

"That this House do appoint Shri Sanjay Dhotre, Shri Pankaj Chaudhary and Smt. Santosh Ahlawat to serve as members of the Joint Committee on the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Second Bill, 2015 vice Shri S.S. Ahluwalia, Shri P.P. Chaudhary and Smt. Krishna Raj resigned from the Joint Committee on their appointment as Ministers."

SHORT DURATION DISCUSSION

Further discussion on the status of implementation of the Andhra Pradesh Reorganisation Act, 2014 and the assurances given by the then Government to the House on 20th February, 2014

MR. DEPUTY CHAIRMAN: Now, we are taking up further discussion on implementation of Andhra Pradesh Reorganisation Act, 2014.

SHRI TIRUCHI SIVA (Tamil Nadu): Sir, what about Defence Minister's clarifications?

MR. DEPUTY CHAIRMAN: Yes. With regard to clarifications, it is like this. ...*(Interruptions)*... Clarifications will also be sought today. The Minister will be available by 5.30 p.m.

SHRI TIRUCHI SIVA: No, Sir. He said, "At 2.30 p.m.".

MR. DEPUTY CHAIRMAN: No, no. Minister is not available now. In the morning, it was decided like this. Were you not there in the morning?

SHRI TIRUCHI SIVA: No, Sir, I was not there.

MR. DEPUTY CHAIRMAN: Okay, you were not there. First, we will take up Andhra Pradesh discussion, maximum for a 45 minutes or so. Then, we will take up Private-Members Business. After that, clarifications will be sought because Minister's availability also has to be looked into. That is the decision.

DR. T. SUBBARAMI REDDY (Andhra Pradesh): Sir, will the clarifications be sought before the reply or after the reply? We want to seek clarifications.

MR. DEPUTY CHAIRMAN: No, no. After the reply, there will be nothing. Whatever clarifications you have to seek, you can seek before the reply is made.

DR. T. SUBBARAMI REDDY: Sir, I have to seek some clarifications.

MR. DEPUTY CHAIRMAN: On what?

DR. T. SUBBARAMI REDDY: On the same subject, Sir. Regarding Andhra Pradesh, I have to seek one clarification.

MR. DEPUTY CHAIRMAN: Okay. But you have already spoken.

DR. T. SUBBARAMI REDDY: Sir, yesterday, I spoke, but, today, I have to seek a clarification. Sir, I am an Andhra man. I am the person who, actually, gave the notice yesterday. You hardly gave five minutes time yesterday. I have every right to ask. I want to seek some clarifications. That is all.

MR. DEPUTY CHAIRMAN: It is okay. But the point is, if it is clarification, it can be sought only after the Minister's reply.

DR. T. SUBBARAMI REDDY: Okay. Clarifications will be sought after the reply of the Minister.

SHRI TIRUCHI SIVA: Sir, ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: What is your point?

SHRI TIRUCHI SIVA: I would request you one thing, Sir. After the Andhra discussion and before the Private Members Resolution, we can take up the clarifications.

MR. DEPUTY CHAIRMAN: To the House, I will put it up again then. If the House agrees, I have no problem. ...*(Interruptions)*...

SHRI D. RAJA (Tamil Nadu): Sir, after Andhra Pradesh, it is Private Members' Resolution.

MR. DEPUTY CHAIRMAN: No, no, please. I said that I will put it up then. I will put it to the House then.

SHRI C.M. RAMESH (Telangana): Sir, yesterday ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Are you speaking?

SHRI C.M. RAMESH: One minute, Sir. Yesterday night, during Shri Venkaiah Naidu's intervention in the House, we saw that all the parties in this House supported the case of Andhra Pradesh. Whatever issues happened, ...*(Interruptions)*...

AN HON. MEMBER: Regarding what?

SHRI C.M. RAMESH: Regarding whatever is there in the Act and the promises made. See, at that time, the ex-Prime Minister, Dr. Manmohan Singh, was also there. Today, he is not there. If he intervenes, it is good, but he is not there. Now, I am requesting the hon. Leader of the House that we are not satisfied with whatever Mr. Venkaiah Naidu said yesterday. They did wrong to Andhra Pradesh. What has happened in the elections? I am requesting my friends that in future it should not happen. This is my request.

