Society have been directed to prepare the full and final account of another 400 remaining permanent employees. In a meeting of various Department Heads, the Vice President and the General Manager of HR Department have categorically said that March 31 as the last date for these employees. It is also very unfortunate because the management has also challenged the Protected Workmen's list declared by the Labour Department of the State Government. An Assistant Editor became the president of the union and he has also been victimised.

*The Hindustan Times* newspaper was aided by the freedom fighters and was even patronised by Mahatma Gandhi. But the subsequent Governments unfortunately have not paid much attention to the affairs of this organisation. It first began with an attack on the jobs of workers in the national newspaper chain. It then extended to the journalists with pressure on them to resign their confirmed regular jobs and rejoin on short-term contracts. How is this contractualisation taking place in the organisation? A staff member has committed suicide and many others are suffering and starving since 2004. Their families have been ruined and those who have dared to

stand up and speak have been silenced by way of transfers, suspensions, dismissals and even pre-determined domestic enquiries. Even forces like the police and RAF and other instruments have been pressed into service to suppress the genuine demands of the workers and employees.

MR. DEPUTY SPEAKER: What is your demand?

MD. SALIM: My demand is that the Government must come forward.

[*Translation*]

There are provisions in law. But they cannot retrench the permanent employees without obtaining prior permission of the Government in this regard. These people organize summits, grand lunch and lavish dinners and big leaders attend such lunch and dinners. Instead of taking action against these people, they have easy access in power corridor. These people come here in the Parliament also. The Government bring them here but we have no complaints in this regard. The Government should take action in this regard. The demand of a wage board for all these employees is pending for years. The employees and journalists working therein are being attacked. Therefore, the Government should impose a ban on them. This is what we demand.

[*English*]

SHRIMATI TEJASWINI SEERAMESH: I would also like to associate myself with him.

[*Translation*]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Deputy Speaker, Sir, I am putting a very genuine point before you. Several marble mines are lying closed in the country. In this regard I would like to cite an example. In my constituency a marble mine in Andhi area under Jamua Ramgarh Tehsil is lying closed due to which thousands of families have ruined. This matter is pending since the year 2003 and no decision is being taken on it. This mine is located outside of the forest area. This is an area where even not a single tree grows. I would like to say that an early decision should be taken on it lest it is too late. Therefore, I demand from the Government that a decision in this regard should be taken at the earliest. Agriculture there is totally depend on rain. The land there is rocky and ground water table has gone

[Shri Giridhari Lal Bhargava]

deep. No industry can be set up there as a result of which there is no possibility of any employment. Jaipur city is fifty kilometre away from that place and the people have to come to Jaipur for employment. They have to spend Rs. 30-40 on commutation whereas they get only Rs. 60-70 as wage.

MR. DEPUTY SPEAKER: What is your demand?

SHRI GIRDHARI LAL BHARGAVA: I was saying that their children have stopped going to schools, they have no money for medical treatment and they have no means of livelihood. They had taken loan from moneylenders and mines were mortgaged. Those mines have been sold off. Today such is the situation that 25,000 labourers have migrated from there. The labourers. ...*(Interruptions)*

MR. DEPUTY SPEAKER: What do you want to say?

SHRI GIRDHARI LAL BHARGAVA: Crores of rupees from revenue earnings are being spent. Marble mining is the major industry of Rajasthan. I demand that those mines should be restarted. I think the Minister of Petroleum had been the Minister incharge of this department. Mines are being given on contract basis and forests are being destroyed. I am aggrieved of this state of affairs. The financial condition of people is not good there. Earlier they used to get their sons and daughters married as their financial condition was good but today they are not in a position to arrange marriage of their sons and daughters owing to their bad financial condition. ...*(Interruptions)*

MR. DEPUTY SPEAKER: What do you want to say?

SHRI GIRDHARI LAL BHARGAVA: I was submitting that the government is suffering loss of crores of rupees and the people dependent on these mines are dying of hunger. Being faithful to the government I would like to suggest that these closed mines should be restarted. Labourers have been rendered jobless and 25,000 families have migrated from there. They have nothing to do. The government should think about those people and the closed marble mines particularly in Andhi area should be revived. ...*(Interruptions)*

MR. DEPUTY SPEAKER: That names of Shri V.P. Singh, Shri Jaswant Singh Bishnoi, Shri Srichand Kriplani and Shri Ram Singh Kaswan be associated with it.

SHRIMATI SUMITRA MAHAJAN (Indore): Mr. Deputy Speaker, Sir I would like to draw the attention of the

government towards a very humanitarian issue. We all are aware that after partition of the country the Hindu minorities in Pakistan gradually started to migrate to India. Out of them several Sindhi Doctors migrated to India and particularly settled down in my constituency. They have visa to come to India but here they cannot get citizenship immediately. It takes 7 to 9 years to get citizenship. In some cases people are making efforts to get citizenship for the last ten to fifteen years but till now they have not got it. In between they face one more problem. When a person is residing here for the last seven to eight years, how will he sustain? They leave their practice and came to India and here they are not allowed to start practice. Several times their premises are raided and they are termed as 'quack doctors' and lodged in jails. If they oppose it they have to face humiliation.

Mr. Deputy Speaker, Sir, the Medical Council of India had issued guidelines in the year 2003 under which if any Doctor want to start practice in India he will have to appear in a test and clear it. In this regard I want to say that the Sindh University was earlier attached to Mumbai University before partition and later on it became a separate university. It has recognition in that country but not in India. I think it is not good if those Doctors are asked to clear the test again. I request that this condition can be applied to the Doctors who have come to India only after 2003, this year should be the cut off year but the Doctors who have migrated to India before 2003 and who have obtained their degrees in 1990 or 1995 should not be asked to clear the test. In this regard my first request is that they should be exempted from appearing in the test and they should be given permission immediately to carry on their practice here. My second request is that these people come to India on long term visa so they can be granted work permits immediately to enable them to start practice temporarily, because it takes seven to eight years to get citizenship. I have heard that in some other states like Rajasthan and Gujarat have been empowered to allow them to carry on practice here and they can even grant citizenship to them. If this system is introduced in Madhya Pradesh also it will be of a great help to these people. In order to solve the problems of the Doctors on humanitarian grounds citizenship should be granted to them immediately. On the one hand we are including the names of traders in electoral rolls who intrude into our country in large groups, on the other we are not in a position to solve the problems of such Sindhi doctors for years together who migrate to our country because of the hardships they are facing as minority

there. It is a matter of great inconvenience for them and I want to say that those Doctors should be permitted to carry on their practice here. ...(*Interruptions*)

SHRI RATILAL KALIDAS VARMA (Dhandhuka): I also associate myself with this demand.

DR. VALLABHBHAI KATHIRIA (Rajkot): I too associate myself with this demand.

SHRI MADHUSUDAN MISTRY (Sabarkantha): I also associate myself with this demand.

MR. DEPUTY SPEAKER: I will try to accommodate all the hon'ble Members who have given notice.

...(*Interruptions*)

MR. DEPUTY SPEAKER: Your speech is not being recorded.

...(*Interruptions*)\*

[*English*]

\*SHRIMATI PARAMJIT KAUR GULSHAN (Bhatinda): I thank you, Sir, for giving me the opportunity to speak in Punjabi on matter of urgent public importance. The Rail Coach Factory, Kapurthala, was established in 1985. A lot of people were displaced from 1192 acres of land acquired for this purpose. A lot of people were rendered homeless. However, people had high hopes from this factory. It was expected that it would provide employment to a lot of unemployed people. It was also hoped that it would give a fillip to the development of this area. The employees of RCF, Kapurthala worked with devotion, dedication and honesty. More than 16,700 rail coaches were manufactured here. It is 40% of the entire manufactured coaches in the country. The coaches were of impeccable quality. Every year, 1400 coaches are manufactured here. RCF, Kapurthala is the largest rail coach manufacturing unit in Asia. It not only caters to the needs of our country, its coaches are also exported. over 6600 workers are employed in this factory. Several other smaller units are associated with this factory. These units too, provide employment to a large number of people.

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\*Not Recorded.

\*English Translation of the speech originally delivered in Punjabi.

Sir, inspite of these achievements, the Railway Ministry intends to privatise Rail Coach Factory, Kapurthala. It is rather unfortunate. This factory is not a loss-making unit. There has been no decline in the quality of coaches manufactured here. There has been no complaint against RCF, Kapurthala. The decision to privatise RCF, Kapurthala made in the budget, is rather unfortunate and is a set-back for Punjab.

There are several other Rail Coach Factories in other parts of the country. The RCF, Chennai manufactures only 1200 coaches per year. In comparison, the RCF, Kapurthala manufactures 1400 coaches. The number of employees at RCF, Chennai is more than the number of employees at RCF, Kapurthala. It is reported that RCF, Chennai has been declared a 'Sick Unit'. However, RCF, Chennai is not being privatised. Why, then is the RCF, Kapurthala being privatised? ...(*Interruptions*)

Sir, step-motherly treatment is being meted out to Punjab. The employees of RCF, Kapurthala should have been given a bonus and their salaries should have been raised for their honesty, devotion and dedication to work. It is unfortunate that the Railway Ministry has treated them with disdain and forced them to launch an agitation against the injustice meted out to them.

Sir, this is a serious matter. People who gave up their land for the establishment of this factory are now facing a lot of hardship. Railway Ministry is responsible for this.

Sir, industrialists are already migrating from Punjab due to the faulty policies of the Government. RCF, Kapurthala was the pride of Punjab. However, this factory is facing closure now due to privatisation. The employees and their families are holding protests against this decision for the last 15 days. Punjab will suffer an irreparable loss if the Railway Ministry does not withdraw its wrong decision regarding RCF, Kapurthala. A large number of families will be ruined. The Railways will also suffer a great loss.

Hon. Deputy Speaker Sir, I appeal to the Hon. Railway Minister to stop the privatisation of Rail Coach Factory, Kapurthala. I think, cutting across party lines, all Hon. Members from Punjab will support me on this issue. Thank you.

16.00 hrs.

