(e) to (g) Ministry of Finance, as a policy, encourages development through budgetary route which is more transparent. Profit-linked incentives, whether industry or area based, lead to significant revenue loss and adversely affect buoyancy in revenue collection. Area based exemptions, both in indirect and direct taxes, are being discontinued/phased out. On the indirect taxes side, these are incompatible with the proposed Goods and Services Tax (GST) and on the direct taxes side, these are incompatible with the proposed Direct Taxes Code (DTC) where investment based deductions are to replace the profit based/area based deductions/exemptions.

(h) Does not arise in view of (e), (f) and (g) above.

**Expenditure on social welfare schemes**

1896. SHRI BHUBANESWAR KALITA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the combined expenditure of Central and State Governments on social welfare schemes is less than 7 per cent of its Gross Domestic Product (GDP) as against 20 to 30 per cent of GDP spent by developed countries; and

(b) the details of steps proposed to be taken to increase the annual expenditure on social welfare schemes for poor in urban and rural areas of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMONARAIN MEENA): (a) The combined expenditure of India's Central and State Governments on social welfare schemes for 2012-13 as per Budget Estimates is 7.09 per cent of GDP. There has been an almost continuous rise in social welfare expenditure in India over the last five years as can be seen in the following table.

<table>
<thead>
<tr>
<th>Year</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12 RE</th>
<th>2012-13 BE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure on Social Services</td>
<td>5.91</td>
<td>6.76</td>
<td>6.89</td>
<td>6.79</td>
<td>6.89</td>
<td>7.09</td>
</tr>
</tbody>
</table>

Source: Reserve Bank of India (RBI) as obtained from Budget Documents of Union and State Governments. RE: Revised Estimate. BE: Budget Estimate.
Many developed countries have higher social welfare expenditure. The public social expenditure of OECD countries in 2011 is 21.9 per cent. While there are measurement differences for cross-country comparisons, the three largest categories of social expenditure in these countries are pensions (on average 8 per cent of GDP), health (7 per cent) and income transfer to the working age population (5 per cent).

(b) Indian Government has been implementing many social welfare schemes. Some of these are Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for providing 100 days of wage employment to the poor and the disadvantaged sections of society, National Rural Health Mission (NRHM) for providing accessible, affordable, and quality healthcare facilities to the rural population and remote areas of the country, Sarva Siksha Abhiyan (SSA) which ensures universalization of right to free and compulsory education for children in the age group of 6-14 years and National Rural Livelihood Mission (NRLM), a self-employment programme for lifting of poor rural families above the poverty line. Recently, the National Food Security Ordinance has been passed and the bill is in the Parliament, for ensuring food and nutritional security upto 75 per cent of the rural population and upto 50 per cent of the urban population.

**TDS on purchase of property**

†1897. SHRI NARENDRA KUMAR KASHYAP: Will the Minister of FINANCE be pleased to state:

(a) whether a liability of deduction of 1 per cent tax at source (TDS) upon the purchase of property worth above rupees fifty lakhs has been assigned to the buyer or the tax payer;

(b) whether the Ministry has received the complaints against the sellers, builders, Government institutions regarding not accepting the said legal provision and not getting the deduction of 1 per cent TDS made out of selling amount; and

(c) whether Government would consider to assign the liability of depositing 1 per cent tax on selling price of the property to the sellers, builders and Government organisations?


†Original notice of the question was received in Hindi.