MR. DEPUTY CHAIRMAN: Okay. Thank you. Now, Shri Ananda Bhaskar Rapolu. Your time is three minutes. I will strictly adhere to that. You have to say it in three minutes.

SHRI ANANDA BHASKAR RAPOLU (Telangana): Respected Deputy Chairman, Sir, I stand here with emphatic empathies and sympathies towards my brothers and sisters of the successor and residuary State of Andhra Pradesh. Two years have lapsed. They are separate States today. For each national festival, be it the 15th August or the 26th January, they have to search for a location to celebrate. But they were able to shift the basic, important, operational, public welfare departments nearer to their proposed State Capital, Amaravati. The bifurcation has been a success. That is the history of these two years. The residuary State of Andhra Pradesh as well as the new State of Telangana are showing grand results of the competence, not only between them, but also among other States of India. However, कल तो नेल्लोर के घरती पुत्र वरिष्ठ वेंकैया नायडु जी ने दूध का दूध पानी का पानी कर दिया। जब वे विपक्ष में होते हैं तो उनकी विपरीत भावना होती है और सत्ता में आते ही उनकी विपरीत भावना बदल जाती है। मेरे तेलुगू भाइयो, उन्होंने अपने पूरे के पूरे संदेश के अनुसार, इधर या उधर समझ लिया। अभी यह फैसला होना है कि केन्द्र सरकार की तरफ से जो वायदे थे, वे अभी निभाने वाले नहीं हैं। I would like to straightaway ask the Union Finance Minister whether the Union Cabinet is going to take cognizance of the decision of March 1st, 2014.

SHRI C.M. RAMESH: It was February. ...*(Interruptions)*...

SHRI ANANDA BHASKAR RAPOLU: After that, I am told, on March 1st, 2014 the Cabinet has deliberated and decided to accord the 'Special Category' status to the residuary State of Andhra Pradesh, keeping the exigencies in view. It has been proven that Andhra Pradesh, in its exact present shape, is in revenue deficit. Are you going to accord it or not? It may be true that the 14th Finance Commission has created such a condition that there may not be any benefit out of it, but even if you are not in a position to stick to such a formula. ...*(Time-bell rings)*...

MR. DEPUTY CHAIRMAN: One more minute; one more minute.

SHRI ANANDA BHASKAR RAPOLU: Sir, kindly let me take five minutes.
...(Interruptions)...

MR. DEPUTY CHAIRMAN: No, no.

SHRI ANANDA BHASKAR RAPOLU: I am concerned; I am from Telangana.
...(Interruptions)...

MR. DEPUTY CHAIRMAN: Your name was not here. It was added later. Sit down. You can take one more minute. I told you; you should know how to speak within the allotted time.

SHRI ANANDA BHASKAR RAPOLU: Okay, Sir. I would take one minute.

And, if you are not able to give the exact 'Special Category' status, then create another category. Try to evolve another such category in order to address the demands of States like Bihar, Odisha, Jharkhand, the residuary State of Andhra Pradesh and other States with such demands. The 'instrument of destiny' for the bifurcation of Andhra Pradesh, our elder Member, Jairam Rameshji, has created...

MR. DEPUTY CHAIRMAN: Okay, your time is over now. Please sit down.

SHRI ANANDA BHASKAR RAPOLU: Sir, please give me one minute.

MR. DEPUTY CHAIRMAN: No; please sit down.

SHRI ANANDA BHASKAR RAPOLU: Sir, I will take only one minute more. I pray for that.

MR. DEPUTY CHAIRMAN: Sit down. I know you are from Telangana also.

SHRI ANANDA BHASKAR RAPOLU: Sir, other speakers took 20-30 minutes. I am only asking for one more minute.

MR. DEPUTY CHAIRMAN: I am not allowing one more minute. I am only giving three minutes. Now, Shrimati Thota Seetharama Lakshmi.

SHRI ANANDA BHASKAR RAPOLU: Thank you very much, Sir, for your grace.

MR. DEPUTY CHAIRMAN: I really want to allow, but I am sorry because we are taking the Private Members' time. That is why, I have to be extra careful.