[Translation]

SHRIMATI PRENEET KAUR (Patiala): Sir, I also want to associate myself with this demand.

DR. RATTAN SINGH AJNALA (Tarantaran): Sir, I also want to associate myself with this.

MR. DEPUTY SPEAKER: Shrimati Preneet Kaur and Dr. Ajnala may please be associated with it.

[English]

\*SHRI M. SHIVANNA (Chamrajanagar): Mr. Deputy Speaker Sir, I thank you for giving me this opportunity to speak on this very important issue regarding Indian Railways. The Hon. Minister Shri Lalu Prasad ji has implemented number of progressive changes.

Railway tickets are available at concessional rates for the physically challenged persons. Smoking has been completely banned at the Railway stations and Railway offices. He has introduced small pots instead of plastic cups. Indegenious drinks have replaced Campa-cola, Coco-cola etc. I thank him very much for this.

16.03 hrs.

[SHRIMATI KRISHNA TIRATH *in the Chair*]

Sir, I would like to point out certain important problems of the physically challenged persons. This is regarding "The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act. 1995" which was passed by the Parliament ten years ago. The Union Government introduced an amendment about six years ago to insert certain provisions in this Act. This amendment has not seen the light of the day till today. I request the Hon. Minister to expedite this matter and clear this amendment by the Parliament as early as possible.

Another, problem is about the concessional tickets that are available for the physically challenged persons. The physically challenged persons can avail this concession in few trains like passengers, and other shuttle trains. This concession facility for the physically challenged persons is not at all available in Shatabdi Express,

Sampark Kranti Express, Rajdhani Express and other important trains. I would like to ask the Hon. Minister as to why this discrimination is prevailing even now? I request him through you sir, that this concession facility for physically challenged persons should be made available in all the trains mentioned above and other super fast express trains also with immediate effect.

I hope the Hon. Minister will consider this genuine demand and issue necessary orders very soon such that the physically challenged persons can travel in all the trains with their concessional tickets. I thank you sir, and with these words I conclude my speech.

[Translation]

SHRI S.K. KHARVENTHAN (Palani): Madam, I associate myself with this matter.

SHRI AFZAL ANSARI (Ghazipur): Madam, through you, I would like to draw the attention of the government towards a serious problem. Farmers in many parts of the country, particularly, in Uttar Pradesh, are facing a crisis due to excessive rains and hailstorm and untimely rains. The mango-growers are facing catastrophe and the crops that have been already harvested, particularly wheat, are rotting in fields.

Sir, the unseasonal rain has destroyed the masoor crop. The farmers are facing a grave situation. I would like to request the government, through you, that the State Governments should be provided special financial packages to enable them to provide relief to the farmers in this hour of crisis.

Madam, I would like to request that farmers should be exempted from paying land revenue this year. The recovery of loans from the farmers, which is made by adopting coercive means, should be suspended. The farmers took loan to buy seeds, fertilizers and grow their crops but the unseasonal rains have destroyed their entire crops. Therefore, it is my request that their loans which they have taken this year, should be waived. With these words I conclude and thank you for giving me an opportunity to raise this important matter in the House.

DR. RAJESH MISHRA (Varanasi): Madam Chairman, first of all I would like to congratulate you for occupying this Chair.

MADAM CHAIRMAN: Thank you.

DR. RAJESH MISHRA: Madam Chairman, Varanasi in Uttar Pradesh was called Kashi in the Puranas, Baba Vishwanath in Kashi is as important as the holiness of Ma Ganga for the pilgrims. River Ganga is getting polluted. Therefore, I would like to draw the attention of the government towards this important issue, through this august House.

Madam, in view of the historical and environmental importance of Ganga, Shri Rajiv Gandhi, had during his tenure as Prime Minister, initiated clean Ganga Campaign on 14 June 1986 in Varanasi itself. It was anticipated that in first phase of the campaign sewage and industrial effluents originating from cities like Kanpur, Allahabad, Varanasi, Patna and Kolkata would be stopped from flowing directly into Ganga. Sewage treatment plants would be set up and nullahs would be diverted. But this Rs. 400 crore scheme could not be properly implemented by beaurcracy owing to some technical drawbacks and the Ganga crisis deepened further. The Ganga water which used to remain uncontaminated for years has now become unfit for bathing particularly in cities like Varanasi, Allahabad, Patna and Kolkata. All government and non-governmental agencies have confirmed this fact.

Madam Chairman, 34 schemes were formulated for Varanasi alone during the period from 1986 to 1991. The water supply corporation implemented 13 of the said schemes and Rs. 3807.92 lakh were spent on it. The implementation of the rest of the 21 schemes entrusted to irrigation, forest, water resources, municipal corporation, development authorities and electricity departments. Rs. 1147.54 lakh were spent on it. Under the first phase, a treatment plant was set up in Dimapur, which is far away from the city, for direct treatment of water. But before implementation of the said projects, 159 MLC sewage was directly released into Ganga. ...(*Interruptions*)

MADAM CHAIRMAN: Dr. Rajesh Mishra, what is your demands? What do you want from the Government?

DR. RAJESH MISHRA: Madam, that is what I am talking about. A report in this regard was also presented in the House the day before yesterday, i.e. Friday. I want to refer to that report also. Earlier 159 MLC sewage used to be released into Ganga and even now upto 140 to 150 MLC sewage is being released directly into Ganga and Yamuna rivers from 10:00 in the morning till late at night. Ganga has become extremely polluted. The Public Accounts Committee has laid its report on Ganga Action Plan in the House on Friday last. I would like to mention

that report as well. Page 4 of this report mentions that stipulated timeframe for completion of work under phase-I of Ganga Action Plan has been extended from March 1990 to March 2000 but despite this 13 year delay the work is still incomplete. The Ganga Action Plan Phase-II, which was to be completed by 2001, has been extended upto September, 2008.

MADAM CHAIRMAN: Rajeshji, kindly conclude your speech in next two sentences.

DR. RAJESH MISHRA: Similarly, I would like to refer to page 123 and 125 of this report. The report clearly mentions that ignoring the technical works and the indifferent attitude of the Stage Governments, who were responsible for implementing the schemes, led to the complete failure of the action plan.

MADAM CHAIRMAN: Mishraji, please state your demand.

DR. RAJESH MISHRA: My demand is regarding the two proposals with respect to the second phase of the scheme which are lying with the Union Government. One proposal has been received by the Government of Uttar Pradesh through Municipal Corporation. The other proposal has been submitted by the Jal Nigam, which is lying with the State Government of Uttar Pradesh. The proposal of the municipal corporation has been submitted through the technical team of Sankatmochan Foundation. We talk of making a three-tier system. We have amended the constitution to devolve some powers to the District Panchayats which are enjoyed by the State Governments and the Union Government. It is my demand and all the experts and technicians have approved it and they hold the same opinion that if the scheme of Sankatmochan Foundation proposed by Municipal Corporation is implemented then we would be able to make the Ganga river clean and pollution free once again and restore the lost glory of the river. ...(*Interruptions*)

SHRI RAM KRIPAL YADAV (Patna): I also associate myself with this. ...(*Interruptions*)

MADAM CHAIRMAN: Let us associate the entire House with this demand. This is a issue sacred to us all. let us all associate with it.

...(*Interruptions*)

MADAM CHAIRMAN: Jai Prakash ji, all the names have come.



SHRI SHAILENDRA KUMAR (Chail): This matter concerns the Allahabad Sangam, I also associate with this.

MADAM CHAIRMAN: Everyone's name has been associated with it. The names of all the hon. Members, who are on their legs, have been associated.

The names of Dr. Thokchom Meinya, Shri Jaiprakash, Shri Ram Kripal Yadav, Shri Shailendra Kumar, Shrimati Tejaswini Seeramesh, Shri Madan Lal Sharma, Chaudhary Lal Singh, Shrimati Peneet Kaur, Prof. Rasa Singh Rawat, Shri Bikram Keshari Deo etc. have been associated.

*(English)*

SHRI J.M. AARON RASHID (Periyakulam): Madam Chairperson, I would like to draw the attention of this august House towards a very important matter regarding raising of the height of Mulla Periyar Dam located in my constituency. Some people say that Mulla Periyar Dam was constructed by the Maharaja of Travancore, which is not correct. This dam was constructed by Mr. Binny Quick of London in the year 1895 and water was stored up to 152 feet there.

Madam, a lot of people from Kerala are living in Tamil Nadu. Wherever you go, you would find a Keralite selling tea. There is a saying in Tamil Nadu that even if you go to moon, you will find a person from Kerala selling tea over there. This is a saying in Madras. In Tamil Nadu, a lot of Keralites are having their industries. I am proud to say that in my constituency, the Chairman of Kodaikanal Municipality is a Keralite and there are 5 Councillors who are Keralites. We, Tamilians, cannot become a councilor in Kerala, but we are not worried about that. Our submission is that the Government of Kerala should honour the judgement given by the Supreme Court for raising the dam's height from 132 ft. to 142 ft. for storage of more water.

DR. K.S. MANOJ (Alleppey): Madam, this is a State matter. He cannot raise it here. This is objectionable. *...(Interruptions)*

MADAM CHAIRMAN: Let him speak. Please take your seat.

SHRI J.M. AARON RASHID: Till 1976 there was no problem between Kerala and Tamil Nadu in sharing of water. But the problem arose in the year 1976 when the

Government of Kerala built Idukki Dam. This dam is spread over 62 sq. km. area with the height of 555' and they have power stations which can generate 780 megawatt. If the height of Mullai Periyar Dam is increased, Tamil Nadu will get only 11 TMC feet of water whereas Kerala is getting 2,500 TMC feet of water every year through rains in the Western Ghats.

The Central Government has sent a team comprising of Shri S.S. Brar, Dr. T.K. Mittal and Shri Rajiv of Naval Cochin Commander. They have inspected the Mullai Periyar Dam and gave the report stating that the dam is in good condition. Then, the Government of Tamil Nadu spent Rs. 26 crore in three stages for strengthening the dam. If water is stagnant at 132 feet, then Tamil Nadu can draw only 6 TMC of water. But from Western Ghats, Kerala is getting 2,500 TMC of water. In our home State, Tamil Nadu, we do not get even 250 TMC of water every year through rains. *...(Interruptions)*

MADAM CHAIRMAN: Please conclude now.