†SHRIMATI THOTA SEETHARAMA LAKSHMI (Andhra Pradesh) : Hon'ble Deputy Chairman, Sir, I thank you very much for giving me the opportunity to participate in the discussion on the status of implementation of the Andhra Pradesh Reorganization Act, 2014. Sir, we all know that united Andhra Pradesh was bifurcated and the residuary State of Andhra Pradesh was formed that consisted of thirteen districts and no Capital. Sir, through you I would like to thank all the Hon'ble Members representing different States, who participated in the discussion and requested that justice be delivered to the State of Andhra Pradesh. The main aspiration of the people of Andhra Pradesh is that, Justice is delivered to the State which is being treated with gross injustice. Every citizen of this country respects this Parliament with utmost sincerity and also believes that the Parliament is a temple of Justice. But in this Parliament itself, bifurcation of the State took place in the presence of the then Hon'ble Prime Minister Shri Manmohan Singh, Shri Arun Jaitley, Shri Venkaiah Naidu and all the Members of Indian National Congress representing the State of Andhra Pradesh. The bifurcation of the State took place within closed doors, telecast of the proceedings were stopped and the entire country was kept in dark. Sir, every citizen of this country should abide by law and respect the Constitution. During the debate on the Andhra Pradesh Reorganization Bill, 2014, Shri Venkaiah Naidu, who was a Member of this House at that time demanded Special Category Status to the State be allotted for ten years instead of five years proposed in the bill. Not only in this august House did he made a demand for Special Category Status to the State but in different places, on various occasions. Today, all the Telugu speaking people are wishing for the Special Category Status to be announced by the Government. Shri Venkaiah Naidu, while speaking yesterday in this House, stated that the Central Government has sanctioned IIT, NIT, Agriculture University and two Airports to the State. I am very thankful for the institutions allotted to the State. I want to mention that all these institutions will be helpful for the people of Andhra Pradesh to pursue higher education and airports will be helpful to the people in travelling abroad but these will not be of any help in generating revenue to the State. Andhra Pradesh was bifurcated and the residuary State of Andhra Pradesh was left with deficit Budget and everyone is aware of this fact. Today, all the Hon'ble Members of Rajya Sabha, people of Andhra Pradesh and all the Telugu speaking people demand that the Special Category Status should be granted to the State of Andhra Pradesh. If Special Category Status is granted, there will be industrialization in the State and consequently revenue of the State will be increased. Special Category Status to the State is very much essential for direct investments to come to the State. Today, people of Andhra Pradesh strongly feel that, to improve the revenue of the State, to compensate the deficit budget and most importantly to facilitate the inflow of new industries Special

†English translation of the original speech made in Telugu.

Category Status is very much required. What we are asking for is not something new or something extra. We are asking for the promises made in this august House to be fulfilled at the earliest. I would also like to bring to the notice of this House that, the present Chief Minister of Andhra Pradesh, Shri Chandrababu Naidu, has been working eighteen hours a day for the development of the State and if the Central Government decides to support him in developing the State and in delivering justice to the State, all the promises made by the Government have to be fulfilled immediately. Shri Chandrababu Naidu, Chief Minister of Andhra Pradesh, visited Delhi on various occasions to discuss the Special Category Status issue and request tax incentives to be given to the State. Yesterday, in this House, we witnessed how all the Hon'ble Members of this House irrespective of the State they represent, came forward to support the demand for Special Category Status to Andhra Pradesh. They have supported the cause and demanded that the promises made in this House be fulfilled immediately. In the history of India, never existed a State without a Capital but united Andhra Pradesh was bifurcated and the residuary State of Andhra Pradesh is formed without a Capital. The residuary State of Andhra Pradesh is not having any industries and is dependent mostly on agriculture for the revenue of the State. Even the agriculture sector in the State is not prospering as it is facing losses due to untimely rains. If industries are established, there will be increase in employment and consequently, there will be development in the State. Sir, Hon'ble Members from all political parties in this House are now supporting unanimously the cause of Andhra Pradesh because what we are demanding is not something new. We are only demanding that the promises and assurances made in this House by both the Bharatiya Janata Party and Indian National Congress be fulfilled and implemented at the earliest. I once again request that justice be delivered to the residuary State of Andhra Pradesh and Special Category Status be granted to it. Thank You Sir.