SHRI J.M. AARON RASHID: I am concluding, Madam.

I want to give you the exact report. Madam, it is a hidden agenda of the Kerala State to get more money from the Government of Tamil Nadu. *...(Interruptions)* If they want drinking water that should be given to them. What is the problem in it?

There are more than 50 lakh Keralites living in Tamil Nadu. You will find more number of Keralite friends living in Chennai, particularly in Thiruvottiyur, in Thanjavoor and other places. *...(Interruptions)*

MADAM CHAIRMAN: Please conclude now.

SHRI J.M. AARON RASHID: Madam, Kerala has constructed a dam in 1976 and it caused a lot of dispute. That dispute. *...(Interruptions)*

MADAM CHAIRMAN: Please conclude now.

SHRI J.M. AARON RASHID: Madam, when MGR was the Chief Minister of Tamil Nadu, an Accord was signed in 1979 in which the level of the dam was kept at 132 feet. The water rises to 132 feet. There are about 13 water canals. *...(Interruptions)* Immediately the water goes to Idduki, for which there is a 48 km. travelling via *...(Interruptions)* hilly terrain by passing two dams, viz Kulamavu Dam and Siruthoni Dam.

MADAM CHAIRMAN: You have covered all your points.

SHRI J.M. AARON RASHID: Madam, it is a very important issue. This 48 km. of water-way is going *via* hills and not via plains. There are Kalamaavu Dam and Chiruthoni Dam and then only Idduki Dam comes. ...*(Interruptions)*

MADAM CHAIRMAN: I have called Prof. Rasa Singh Rawat now. Please take your seat. There are 12 more Members who wish to speak.

SHRI J.M. AARON RASHID: I will conclude in one minute, Madam. We have been demanding more water but nothing has happened. Then the water is going to Idukki and then Alleppey. ...*(Interruptions)* to go to sea.

MADAM CHAIRMAN: Please conclude now.

SHRI J.M. AARON RASHID: Madam, it is my request to the Central Government that the Supreme Court judgement should be honoured and the water level should be raised to 142 feet in the interest of Tamil Nadu immediately.

MADAM CHAIRMAN: Nothing will go on record now.

...*(Interruptions)\**

SHRI S.K. KHARVENTHAN: Madam, he is raising such an important matter, please allow him to speak for one more minute.

MADAM CHAIRMAN: All right, please conclude.

SHRI J.M. AARON RASHID: Madam, we have been farming only about 75,000 acres of land. ...*(Interruptions)* Five districts were to yet water but they are not getting it. When it had 152' height, about 217000 acres were irrigated earlier.

So, I draw the kind attention of the august House towards this fact. You have to give more water to Tamil Nadu. The level of the dam should be raised to 142 feet. We get only 11 TMC of water. ...*(Interruptions)* I would request that the Supreme Court judgement should be honoured and the due water should be released immediately to the State of Tamil Nadu. ...*(Interruptions)*

MADAM CHAIRMAN: Nothing will go on record now.

...*(Interruptions)\**

SHRI N.S.V. CHITTHAN (Dindigul): Madam, I associate with him.

SHRI S.K. KHARVENTHAN: Madam, I also associate with him.

*[Translation]*

PROF. RASA SINGH RAWAT (Ajmer): Madam Chairman, presently the UPA Government is not making allocation of wheat to the Rajasthan Government as per its requirement from the godowns of the Food Corporation of India. As a result of this, a lot of problems and difficulties are being faced in employing lakhs of workers in the famine relief work and drought affected areas in Rajasthan which is facing drought situation continuously. Similarly, the Central Government has made a huge reduction in the allocation of wheat under various social and foodgrains security schemes, be it BPL or APL scheme. Livelihood of poor families has been endangered by reducing the BPL allocation by 12674 tonnes. Similarly, the quantity of wheat has been reduced by 63479 tonnes under the APL schemes. Besides, allocation of wheat has also been reduced under Annapurna, Antyodaya Schemes and for welfare organizations, older people, handicapped people and hostels. Poor people are finding it difficult to have a square meal owing to non-popularity of rice as food in Rajasthan and higher prices. Now, the situation is such that the price of wheat is Rs. 4.70 per kg. and rice is Rs. 6.70 per kg under BPL scheme. The people there do not eat rice and it is very costly also.

Therefore, I urge the Central Government that the continuous bias against Rajasthan in allocation of the quota of wheat should be stopped immediately and full quota for BPL and APL and for famine relief work and welfare schemes should be allocated with immediate effect in accordance with the requirement of Rajasthan so that lakhs of workers bearing the brunt of famine and drought could be employed for the famine relief works till the forthcoming summer. ...*(Interruptions)*

*[English]*

MADAM CHAIRMAN:

Shri S. Mallikarjuniah—not present.

Shri Punnu Lal Mohale

[Translation]

SHRI PUNNU LAL MOHALE (Bilaspur): Madam Chairman, I would like to draw your attention to check the shortage and black marketing of diesel in the country. I would like that the Government promotes Bio-diesel and cultivation of Ratanjot. Bio-diesel is produced from cultivation of Ratanjot through which trucks, tractors, taxis and buses etc. could be run and thus there will be no shortage of diesel as it will also work like diesel. The Chhattisgarh Government is cultivating plants to get Bio-diesel through its own resources which is benefiting the Government. The Chief Minister of Chhattisgarh himself is using it in his vehicle. It is becoming very popular in the country. Chhattisgarh is the only state in the country cultivating plants to get Bio-diesel which can also help in saving diesel. We import diesel prices of which keep rising. Shortage of diesel causes difficulties for the people and also one has to face the problem of mixing of kerosene oil in it resulting in the breaking down of the vehicles. The Oilseeds and Vegetable Oil Board situated in Gurgaon provides help in cultivation of Bio-diesel. The State Government had sent a proposal for plantation of Ratanjot in 5000 hectares of land for which it has to receive a grant of about Rs. 460 lakh. I would like to urge the Central Government that the Government should provide Rs. 100 crore for cultivation of Ratanjot in the whole country and Rs. 460 lakh to Chhattisgarh Government for planting 12000 plants which it has already started through its own resources. Therefore, I urge the Central Government to promote the cultivation of Ratanjot so that diesel can be saved and we will not need to import it. Our workers too will get work by doing so and the farmers will get more income and we will get this biodiesel at lower prices. For example, diesel is Rs. 25 per litre, then we will get biodiesel at Rs. 15 per litre. Therefore, I urge that all the states should get more funds and Rs. 460 lakh should be provided to Chhattisgarh Government for plantation of 15 thousand plants.

MADAM CHAIRMAN: Please, conclude now. Everything has been included in it.

[English]

DR. K.S. MANOJ (Alleppey): Thank you Madam Chairperson. I would like to draw the attention of the hon. Minister of Water Resources, through you, to the encroachment of the coastal areas by certain mega tourism projects.

Madam, the Coastal Zone Regulation is in existence in our country. As per the Coastal Zones Regulation, construction activities in the coastal area, in the seashore, are prohibited in specified distances from the high-tide lines as specified under the Coastal Zone Regulations. In Kerala, coastal area is very much densely populated and the poor fishermen are using the plain land near the seashore for landing their traditional fishing crafts, for drying up fishes and also drying up of the nets.

Madam, the sad thing is that stakeholders of certain mega tourism projects are buying the land nearby the seashore and are encroaching upon the plain area which these poor fishermen are using for landing their nets and their fishing gears.

So many such projects are coming up and thereby losing the plain areas in the coastal area for the traditional fishing activities.

I would urge upon the hon. Minister to look into the matter and ensure the implementation of the Coastal Zone Regulations so that the encroachments can be prevented, and these areas will be made free for the use by the traditional fishermen.

DR. BABU RAO MEDIYAM (Bhadrachalam): Madam Chairman, I would like to draw the attention of the House to an important issue. Since four days, about 150 people from Gujarat are staying openly at the footpath of the Office of the Ministry of Water Resources. Men, women and children came all the way to Delhi. They are demanding not to raise the height of the Sardar Sarovar Dam. Already 10,000 families were not resettled or rehabilitated. Moreover, the Government of Gujarat is now going ahead with the heightening of the Dam, and it is supposed to inundate about 35,000 families now.

Madam, it is already on record that the hon. Prime Minister of India advised the State Government not to go ahead with the raising of this Dam. Even then, without any permission from the Ministry of Water Resources or the Central Water Commission, they are raising the height of the Dam. Hence, I would urge upon the Central Government to appoint a Committee or a team of Parliamentarians to inspect the site of the dam and help to solve the misery of the people regarding the resettlement and rehabilitation.

There are thousands of villages which are well developed and since decades people are staying there.

I would request the Central Government to pursue the matter and to kindly stop raising the height of the Dam for the present.

*[Translation]*

SHRI RATILAL KALIDAS VARMA (Dhandhuka): Madam Chairperson, the issue of increasing the height of the dam without permission as mentioned by the Hon'ble Member is not right. The Narmada Regulatory Authority Board has permitted for that. The height of the dam is being increased by 10 metres after taking permission from the authority. *...(Interruptions)*

MADAM CHAIRMAN: The issue raised by the Hon'ble Member will be sent to the Government. You may give proper notice later for whatever you want to say. *...(Interruptions)*

SHRI RATILAL KALIDAS VARMA: Madam Chairperson, the issue raised by the Hon'ble Member will send wrong message among people. *...(Interruptions)*

MADAM CHAIRMAN: You raise your issue after giving proper notice. Nothing said by you will be recorded *...(Interruptions)\**

SHRI VIRENDRA KUMAR (Sagar): Madam, Sagar lake has been included under Jheel Sambardhan Yojana and proposal for action plan worth Rs. 45 crore approximately for its rejuvenation has been sent by the state government to the department of Environment, Government of India. Sagar lake is a historic lake, which had an extent far and wide in the past. During the month of Sawan (rainy season) this lake is full to its brim, the waves rising due to blowing of fresh winds make its name Sagar bear true meaning. The high waves rising like the sea waves make the body and soul of the pedestrians walking along its banks joyous. People from distant regions come to see the lake. Lakha Banjara had got this lake constructed which is very famous in Madhya Pradesh. Its sight will be worth seeing if the work of its cleanliness, increasing its depth and beautification of its surroundings under Jheel Sampardhah Yojana is carried out. Its natural beauty is worth seeing. Hence, I request the Central Government to arrange the required funds to develop Sagar lakes as a tourist site.

SHRI MITRASEN YADAV (Faizabad): Madam Chairperson, my name is also there in the list.

MADAM CHAIRMAN: I am following the list now. You will get the chance later.

SHRI BHANU PRATAP SINGH VERMA (Jalaun): Madam Chairperson, I want to draw the attention of the Central Government towards Bundelkhand region of Uttar Pradesh. Approximately 90% crops of the farmers have been destroyed there in recent past due to storm, rain and hailstorm. That is why the farmers here are on the verge of starvation. I demand from the Central Government to send a team there to conduct a survey there and maximum compensation be paid to the affected farmers. The farmers there have taken loan from cooperative banks for sowing their crops. But those farmers are not in a position to refund the loan due to destruction of their crop and have been pushed to the verge of committing suicides. Hence, I request the Central Government to waive off loans so that they may not tend to commit suicides.

SHRI JASWANT SINGH BISHNOI (Jodhpur): Madam Chairperson, my parliamentary constituency is Jodhpur, which is western desert district of Rajasthan. It has the maximum number of small units of steel in the country. The excise duty of Rs. 25,000 per machine operational in the steel unit has been raised by the Finance Minister in his budget by 100% per cent to make it Rs. 30,000 per operational machine. The excise duty during 1994 was Rs. 10,000 per machine, during 1995, it was Rs. 12,500, during 1997 it was 15,000 which has been increased to Rs. 30,000 now. Fifty thousands labourers are working in these 500 units of Steel in entire Jodhpur district. If these factories are closed due to such a high excise duty, the labourers will be rendered jobless, whereas famine like situation is already prevailing there. A saying is also there that 'Jahan jahan Marwari chalenge, desh ki gari chalegi'. Marwaris set up unit in adverse circumstances also and do their business. The business of utensils and steel is done there on a large scale because most of the steel units of the country are located there. The people there, are very labourious. The government is waiving duty in Uttaranchal and many other states on the one hand, on the other it is increasing excise duty in this district of the desert state on machines being used in steel units. I want to request the Central Government, through you, that the duty increased by the Finance Minister in the budget be withdrawn with immediate effect so that the factories may run there and the labourers may also get wages. There are nearly 1000 units of steel throughout Rajasthan but there are more than 500 units in Jodhpur district alone and hence the Government of India should pay its attention to it immediately.

\*Not recorded.

SHRI MITRASEN YADAV: Madam Chairperson, I want to draw the attention of the House as well as of Government of India towards an important issue. The National Highway No. 28 crossing through Lucknow, the capital of Uttar Pradesh connects many important districts like Barabanki, Gorakhpur, Basti etc. The Highway has been damaged due to heavy rains in recent past. Hence, hundreds of vehicles crossing through the highway meet with accidents daily and many people have met premature deaths. Besides this, accidents take place there and the traffic gets jammed in case heavy motor vehicles like trucks, trollers and buses go out of order. A scheme for converting this highway into four-lane has been sanctioned. But delay is being caused in its construction and laxity in the work is being shown deliberately. The contract for construction has been given to Hindustan Limited Construction Company, which is working very sluggishly. We demand that the report of the district magistrate of Faizabad in this regard be called for. The quality of construction has decreased and construction work is being carried out without conforming to the laid down standards. The same may be got enquired by technical cell. Labourers from outside are being engaged on work and local labourers are not being engaged in order to cover up irregularity in the use of funds. All these things be enquired into and the work completed within a certain timeframe.

PROF. MAHADEORAO SHIWANKAR (Chimur): Madam Chairperson, an atmosphere of fear is prevailing in the country due to bird flu. The first case has been detected in Nandurbar of Maharashtra. The Minister of Animal Husbandry of Maharashtra said that the vaccine of multi-national company became famous. I would like to draw the attention of government towards the loss inflicted on poultry industry due to spread of bird flu. Loss to the tune of Rs. 200 crore has been incurred by this industry per day and poultry farms are under the burden of about Rs. 12 thousand crore loan. The business of poultry feed is also under the burden of rupees 25 thousand crore loan. The entire country is reeling under the threat of bird flu. The Central Government has set aside norms of World Health Organisation and purchased vaccine of Rs. 400 crore. If vaccine was to be bought at all, it should have been bought as per the norms. Besides, purchase order worth Rs. 1600 crore is pending. In this case a conspiracy is being hatched in the country and a heavy loss has been inflicted on our country. We shall

import vaccines, two-three points should be clarified by the Central Government. For example, the number of samples taken and the places from where they were taken, whether the report of the samples is negative or positive alongwith the name of labs. It should be clarified before the people of this country. The Government of Maharashtra paid compensation of Rs. 40 per chicken. But again it broke out in Jalgaon and Malawad and more than 20 chickens have died. Madhya Pradesh banned the import of such chickens and such chickens could not reach Jammu-Kashmir. How much loss this business has to incur due to this? The government must clarify regarding samples. Vaccine of Rs. 400 crore was imported alongwith that and there is further order for vaccines of Rs. 1600 crore. A CBI inquiry should be conducted whether vaccines were needed or not? The loss caused to this industry should be compensated and the loans of the people and interest thereof be waived and principal amount be taken back in installments. Otherwise what would happen to this country which is so much attached with agricultural occupation, it will be destroyed. Today peasants and labourers of this country are in crisis. In such a situation this industry was in their hands. In small houses chickens are reared in blocks of fifty, hundred, one hundred fifty, two hundred or five hundred.

MADAM CHAIRMAN: There is no need to elaborate much and you have already driven home your point.

PROF. MAHADEORAO SHIWANKAR: At last I want to say one thing that by providing security and protection to this industry we will be providing security and protection to our country and farmers. Alongwith this I would like to say that CBI conduct an inquiry into this and its report be tabled in this House. This is my only request.

16.42 hrs.

## PETROLEUM AND NATURAL GAS REGULATORY BOARD BILL, 2006

[English]

MADAM CHAIRMAN: Before we take up the motion for consideration of the Petroleum and Natural Gas Regulatory Board Bill, 2006, as passed by Rajya Sabha, listed in the Supplementary List of Business, I have to inform the House that I have received a letter No. P-23011/8/2005-Mkt. dated 20<sup>th</sup> March, 2006 from Shri Murlidhar Deora, Minister of Petroleum and Natural Gas intimating that the President has recommended under

article 117(3) of the Constitution the consideration of the Bill by Lok Sabha.

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): Madam Chairman, I beg to move:

"That the Bill to provide for the establishment of Petroleum and Natural Gas Regulatory Board to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas excluding production of crude oil and natural gas so as to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas and to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country and to promote competitive markets and for matters connected therewith or incidental thereto, as passed by Rajya Sabha, be taken into consideration."

Madam, I thank you for permitting me to present the Petroleum and Natural Gas Regulatory Board Bill, 2006 in this august House. This Bill has been considered and passed by Rajya Sabha on 2<sup>nd</sup> March, 2006. *...(Interruptions)*

Before I come to the specifics of this Bill, I would like to briefly highlight some of the importance of oil and gas sector in our growing economy. Energy is an essential requirement for economic development and is an important prerequisite for improving the quality of life of our people. At present, in the primary commercial energy mix of our country, coal, oil and gas constitute about 51 per cent, 36 per cent and 9 per cent respectively. As per Hydrocarbon Vision-2025, the combined share of oil and gas in the total energy mix in 2025 is likely to remain at the current level. Thus, even in 2025, the oil and gas sector will continue to play a dominant role in the total energy requirement of the country.

Our economy is, fortunately, poised to grow by over eight per cent during 2005-06 and this trend of robust growth is projected to continue in the foreseeable future. The economic growth of the country is critically dependent on energy management. We import more than 70 per cent of our crude oil requirements to meet our domestic demand of petroleum products. Last year's foreign exchange outgo on account of crude oil imports was of the order of US \$26 billion, that is, Rs. 1,17,000 crore.

Further, at present, about 50 per cent of the estimated gas demand is met by indigenous production. Thus, meeting the oil and gas requirements of our growing economy is a Herculean task. The National Common Minimum Programme emphasises the need to put in place policies to enhance the country's energy security. The efforts made by the Ministry of Petroleum and Natural Gas in enhancing the oil and gas security of the country include:

- (1) increasing domestic oil and gas production under New Exploration and Licensing Policy, NELP-VI;
- (2) acquiring oil and gas acreages abroad-buying the land and properties abroad and drill oil there;
- (3) importing LNG;
- (4) taking initiative to import gas through transnational pipelines;
- (5) diversifying crude oil supply sources; and
- (6) taking steps to build strategic crude oil storage.

The different sectors of the Indian economy have progressively moved towards market-driven regimes in the past few years. In the sectors requiring regulatory intervention like electricity, telecom, etc., statutory regulators have been established. Not only has this helped in getting the much-needed investments in these sectors and their orderly growth, the consumers have benefited on account of availability of better services and products at competitive prices.

Through this Bill, the Government is envisaging to set up a statutory downstream petroleum and natural gas regulator with the following main objectives:

1. to regulate refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas so as to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas;
2. to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country; and
3. to promote competitive markets.