MR. DEPUTY CHAIRMAN: Thank you. Now, Shri Naresh Gujral. Three minutes for you also.

SHRI NARESH GUJRAL (Punjab): Sir, the bifurcation of Andhra Pradesh was a cynical step taken by the desperate Congress Government which was hit by massive financial scandals at that time. The Congress expected rich political dividends, and, as a result, huge commitments were made by the then Prime Minister from the departure lounge of his 10-year tenure.

Sir, however, the people of Andhra Pradesh saw through their game and we know that none of their candidates in either of the States got more than 2,000 votes, and, the chief architects of this bifurcation have now to find their way to this House through

[Shri Naresh Gujral]

Karnataka and Maharashtra. Sir, at that time, I spoke in this House and I told my friends from Andhra Pradesh that only empty promises were being made. I said so because of our experience of Chandigarh. Commitments were made to us, to Punjab that Chandigarh would be transferred to us, not by one Congress Prime Minister but by two Congress Prime Ministers, namely, Shrimati Indira Gandhi and Shri Rajiv Gandhi. But till today, we have not got Chandigarh.

Sir, many States have asked for 'Special Category' status. I empathize with them. Some of these States are, Odisha, Bihar and Bengal but I want to point out one thing and we are the victims of that. 'Special Category' status was given to the State of Himachal Pradesh, Uttaranchal, Jammu and Kashmir, and, as a result, economy of Punjab was shattered. Our industry moved to these States. So, I have strong reservations about giving 'Special Category' status to any State. Sir, I feel that such a status should be given to the most backward districts of this country, wherever they may be, whether it is Andhra Pradesh or Odisha, and, at the same time, to the border districts of this country because only then will they come up and have some kind of economic activity in those areas. That will not only help remove poverty from these areas but will also deal with the menace of separatism, which is threatening the unity of India.

Sir, we have seen in the past that whenever this status is given to a full State, only a couple of important districts prosper which are already doing okay. In the case of Uttaranchal, Haridwar has benefited, and, at the same time, Pantnagar has also benefited. In the case of Jammu and Kashmir, industry has gone only to Jammu, nothing has gone to the hills. Same is the case with Himachal Pradesh; only Baddi has been benefited. So, once again, I reiterate that this should be given to the districts and not to the whole State. Now, in the end, I would say that since Hyderabad has been taken away from Andhra Pradesh, their economy has suffered a huge. ...*(Interruptions)*...

SHRI ANANDA BHASKAR RAPOLU: It is an integral part of Telangana. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Rapolu, please sit down. ...*(Interruptions)*... He is not taking away Hyderabad. ...*(Interruptions)*... Please sit down. ...*(Interruptions)*... He is not taking it away. ...*(Interruptions)*... Don't worry, Hyderabad will be there. ...*(Interruptions)*...

SHRI NARESH GUJRAL: I feel Andhra Pradesh deserves the support of the Centre. Money should be given to Andhra for building a new Capital, and also for building other infrastructure of the State. I am sure the hon. Prime Minister will not let them down. Thank you very much.

MR. DEPUTY CHAIRMAN: Now, Shri Y.S. Chowdary. Mr. Chowdary, since you are a Minister, I am not saying how many minutes you should take, but be brief.