[Shri Murlī Deora]

Earlier in the Thirteenth Lok Sabha, the then Minister of Petroleum and Natural Gas had introduced the Petroleum Regulatory Board Bill, 2002 on 6<sup>th</sup> May, 2002. On 17<sup>th</sup> May, 2002 the Bill was referred to the Parliamentary Standing Committee on Petroleum and Chemicals for examination and report. The Committee presented its report to Lok Sabha about a year later on 8<sup>th</sup> May, 2003 recommending that the bill be passed subject to their recommendations and observations. The official amendments, as proposed by the Committee were introduced by the earlier Government in the Fourteenth Session of the thirteenth Lok Sabha in 2003. However, the bill could not be taken up for consideration by the Thirteenth Lok Sabha and it lapsed.

The Parliamentary Standing Committee had made 49 recommendations. I am happy to tell you that the Government has accepted 47 of them. Twenty-six recommendations have been incorporated in the Bill. Twenty-one recommendations are proposed to be incorporated in the rules and regulations which would be framed by the Government and also the Regulatory Board. With respect to the remaining two recommendations relating to declaring storage facilities, hydrant systems at airports, etc., as common carriers, the Bill seeks to empower the Board to register entities who propose to establish storage facilities for petroleum, petroleum products and natural gas beyond a certain capacity. The Ministry has generally agreed with the recommendations of the Committee.

The Standing Committee had strongly recommended that the Government should lay down separate regulations incorporating provisions essential to handling the specific problems of the gas sector. Our Government fully agrees with this recommendation. The petroleum and gas sectors are at different stages of development in the country with the gas sector being at an early stage of growth. Globally, the share of natural gas in world's primary energy consumption is growing faster than other commercial energy forms. It is often said that if oil was the fuel for the 20<sup>th</sup> century, the 21<sup>st</sup> century will be the era of gas.

The Hydrocarbon Vision-2025 projects that the share of natural gas in the total energy mix of India will increase from the present nine per cent to 20 per cent by 2025. With a view to incorporating the recommendations of the Standing Committee relating to the gas sector in the Bill, the Government had extensive consultations with the gas industry and we have incorporated appropriate provisions

in the Bill which specifically pertain to the gas sector. These relate, *inter alia*, to:

- (i) affiliate code of conduct;
- (ii) pipeline access code;
- (iii) introduction of the concept of contract carrier;
- (iv) marketing service obligations of city or local gas distribution entities;
- (v) exclusivity for a certain period for building or operating city or local gas distribution network; and
- (vi) methodology for fixation of transportation tariffs.

It may be noted that while the Bill introduced in Parliament in May, 2002 was titled "The Petroleum Regulatory Board Bill, 2002", the present Bill is "The Petroleum & Natural Gas Regulatory Board Bill, 2005".

In addition to the changes related to the gas sector, a few refinements brought about in the present Bill relate to—

- (i) having a Member (Legal/Judicial) on the Board;
- (ii) introduction of the concept of 'restrictive trade practices' instead of 'profiteering';
- (iii) a common Appellate Tribunal for the electricity and petroleum sectors;
- (iv) deleting exclusion of the jurisdiction of the MRTPL Commission/Competition Commission; and
- (v) empowering the Board to register, instead authorise, entities seeking to market petroleum products and setting up Liquefied Natural Gas Terminals; and
- (vi) registration of entities seeking to establish storage facilities beyond a certain capacity.

The passage of this Bill will greatly boost the investor confidence in India's oil and gas sector, and will help us in the promotional road-shows we are shortly undertaking for the VI round under the New Exploration Licensing Policy (NELP).

Madam Chairperson, I would like to convey our thanks to the Chairman and Members of the Standing Committee, for their contribution and valuable suggestions

which helped us in framing the Bill, and also the other stakeholders.

I now commend the Bill to this august House for consideration and passing.

MADAM CHAIRMAN: Motion moved:

"That the Bill to provide for the establishment of Petroleum and Natural Gas Regulatory Board to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas excluding production of crude oil and natural gas so as to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas and to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country and to promote competitive markets and for matters connected therewith or incidental thereto, as passed by Rajya Sabha, be taken into consideration."

SHRI VIJAYENDRA PAL SINGH (Bhilwara): Madam Chairperson, thank you very much for giving me an opportunity to speak on this very important piece of legislation. I must start by saying that this Bill was referred to the Standing Committee. As the hon. Minister has already stated, most of the recommendations have been put into this Bill, and the Bill has been passed in the Rajya Sabha. But I have a few things to say. But, first and foremost, let me congratulate the hon. Minister that in a short time that he has been the Minister of this Department, he has been able to put this Bill, this piece of legislation, across to us.

Sir, the regulatory bodies are the 'in thing' in the world today. We have the Electricity Regulatory Bodies. On the finance side, we have the RBI, which is also one of the regulators. Then, we have the SEBI. The argument today is: should we have super regulators? On the finance side, it would look into the finances, stock market, etc. There has to be some sort of a coordination. That is why, I urge the Minister that he has a Department but along with that, there are very related departments which also need some sort of a coordination. There are regulators of electricity; there are regulators of petroleum. There is a TRAI but I am not talking of telecommunication. But I am talking about the related departments. Then, we also have coal. These are inter-related. We do not

have regulators of the GAIL. That is one of the problems power plants are facing. GAIL is there which had ensured supply to the power plants and utilities like NTPC and other utilities, who are in the power business and who are manufacturing power in the thermal power stations.

It has been noted that because of the relationship not being there, there is a problem. Is there a move that we should have some sort of a super-regulator who would ensure supplies to these power plants? This is one of my queries. I welcome this Bill.

Otherwise, I remember, there had been a lot of scams in the allotment of petrol-pumps. I would not go into the details of it. But I am sure, the regulators would look into it and see that a very transparent policy is framed. The role of the regulators is being very important also for the reasons that there are big private parties also coming into it. We already know, the Reliance has come with a lot of petrol-pumps across the country. There used to be monopoly; in the sense it used to be only the Government owned ones, with the utilities like the BPCL, IOC, HPCL and others. But now, there is going to be more competition.

I would also like to deal with the competition aspect because this is one of the things that has been put forth. About the regulators, we have had the experience in the field of electricity. We thought that as the Electricity Act, 2003 would usher in competition, the tariff rates would come down. But what we find is just the opposite. I am sharing this experience with you because it is a related subject. This is the experience that is there about the regulators in the electricity, CERC, SERC. The thinking was that it would usher in more and more competition and so, the tariff rates would come down. The Electricity Act came into being in the year 2003 and now, nearly three years have passed, but the position in regard to tariff rates have not improved. So, I want the hon. Minister of Petroleum to see and study those experiences also.

What has really happened with the Power Trading Corporation and the other trading that are coming up? The competition is very good if there are a lot of players in the market. But what happens when there is a shortage in the market? About electricity, we know that the demand is more but the supply is less. In that condition, the tariff on electricity—because they also want a cut—is going up. So, looking at these experiences, we must be very careful here also.



[Shri Vijayendra Pal Singh]

May I also talk about the experience of the TRAI because a mention was made about it, just now in the House? TRAI came into being; they had their own funding. When the Chairman and Members of the TRAI were travelling abroad—all these things came in the newspapers—they had their own TA, DA rules. You might remember that they were charging very exorbitant TAs, which was 500 dollars or something like that. Is there something in this regulatory system to see how much would be the TA, DA while its Members and Chairman travelling abroad? Who would be going to look into this?

Madam, one of the other problems, which the Parliament has also faced is in calling the regulators as witnesses to the Standing Committees. We have faced this problem. I am saying so because I was also a Member and Convenor of the Committee on Electricity Act, and I am also a Member and Convenor of the Standing Committee. When we tried to call the regulators to appear before the Committee, they said: "There is no provision to call the regulators to the Standing Committees." We wanted to ask lots of questions on the competition and on the TA, DA Bills. We wanted to know whether all their salaries and TA, DAs are going to be from the Consolidated Fund or from their own funding. How are they going to raise their own funding is another question that I would like to put forth to the Minister because it is very-very important.

17.00 hrs.

Tariff is going up and where there is shortage in the market there has to be some sort of capping. Now, Reliance, IBP and Indian Oil are going to be in competition. Competition means that they can pool and raise the prices through these cartels. That would not be beneficial to the consumers. So, this should also be looked into.

The new concept now is, we have entered into a new era in the 21st century, everybody knows that oil is not going to last us forever. How are we going to conserve or save oil is also one of the main works of the regulator. I think in this Bill there is nothing on how the regulators are going to see that some sort of programme on conserving or saving the oil like putting across hybrid cars is taken up through R&D. Cars that are going to come should not be obsolete. They should have better oil conserving facility. Euro-II or Euro-III cars should come and that power also should be with the regulators so that these things are looked into. Companies

like Maruti, Honda try to save oil, petrol and diesel by putting across hybrid cars. Hybrid cars are now available in Japan and America. There are battery-run cars also. That is a different subject. I would not like to go into that but to look after the conservation of oil should also be the work of the regulator.

Talking about the super-regulators, I would again reiterate the point that the super-regulator should look after the whole energy scenario, coal, electricity, gas and oil. In a number of countries there are super regulators. I feel that all the regulators are interested only in their departments or the Ministries and lack of coordination is there. We must start working on it even if it is not thought of today.

Otherwise, I feel that it is a piece of legislation which should have come about long time ago. I congratulate the Minister for putting it across.

[Translation]

SHRI JAI PRAKASH (Hissar): Madam Chairman, the Oil and Natural Gas Regulatory Board Bill introduced by hon'ble Minister is very important. It is right that it has been introduced late. Hon'ble Minister was saying that it was deliberated upon in the standing committee of 13th Lok Sabha and it remained with the department for one and half years. It should have been introduced long ago.

Recently, it was being discussed that NDA Government freed the oil companies to run their companies as the way they liked by bringing a bill in April 2002. What did come out of this? The prices of oil were increased by those companies. They developed their own system and got out of government control. Again the prices of oil keep on continuously rising every fifteenth day or every second month resulting in not only price rise in the country but also further weakening the condition of farmers. Today the largest quantity of oil is consumed by two, first by transport and second by farmers. When farmers will have to pay more for diesel it would affect greatly on their output. Therefore all the oil companies can be brought under control only by this Bill.

Today the entire country will be happy by the introduction of this bill as at least a board will be constituted for exercising control over these companies. Before this the CMD of these companies assumed themselves independent and not under Central Government. Now the disturbance created during last days

could be set right. Several hon'ble Members said that the prices of oil have increased much. The Governments before NDA used to compensate the loss incurred by oil companies through subsidies but later on it was decontrolled and oil companies kept on increasing the prices and earning profit. It caused loss to the consumers and prices increased in the country.

Madam Chairperson, I would like to say that the country will be benefited as a result of introduction of this bill. Earlier one company used to supply oil at one place, second at another, third and so on and so forth. Recently, petrol pumps were distributed. How it was carried out knows the entire world. It earned a bad name for the Department. At last, hon'ble Prime Minister of NDA Government referred it to the Standing Committee on Petroleum. The Standing Committee in its report told to cancel the allotment of all petrol pumps. After the enactment of this bill such things will be brought under control. Companies arbitrarily select sites and allot petrol pumps. There was no control, whatsoever, over them. This bill will rein these companies and thereby benefiting the farmers and common consumers the most. The bill states—The Board shall consist of a Chairperson and not more than four members including one Member (Legal), and three other members from the fields relating to petroleum and natural gas, industry, management, finance, law, administration and consumers.

*[Translation]*

It is my personal suggestion in this regard that it will be good if provision for keeping non-official member is made. All the new members will be from the government sector. If the members will be non-official, they will raise the matters concerning the people before the board. The government must consider this.

Sir, the issue of adulteration is very serious today. Underweighing of Diesel, petrol and gas is taking place at each and every petrol pump today, be it LPG or LNG.

Many such cases have come to the notice in which quantity exhibited on label/mark of the cylinder is 20 kgs, but it contains only 15 kgs of gas and water is mixed with gas in that cylinder. Companies constitute teams to check the practice. The situation has become so bad that many cases of pilferage of gas and mixing water in the have been detected in the tanker carrying LPG while being transported. I request the Hon'ble Minister to pay attention also to prevent pilferage in government

companies on the one hand and to check capital investment by private players from other countries investing capital in this sector. I am a member of the standing committee on Petroleum and Natural Gas. An issue had come before me some days back. I would not name any private player offering more commissions and the government companies giving less commission. There must be some system to control private players also so that they may not indulge in adulteration or underweighing.

My other suggestion is that the board constituted by you will open offices in the entire country, by dividing it into zones. And those offices should be given responsibility to look into the complaints of consumers and deal with the irregularities they find as quickly as possible. I request the Hon'ble Minister to announce in the House that an effective system will be set up against the culprits to prevent the case of pilferage. There are many such outlets and petrol pumps which indulge in under weighing of petrol or against whom the cases of adulteration have come to light.

I want to give one more suggestion on adulteration also that kerosene oil is being distributed to people living below poverty line at a subsidized costs. A board be constituted and system developed for that also so that adulteration could be prevented. A system is adopted either with regard to its colour or rate, so that adulteration could be prevented in that. A matter of competition among the oil companies has also come to light these days as to which company sells more oil, and which refinery purchases more oil. Madam, I think that if the companies do not have refineries, all the companies in Government sector in India would fail. It is the refineries which have saved these companies. A system will be made in the entire country after the bill is passed. I want to request the hon'ble Minister that the information regarding rate decided by you should be made available to the people in the country so that petrol pump owners running outlets as well as the consumers may get to know that the rate would be fixed after certain days and the whole responsibility of fixing the rate should be on this regulatory board and not on the companies. I am telling you about an issue in standing committee that CMD of different companies put forth their own views. They do not listen to the government, to any minister. That is why this bill on regulatory board has been introduced. It is quite necessary and I think that entire House should support it and pass it unanimously. I am very much grateful to the hon'ble Minister and to the UPA Government and thank him because the power required by the entire

[Shri Jai Prakash]

country, the coal required to generate electricity, the gas required to generate electricity will be available only when it is evenly distributed in the entire country and only then the consumers will be benefited properly. There are many such parts in the country like that of north-east, where there are less number of gas pipelines. In many parts, where there is ocean, where oil is extracted, the number of pipelines is more when entire country will be under the jurisdiction of the board, gas will be evenly distributed. There are many states in the country which are not provided with the required electricity. For example, we have been residing a place like Haryana where there are neither coal mines nor hydel projects. Madam, if more gas is supplied to Haryana and the farmers there are provided power at a cheaper rate, then the farmers of Haryana would be able to fill the godowns with good grains throughout country. Only this board can work for this because the entire country comes under its jurisdiction and all the companies would work equally under it. Therefore, I express gratitude to the hon'ble Minister for introducing this bill. The people of this country will be awakened by it. They would get a new direction and the arbitrariness which were going on in this regard till now, will also be prevented.

SHRI SHAILENDRA KUMAR (Chail): Madam Chairman, at first I would like to congratulate you for your being on the Chair as the chairperson for the first time.

MADAM CHAIRMAN: Thank you.

SHRI SHAILENDRA KUMAR: Madam Chairman, I am grateful to you for providing me an opportunity to speak on Petroleum and Natural Gas Regulatory Board Bill, 2006. I support the constitution of this board. The initiative to constitute this board was taken by the NDA Government. When this bill was introduced on 6th May 2002, it was referred to the committee for consideration, where it was postponed due to some reason. I am happy that the UPA Government has changed the earlier Petroleum Board Bill 2002 and replaced it by the 'Petroleum and Natural Gas regulatory Board Bill 2002. That means natural gas has also been included in it now.

Madam, many private companies have entered into the petroleum sector. We would be able to ensure to see that at least the interest of our consumers will be protected through it. The other thing is that a system to monitor petroleum products, storage of gas, transportation,

distribution and sale will be made by constitution of this Board and this Board will control that.

Madam, as my colleague Jai Prakashji was just saying, while agreeing with him and associating myself with him I want to say that a provision has been made that there would be one Chairman, four members and a secretary on this Board. All of them would be from judiciary and the fields related to law. I do not think it proper. There must be the persons related to these fields on the Board; but 70-75% people still live in villages and use petroleum products like diesel or other products. Therefore, we must keep, at least, one member from non-govt. sector on this Board who may look into and protect the interest of farmers and consumers. A member from among the consumers must be on this Board so that consumers could keep their point before the Board. I hope that the hon'ble Minister will certainly consider my suggestion.

Madam, the other things I want to point out is that the rise in the prices of petroleum products adversely affect the common man in the country. Particularly the farmers are immensely affected by it. Farmers use diesel. Hence it is the farmers who have to bear the brunt of price hike of petroleum products. The genuine petroleum products are not available to farmers at a cheaper rate even today. We discuss this issue in the House time and again. We desired it today itself that many of the hon'ble Members raised the issue of adverse impact of climate conditions on the farmer during zero hour. Crops of farmers have been destroyed due to unseasonal rains. Farmers are able to sow their crops with great difficulty by taking loans. At times, government tubewell breaks down; at times starter goes out of order, at times power is not available. Farmers operate their pumping set which runs on diesel. The ploughing of fields is also done by farmers with a tractor, that too needs diesel as fuel. Our farmers and the poor are directly affected if its price is either increased or decreased. I think this regulatory Board will control it also. So far as the issue of subsidy or concession is concerned, farmers should be provided special concession. They should be provided subsidy on petroleum products, be it diesel, or mobil oil or what fuel they use so that they also could maintain their livelihood and be able to contribute to the development of the country.

So far as the issue of adulteration is concerned, it is right that there are many companies in this sector. Earlier, there were Burma Shell, Indian Oil, Bharat

Petroleum, Hindustan Petroleum IBP. Now Reliance and Essar, operating in private sector have also begun to sell it. There are many such petrol pumps operating today. But Bharat Petroleum has launched a scheme. The Pure and sure scheme introduced by Bharat Petroleum ensured quality and quantity of petrol to the customers, no matter whether one is a farmer or one belonging to middle class or upper class. It is a good thing. I think it should be implemented everywhere, be it rural or urban areas and this facility should be provided to all whether one is a farmer, the poor or one belonging to middleclass. Strict action should be taken for preventing adulteration. Some effective provision should be made in this regard. We will have to focus on fixation of retail price in particular. Small farmers take oil in barrels for running their pumping set. But numerous petty retail dealers in villages bring oil from petrol pump but they sell the adulterated oil at maximum retail price when they take it to villages. That too, should be fixed at the minimum so that the farmers are not adversely affected.

As far as allotment of dealership is concerned, I would like to say that the Hon'ble Minister should pay special attention to it. The concerned officers should also pay attention to it. You have just changed the procedure for allotment of dealership. Now the applicants for dealership have been allotted a number. If they fulfil certain conditions they would be given such and such number. There are many such people who have been interviewed twice, after that they were selected and they are at no. 1 but allocation for all the dealership has been withheld because the person at No. 2 complained against it. I mean to say that an enquiry should be conducted by the vigilance at the earliest so that the dealers may set up their petrol pump with dealership and start distribution of oil easily. But there are many cases pending before you which takes very much time. These needs to be disposed of immediately. I had requested through a question in the House when Mani Shankar Ayyar was Petroleum Minister that to states at some places like Maharashtra etc, and other states you have provided domestic supply of gas through pipeline. I want to request the Hon'ble Minister through you that gas should be supplied in big cities, districts and towns through pipeline. It would be better in my opinion. Consumers have to face great difficulty in getting LPG cylinder. Once the cylinder is empty of gas they have to purchase it from black market. At times it weighs less than its prescribed quantity. At times water is found in the cylinder and cylinders are blackmarketed on a large scale. If the gas is supplied through pipe line. I think, anyone will get adequate gas easily on regular basis.

Similarly, we have always been concerned about price of crude oil in the international market which has now gone up to \$67 per barrel. That is why the prices of petroleum products go on fluctuating. The continuous rise and fall in price creates a great difficulty. During the last year we had to import crude oil worth Rs. One lakh thirty five thousand crore almost 70% of our country's requirement.