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY; AND THE MINISTER OF STATE IN THE MINISTRY OF EARTH SCIENCES (SHRI Y.S. CHOWDARY): Sir, thank you very much. I rise to intervene on this subject which is very close to my heart. I am emotionally disturbed the way things happened that day as well as how things have been handled for the past two years. Definitely, I, as a Member of Parliament in this House, am not able to answer straight to the five crores of Telugu people. As regards the passing of the Andhra Pradesh Reorganisation Bill, I have no hesitation in saying that both the national parties are equally responsible and, unfortunately, both the national parties were not transparent enough and they never took all the stakeholders into confidence. And if at all they wanted to bifurcate -- our Telugu Desam Party, particularly, was never, never against the bifurcation of the State -- we always requested that it should be done on an equilibrium basis. It should be helpful to both the States. The manner in which the Congress Party handled the issue was really frightening. The way the Andhra Pradesh Reorganisation Bill was passed, there is absolutely no doubt that there was no respect for the Members of this House. It was managed only by numbers. It is evident from the fact that the Andhra Pradesh Assembly had passed a Resolution against the bifurcation, in spite of that, Article 3 was invoked, whereas Article 3 was originally incorporated in the Constitution to bring Princely States into the Republic of India. In case of the State of Uttar Pradesh, in spite of the fact that their Assembly passed the Resolution for division of State, more than two I think, either of the parties never bothered to respect that decision. So, that Bill was passed undoubtedly in anticipation of political benefits. Maybe Congress Party had expected some instant benefit which did not happen and not only our State but the entire country also gave a fitting reply to them. All of you are fully aware that on behalf of our party, we tried our best to sensitise every Member of this House and the other House about the amount of injustice likely to happen by passing this kind of a half-baked Bill. We fought the war but finally lost the battle in this sacred temple of democracy. Sir, 70 per cent of the Members and, unfortunately, Chairman and Deputy Chairman also were there, and today they can be witness that myself and my colleague, Mr. Ramesh, fought vigorously for many days, but we could not make any impact.

MR. DEPUTY CHAIRMAN: You were fighting from the Well. That is the ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: No, Sir. I am sorry, Sir. Let me complete whatever I want say. Those days you used to ask me to sit. I had no option. But today I can request. Finally, we realized that if we have to wake up a really sleeping person, we can wake him up; it is possible, but if somebody is only pretending to sleep, we cannot do that. That is what our realization was. I am fully aware, as a Minister, there is the collective responsibility of every decision of this Government, but I rise to sensitise my Government to make sure that the commitments stated in the Act, assurances given on the floor of the House may be implemented as early as possible so that my Government can take up all the pending issues immediately and start acting. Sir, majority of the problems that my Government is facing today are because of the half-baked, unscientific, undemocratically passed Bill, which was passed without following the basic democratic process. Sir, the entire nation got frightened on that day, the day when the Bill was passed in *

MR. DEPUTY CHAIRMAN: No, no. Do not refer to * *...(Interruptions)...* One second. That is expunged.

SHRI Y.S. CHOWDARY: Okay, Sir.

MR. DEPUTY CHAIRMAN: You should not make a comment about* *...(Interruptions)...*

SHRI Y.S. CHOWDARY: Okay. Sorry, Sir. When it comes to our House, the Bill was passed after the assurances were given by the then hon. Prime Minister, Dr. Manmohan Singh. How the assurances were given? It was because the then LoP, Arun Jaitleyji, and senior Member of the Bharatiya Janata Party, Shri Venkaiah Naidu, as a matter of fact, demanded 'Special Category' status for ten years while the hon. Prime Minister committed to give it for five years. Apart from that, Arun Jaitleyji also raised certain legality issues. In spite of that, the Bill was passed. They have simply ignored the 32nd Constitution Amendment, which was passed in 1973. In any case, I still consider that Madam Indira Gandhi was a great leader. In 1973, in order to maintain the unity of this country, she said that the bifurcation of the Andhra Pradesh State would not only create problems for the Telugu people, but it would also be a problem for the entire country. She said that it should not happen -- not in next 20 years, 50 years, not even in next 100 years. In spite of that, in anticipation of political gains, this Bill was passed.

Sir, I am neither a career politician nor an advocate, but my simple understanding is, when the Bill was passed in Rajya Sabha, the assurances given by the hon. Prime Minister was a condition precedent. The Bill was not passed it is. Otherwise, we would

*Expunged as ordered by the Chair.

3.00 P.M.

have demanded, and we had demanded on that day, that those assurances should have been incorporated in the Bill in Lok Sabha. Thereby, the assurances given on the floor of this House cannot be ignored so easily. I don't want to repeat and waste the time of this august House since many hon Members have already spoken. Having said so, I am happy that hon. Member of this House, who is the author of this defective, half-baked or half-cooked Bill, also admitted yesterday that he is the author. He also wrote in his own book that the Bill was asked for and it was made in an autocratic manner, and it was done for political benefits. Sir, I hope political parties will learn a lesson from whatever had happened. ...*(Time-bell rings)*... Now, let me talk about the implementation part.

MR. DEPUTY CHAIRMAN: You have only two more minutes.

SHRI Y.S. CHOWDARY: No, Sir. I need at least five minutes. Please, Sir, let me complete. I need to achieve it for the benefit of the State of Andhra Pradesh, for the benefit of five crore people and also for the benefit of my Government. My Government should not be blamed. Many times, my Government officials and many Members are mixing up Fourteenth Finance Commission, AP Reorganisation Act, Raghuram Rajan Committee Report about 'Special Category' status and the assurances. Let me clarify that the Fourteenth Finance Commission, in its Terms of Reference has mentioned, every five years, the Government has to deal with revenues and expenditures of the entire country State-wise in order to implement the cooperative federalism. But, they have no right to say whether 'Special Category' status can be given or not. At the same time, Raghuram Rajan Committee Report was submitted in 2013. The way the State was bifurcated in an unscientific manner was not envisaged. Therefore, it should not be compared with other States. If they had mentioned it, that would have been a different issue. As a combined State of Andhra Pradesh, we were never in the begging stage like this. We were always prospective performing State. We never asked for 'Special Category' status when we were together. Because of the situation which arose after the bifurcation, the 'Special Category' status is very important. That should not be linked.

Sir, the Fourteenth Finance Commission has nothing to do with this. Definitely, the Fourteenth Finance Commission cannot be the Bible. Please remember that A.P. has always been a performing State. Since Government is permanent in nature, it is the bounden duty of my Government to work out the solutions to honour every assurance given by the Prime Minister and satisfy all the people of Andhra Pradesh. Particularly, time and again. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Okay. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: No, Sir. I need to speak for a few minutes. Please, Sir, it is my humble request.

Particularly, time and again, we are saying that we will implement in true letter and spirit. Now, I would like to mention that my Government have already initiated implementation of some of the commitments mentioned in the Act as well as some which are not committed even in the Act and which, normally, should have taken ten years' time. I must claim the due credence to the Government. In two years' time, we have implemented many of those things for which I, undoubtedly, thank all my colleagues in the Government. But it is unfortunate that my Government is getting blamed because of the following pending issues which are mainly given below.

The revenue deficit was prior to the implementation of the Fourteenth Finance Commission, which was projected by the then Governor's rule. A similar amount of benefit has gone to Telangana. That was also very clearly evident. Then, tax incentives for industry, the special package for capital building, which is also there. Then, Railway zone and establishment of Water Management Boards, delimitation of assembly seats, steel factory at Kadapa and Dugarajpatnam port, providing support to the police establishments, implementation of Section 8, addressing Schedule IX and X, institution and management of A.P. Bhavan etc., 'Special Category' Status and Polavaram Project, all these have to be supported. There is no doubt about it.

My Government has no option, Sir. Definitely, a day before or later it has to be done. So, it is my request and I want to sensitize all my Government colleagues that it is better to do as early as possible so that we can get enormous goodwill. Sir, being a leader is not about being right. It is about doing what is right. So many leaders are afraid of conflict. But we should fearlessly speak the truth, what is possible and what is not. I am sure my Government will do everything right without any loss of further time. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Okay. All right. With that, you can conclude. ...*(Interruptions)*... Okay; fine. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Just two minutes, Sir, please. Finally, I would like to put it on record that Telugu people will never compromise with their pride. A.P. is fortunate to have an energetic Chief Minister like Mr. Chandrababu Naidu, who has been working very hard. We have enough confidence that he will rebuild the State. भीख मांगने का हमारा इरादा नहीं है, इच्छा नहीं है। We do not want it any cost. But जो भी करना है, वह करना चाहिए, immediately. There is absolutely no need for any further delay.

Sir, our hon. Prime Minister is doing great things. He is trying to reform this country which has got * or sixty-five years. He is also showcasing our country properly. ...*(Interruptions)*...

SHRI ANAND SHARMA (Himachal Pradesh): What is he saying? ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Whatever it is, it is not a big thing. ...*(Interruptions)*... I never said political parties are different from Governments. ...*(Interruptions)*...