I would like to tell the hon'ble Minister, through you, that there are some special talents at village level. There is a boy in my parliamentary constituency whose name I do not know. He has developed such a carburetor by the use of which the vehicles would run further with the consumption of oil i.e. which would improve the fuel average of vehicles. The boy wants to give its demonstration to the government so that public may be benefited. Although numerous small automobile companies are offering him to work with them alluring him at the same time that he would be given such and such money. If permitted, I may introduce that boy to the hon'ble Minister who himself may evaluate this boy's talent. That boy has developed such a good carburetor that it does not affect engine in any way. Moreover this carburetor gives good pick-up and the vehicle also gives good average. You should connect such talent with the main stream of the country so that maximum fuel efficiency may be achieved through less consumption of petroleum products. The country will also be benefited from it.

Madam Chairperson, I think everything has been discussed. Although there are a lot of things to say, I would not like to take much time as many of the hon'ble Members are yet to speak. Supporting the bill I complete my speech. Many many thanks to you for allotting me time to speak.

SHRI RAM KRIPAL YADAV (Patna): Madam, Chairman, I rise to support the Petroleum and Natural Gas Regulator Board Bill, 2005. The Hon. Minister has taken a very good step through this Bill. This Bill was proposed to be introduced by the previous Government. The Hon. Minister has tried to give relief to the people by bringing forward this bill. Through this Board, a check would be kept on several things like the natural gas production stage, refinery processing, storage, transportation, distribution etc. Besides, a Chairman, there will be a secretary and four members in the Board who will be appointed for five years.

[Shri Ram Kripal Yadav]

I would like to draw the attention of the Hon. Minister towards selection of members. Generally, retired judges, retired IAS or IPS officers are appointed to such posts. My suggestion is that technical experts be appointed as members on this board so that we are benefited by them. Shri Jai Prakash ji has rightly said just now that the peoples' representatives or eminent people should definitely be appointed in this Board who are familiar with the problems faced by the common consumer so that the problems of this sector are redressed.

Madam Chairman, we all have been experiencing the scarcity of petroleum products for sometimes. We import about 75 per cent of its requirement in the country from abroad. We do not have crude oil, so we import it. We import about 80-90 million litres of petroleum products from abroad. Now, we will have a check over it through the Board. You yourself might be aware that complaints of under weighing of CNG, Petrol, diesel and kerosene are received frequently from the consumers. And this is true also that underweighing of these products is there and this problem is prevailing here on a large scale and this is being done openly. Several efforts were made in this regard but this could not be checked as a result of which the common man is the sufferer. You have tried to check this through this bill. This bill also envisages penalty to the erring persons which is at the rate of Rs. 10 thousand per day. You want to give stringent punishment and a maximum fine of Rs. 25 crore has been provided in this bill and that is a good step. But we will have to ensure that this penalty is not misused.

There is large scale adulteration in petroleum products today. Kerosene is mixed in diesel causing widespread pollution by the diesel run vehicles. Till now, there was nothing in your hands to check but through this Board, a deterrent has been created and a large number of people stand benefited through this Bill.

Kerosene is used by the poor sections of society and the common people but the kind of its scarcity being faced and in view of its huge demand in the states, I think, we are unable to supply it as per the demand and this has resulted in widespread black-marketing of kerosene. There is a provision in the Bill through which the Board will keep a tab on blackmarketing. I think that the government should take concrete action on this so that the common people for which it is meant get it without any difficulty and there is a need to take concrete steps to check its blackmarketing.

Earlier, I have drawn the attention of the Government towards its shortage in the states particularly in Bihar. I hope that the Government would definitely take some concrete steps in this direction so that its shortage is tide over.

Generally, it is complained that when petrol or diesel or kerosene is transported through trains from one place to other, large-scale pilferage takes place on the way and adulteration also takes place which is due to difference in the rates. And this adulteration also leads to pollution. ...*(Interruptions)* The Government should prepare a concrete policy to reduce the difference in the rates of diesel and kerosene and try to have a check on it. The way the rates of petroleum products have been increasing is also a cause of concern for all. Their rates have been increasing every year. How the Government would control it? Rates of these products are fixed in our country on the basis of rates prevailing at the international level. I request that the Government should have a concrete plan in this regard so that the burden of increase in rates is reduced for the poor. We have ample reserves of petroleum products. In Bihar it has come to the fore that there is possibility of gas reserved in Gopalganj, Motihari and Betiah districts of the state. The Government made some concrete efforts in this regard but those efforts seem to be half hearted. There is ample scope of production of petroleum products not only in Bihar but in other parts of the country also. Unless and until we become self-reliant in the production of petroleum products, we cannot have a check on price rise. What steps the Government is taking in this direction at its level and what is the scope of exploration of petroleum products in our country and the quantum of petroleum products likely to be found? I want to draw the attention of the Hon. Members towards the areas which I mentioned just now. If you try to explore petroleum products in these areas. I am sure, it will be met with great success. Without taking more time, I conclude with the hope that through this Board, the common man would get petroleum products smoothly, prices would be kept under check, black-marketing and pilferage would also be checked. With these words, while concluding my speech, I support this bill, as it is definitely going to provide relief to the common people.

*[English]*

SHRI SURESH PRABHAKAR PRABHU (Rajapur):  
Madam Chairperson, I would like to congratulate the Minister for bringing in this Bill virtually as soon as he is sworn in as the Minister of Petroleum and Natural Gas.

In our country, it is an acknowledged fact that infrastructure is a critical problem. The amount of investment that is needed in infrastructure is colossal. Probably we need something like \$1,000 billion for investment in various infrastructural sectors put together. If we look at the Government finances, it is impossible for the Government to find such huge resources to invest in infrastructure. Obviously that leaves with the only choice of inviting the private sector to come and invest. If the private sector has to come and invest, then the Government is supposed to look after the interests of the common people. The private sector will not necessarily look after the interests of the people and therefore there is a need for regulation. The regulator, an independent body, will ensure that enough private investments will be put in, but at the same time it will also ensure that the interests of consumers are properly protected. Therefore, we have to move towards a system of having a regulator as we have done in many cases. We have the Reserve Bank of India as the regulator for the banking sector, we have SEBI for the capital market, we have IRDA for the insurance sector, we have CERC for the electricity sector, we have TRAI for the telecom sector, we now have a regulator for ports also and now we are going to have a regulator for the oil sector. I welcome it.

While welcoming the regulator for the oil sector, I would like to know a few things from the hon. Minister. Our conventional notion of security has to undergo a change. In the past, we thought that if we have a strong army protecting our borders, India is secure. We thought that our internal security can be ensured by having paramilitary forces, police forces and Home Guards. Now oil is a very important thing because transportation is done on oil. You also know as a housewife that you will have to do your household duties only through oil and natural gas or through such other fossil fuels and therefore, oil security is an important issue now. In this context, we have to look at how oil security of India will be properly protected and guaranteed. About 80 or probably 85 per cent of our total fossil fuel needs will have to be fulfilled by importing particularly oil and natural gas in the next 15 years and if our economy grows faster, probably a higher amount will be required. Therefore, this is an extremely important issue.

This raises some issues. There are some general issues about regulation which are applicable here and I will come to some specific issues which pertain to this Bill. When we appoint a regulator, we presume that he is an expert wearing a hat and suddenly we think that he is born as a regulator and he will solve all the

problems. But we have seen that regulators who are drawn from various fields are not necessarily equipped, trained and attuned to the job of doing a good regulation. If he is a judge, he will do it in a judicial way and if he is a bureaucrat, he will do it in a bureaucratic way. Of course, the politicians make the Bill, but they never say that politicians should be appointed in the board. I do not know why they do not say that. We always say that bureaucrats can be appointed, legislators can be appointed, but not politicians because, I think, we, ourselves, think that we are not fit enough to be appointed in the board. I do not know why.

We can be appointed as Ministers, we can be appointed as Prime Minister, we can be appointed as Chief Minister, but not regulator because we cannot do a good job, I think. But whatever is the position that we occupy before we become a regulator, we should try to understand that we always come with that inhibition, that prejudice of that office.

So, the first and fundamental thing for a regulation to succeed, for a regulation to be effective is that we must have a proper system of ensuring that right blend of people are elected. Here, we have mentioned who will be the regulator. We have mentioned that one should be a person who should be a qualified judge, has been a member of the Indian legal service—I do not know why—or such other person. Therefore, the first and foremost point, which is applicable, generally is that a regulator should be selected in a manner, who will be actually equipped to do the job.

Secondly, the way we select a regulator is very important. For the first time, I have seen that we have mentioned in the Act itself where it has been stated that there will be a Member Planning Commission, Secretary to the Government of India, Secretary to the Government of India (Ministry of Finance). I think, the entire wisdom of selection lies with the bureaucracy, which we think will actually solve the problem. I have nothing against this because they are actually and definitely the brighter people. But the issue is, if you want to get the right person, the process of election itself is as important as the person who is going to be selected. Therefore, I also feel that to spread our net wide, we should try and get the right people and right composition for the Selection Committee.

Thirdly, the issue, a general and important issue, pertaining to this is that we are talking about the role of

[Shri Suresh Prabhakar Prabhu]

this Board. What is the role of this Board? The role will be to look at all functions starting from defining, processing, storage, transportation, distribution, marketing and sale of petroleum and petroleum products. This is a value added chain. All the functions which are mentioned are actually down-stream, starting from exploration itself. If we do not explore the oil, we are not able to get it. Therefore, unless exploration is also brought under the ambit of this, the process cannot be complete. It is a very fundamental thing because the cost of exploration itself, the material that is going to finally be explored, then refined and processed, is a big one. If it is not explored, how are you going to get the petroleum resources?

What is the problem that we have got? When I said earlier that about 82 per cent to 85 per cent of our petroleum products will be imported, that means that there is a need to have more domestic resources to be explored. Therefore, exploration itself is a huge issue.

I know that one of the things that they did is that they have invited American participation into this in a big way because Americans, in any way, are the biggest in the oil sector. Therefore, we wanted them to come in. The issue is how do we make sure that the exploration itself is done in a very transparent manner, it is done in a manner, which is really ensuring level playing field. Therefore, this particular Bill should have included, as the first process, the exploration also. We started from refining but excluded exploration. The entire stream of products done is actually something which, I think, should be properly taken into consideration.

Fourthly, they have talked about various petroleum products. Coal based methylene (CBM) is also something, which I think, should have been included in the ambit of this because this is something which is not mentioned. Therefore, CBM is going to be one of the very important sources of hydro-power need. Therefore, this should have also been included. This is not included. I do not know why.

Then, comes the question of the Board. Clause 42 talks about the Board. I think, this is something which I would like to be enjoyed on the Board is that typical regulators are not a statutory board sort of an institution. They are not an incorporate body. Basically, the regulator's job is to function on the basis of transparency.

It is like a quasi court. It is like a quasi judicial process. Therefore, here they are actually creating a different type of an institution. We are creating a Board rather than a Commission or an Authority, which will actually hear the complaints, hear the process. Therefore, I am a little curious to know why this is called as a Board and not as a Commission or a quasi judicial body, whose job is to perform this type of a job.

Without going into the merits of the Board, we are not including, in this, imports or exports. This is an important issue. We are talking about products, a complete value added chain. Now, the Board will have the right also to make sure enough availability of petroleum products in the country. Can they also authorise or direct that more production is imported to maintain the balance?

Would they also look into the issues related to the exports? It is because now for some products, for example naphtha, probably there is a possibility of exports. There is a possibility that such products can be exported. If you export the products, it will also create an imbalance into the system. If you import more, it will also have some impact on the price. I would like to know whether this particular Board has also a right on imports or exports.

Madam, the appeals of this particular Board are going to be heard. I welcome that idea. The body has already been created by an Act of Parliament. We have created a body by an Act of Parliament for appellate issues to be heard about the electricity sector. This particular law says that the same body will now hear these appeals. I welcome it. It is because there is no need to create duplication. But, I think, before that we have to amend the Electricity Act itself.

MADAM CHAIRMAN: Please conclude. You have already taken ten minutes which were allotted to you.

SHRI SURESH PRABHAKAR PRABHU: Madam, I thought since you are sitting there, so you will give me more time.

MADAM CHAIRMAN: Two or three Members are there to speak.

SHRI SURESH PRABHAKAR PRABHU: Therefore, the Electricity Act, probably, also will have to be amended. Again, in this, what we are really saying is that a

Technical Member shall also be added under this particular section. Now, I would like to know when the Tribunal will meet and will hear the matters on electricity, whether this Member will also participate in the proceedings. If he is participating in the proceedings, will he have a right to vote? It is not mentioned here whether the Technical Member (Electricity), who is actually a part of that Tribunal, when he is hearing matters pertaining only to petroleum products, will have a right to vote on that or not. Therefore, I think, that also needs to be clarified. We will have to amend the Electricity Tribunal Act first. Without that, it will not be possible.

The other issue is the issue related to the consumers. You have mentioned that complaints of consumers would be heard by this particular Board. When the parallel body—which is already created under the Consumers Complaints Act—is empowered to hear it, then this body will not hear it. That is the correct and well-taken point. Again, I would like to request the hon. Minister to codify as to what can be heard by that body and what can be heard by this body. It is because typically we have seen that normally if you go to a particular authority of the Government, they will say: "I do not hear it, you go to some other body." So, I would request him when they make the rules, they should make them in such a manner that consumers will properly understand which particular complaint has to be heard by this Board and which complaints have to be heard by the other body.

Madam, since you are telling me to wind up, I have to wind up. I am coming to the last point. But, I would have talked about it a little more. One point is about the office. I do not understand why we have mentioned in the Act that the office should be located in Delhi. When we go to CPWD—If I am a Minister I may always experience it—the CPWD will say that they have no accommodation available in Delhi; you go outside Delhi. In the Act you have mentioned that it should be in Delhi. Take the example of Hindustan Petroleum, Bharat Petroleum, and ONGC. ONGC is, of course, headquartered in Dehradun but its corporate office is in Mumbai. So, why should it not be there in Mumbai? If at all you have to hold it somewhere else, why should it be in Delhi? Why should it not be in Hyderabad?

MADAM CHAIRMAN: Please conclude now.

SHRI MADHUSUDAN MISTRY (Sabarkantha): It should be in Gujarat. Why should it be in Mumbai? ...(*Interruptions*)

SHRI SURESH PRABHAKAR PRABHU: He is from Mumbai and I am also from Mumbai. ...(*Interruptions*)

I support the Bill. While supporting the Bill, I would like to request the hon. Minister to look into these issues. If all the issues cannot be addressed right now, at least take care of them in the rules that will be framed. But, my strong urge will be to include into this the aspect of exploration also.

SHRI TATHAGATA SATPATHY (Dhenkanal): Madam, thank you for giving me this opportunity to give my little bit to the House on this occasion. Energy security has become a part of our new jargon or a jargon of this UPA Government, I think, since the time we heard that Mr. George Bush, the second, is going to visit or bless India, and the Indian soil. Before that, we never heard of energy security. It seemed like this nation was not very bothered about it.

I have a few questions that I would like to be clarified by the hon. Minister.

The hon. Minister is a personality who wins over all the hearts. So, he has an advantage and, therefore, across the House, across all borders, Members are supporting this Bill. But why is this a Board and not a Commission is not very clear to us. The moot point is, whether it will be people-friendly or will it be bureaucracy-friendly.

Some of my colleagues, while speaking, have confused this Board probably with PCRA. I would not like to get into that but it is a fact that with growing middle class in India, with the price of small cars being brought down drastically in this Budget, there will obviously be more consumption of fuel in this nation, and a Regulatory Board is the need of the day. We see that in every sector, a Regulator is coming up. So, why not petroleum?

Madam, I am in the Information Technology Committee and I have a little experience that I would like to recount, and the experience is of dealing with the activities of TRAI. TRAI has a very nicely worded Universal Service Obligation, which unfortunately none of the telecom operators are willing to abide by. So, you do



[Shri Tathagata Satpathy]

not obviously have telephone or hand phone in the rural areas because nobody takes care of the USO. Similarly, when you have such huge companies coming into the field of petroleum and you have a regulatory body trying to control them, I do not think that anything in the shape of a USO will be practicable in this scenario.

It seems that the Government is trying to wash off its hands and dump the whole matter into the laps of the bureaucrats, and as is visible in Chapter-VII clause 40(2) the matters are appealable to the Appellate Tribunal and, therefore, the decisions of the Board cannot be audited by C&AG. Therefore, you are keeping the acts of the Regulatory Board beyond the reach of C&AG. Will that not encourage corruption at very high places? This is a question that obviously comes to our mind when we think of this Board.

It seems that we are handing over on a platter this important decision making process to bureaucrats who will be handpicked by another group of bureaucrats as is evident in Chapter-II, clause 4(2).

When America is waging war across the globe to capture lands that have fossil fuel, we somehow probably do not understand what will be the import of this material in our economic growth. It seems that politicians probably hate politicians. Therefore, as Shri Suresh Prabhu has very rightly said, none of the Members of this House can ever have a say in this regulatory body. This august House is eventually responsible to the people of this nation. But something as important as energy, fossil fuel, petroleum, diesel, kerosene, etc. have been handed over to those people who are not answerable to the people of this nation.

It is probably the entry of many private players in this field today and in the future, which is instigating the Government to take such a step. Obviously, the petroleum prices will be fixed by this Board in future. Now, there will be this question. Who will manipulate this Board or who will regulate this regulatory body? The Government till now regulated the prices of petroleum products. It was answerable to this House. It could be criticised and it could be pulled up. Many times in the past we had seen roll backs, roll fronts and roll side ways. So, we had a system which was answerable to the people. But when you have a body like this regulatory body, which

you do not wish to claim to be a Commission, there cannot be a voice of the people, which will govern this country. So, why do you keep people, who are not answerable to the nation, in such positions where, tomorrow, they will decide the fate of the economic growth of this country?

I would like to know this from the hon. Minister, whom will the Board be answerable to. In the Bill it is said that the Government can remove the members and it can nominate other members but the conditions are very vague, and they need to be very clearly codified as to what will be the situation in which the Government can interfere. As is evident in clause 22(1), the Board can get into the details. "The Board shall lay down, by regulations, the transportation tariffs for common carriers or contract carriers.". It can decide such minute details without being answerable to anybody in general.

Will the regulatory body be permitted to permit a price war? Will it control quality in a nation where we find that even the Army is supplied with water as fuel in fuel tankers as was evident some years back? So, you are creating an entity which will not be answerable to anybody. It will become a creature of its own creation created by the bureaucracy for the bureaucracy and it shall operate also like that. Only a select few will choose their favourites and those favourites will decide the fate of this country. Since both the sides of the House are involved in passing this Bill—one side had brought it in 2002 and the other side is bringing it up right now in 2006—we, probably, have not much of a choice in deciding what will be the fate of this Bill because it is evident it will be passed. But it is with regret that I must say that we are pushing this country from a state of democracy to a state of bureaucracy, and we all should be very-very concerned about this.

MADAM CHAIRMAN: Mr. Tathagata Satpathy, please conclude. Only two minutes are left.

SHRI TATHAGATA SATPATHY: I will not even take that much time.

It is because it will eventually affect the lives of the common man, which will be harmful to the nation in future.

MADAM CHAIRMAN: Thank you very much.

SHRI SURAVARAM SUDHAKAR REDDY (Nalgonda):

Madam, it looks that the proposal for the Regulatory Board has been brought before the House to co-ordinate more effectively the petroleum and natural gas organisations in our country. It is said that this is to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas.

To speak frankly, I have apprehensions about the bill. The main source of our energy in this country is petroleum.

MADAM CHAIRMAN: Shri Sudhakar Reddy, you will continue your speech tomorrow. This discussion will continue.

The House stands adjourned to meet at 11 a.m. on 21st March, 2006.

18.00 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, March 21, 2006/Phalguna 30, 1927 (Saka).*

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