SHRI ANAND SHARMA: Is he speaking as a Minister? ...*(Interruptions)*... The same should apply to him also. ...*(Interruptions)*... We object it. ...*(Interruptions)*... We condemn it. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Please. ...*(Interruptions)*... Anyway, that is what has happened. ...*(Interruptions)*... That is my view. ...*(Interruptions)*... As a Member I have a right to say. ...*(Interruptions)*... Okay, you can condemn. ...*(Interruptions)*... It is *...*(Interruptions)*... No doubt about that. ...*(Interruptions)*...

SHRI ANAND SHARMA: He should not provoke the Opposition like this. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: My hon. Prime Minister has successfully showcased our country in a better light. ...*(Interruptions)*...

SHRI DIGVIJAYA SINGH (Madhya Pradesh): Is Andhra Pradesh a part of this country or not? ...*(Interruptions)*...

SHRI ANAND SHARMA: We strongly object to that. ...*(Interruptions)*... How can you say *? ...*(Interruptions)*... It should be expunged. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: It is very easy for him to help State of Andhra Pradesh. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Okay. ...*(Interruptions)*...

SHRI ANAND SHARMA: What did he say? ...*(Interruptions)*... *? ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: That I will remove. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Definitely, there is nothing I said ...*(Interruptions)*...

SHRI ANAND SHARMA: India cannot be * ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: See, * is not proper. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: I never mentioned; Governments after Governments. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: *is not proper. I will expunge it. ...*(Interruptions)*... Okay, over. ...*(Interruptions)*... All right, that is over. ...*(Interruptions)*... Please sit down. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Definitely, in Governments after Governments, it has happened. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: That is over. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Just one minute, Sir. ...*(Interruptions)*...

SHRI ANAND SHARMA: If he feels strongly about Andhra Pradesh, he should resign from the Government. He should. ...*(Interruptions)*... It should be expunged. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I have expunged it. ...*(Interruptions)*... * is expunged. ...*(Interruptions)*... He cannot do that. ...*(Interruptions)*...

SHRI ANAND SHARMA: He is part of the Government. ...*(Interruptions)*... He should resign. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Sir, finally, we must remember, ...*(Interruptions)*... Some people are there sometimes and some are here. ...*(Interruptions)*... Sir, individuals and Governments are not permanent in the country. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Okay, please. ...*(Interruptions)*... All right, now sit down. ...*(Interruptions)*... Over. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Sir, the society is permanent. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: That is okay. ...*(Interruptions)*... Now, sit down. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: The procedure, system, values, and ethics created by the Government will continue ...*(Interruptions)*... contribution to the future generation of the society. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: You have taken more time ...*(Interruptions)*... I said, ten minutes. You took fifteen minutes. ...*(Interruptions)*... Okay. ...*(Interruptions)*... All right. ...*(Interruptions)*...

*Expunged as ordered by the Chair.

SHRI Y.S. CHOWDARY: The Government ...(Interruptions)... One second, Sir. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: No, no. That is enough. ...(Interruptions)...

SHRI Y.S. CHOWDARY: The Government and the society ...(Interruptions)...

MR. DEPUTY CHAIRMAN: No; now, you are reading. ...(Interruptions)... No, no. ...(Interruptions)...

SHRI Y.S. CHOWDARY: Hence we have to ...(Interruptions)... Principles of the Constitution. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: That is enough. ...(Interruptions)...

SHRI Y.S. CHOWDARY: Thank you. Jai Bharat and save Andhra Pradesh.

MR. DEPUTY CHAIRMAN: That is correct. Okay; now ...(Interruptions)...

SHRI MOHD. ALI KHAN (Andhra Pradesh): Sir, ...(Interruptions)...

MR. DEPUTY CHAIRMAN: I can allow you only two minutes. Can you finish in two minutes? ...(Interruptions)... No, no. I can allow if it is only for two minutes, not more. ...(Interruptions)... Only two minutes.

श्री मोहम्मद अली खान: मैं धन्यवाद करता हूँ कि हिंदुस्तान की जम्हूरी अदालत के अंदर, जहां से सारी दुनिया को इंसाफ मिलता है, 2014 में यूपीए की चेयर पर्सन श्रीमती सोनिया गांधी जी और राहुल गांधी जी की कयादत में डा. मनमोहन सिंह जी ने, आंध्र प्रदेश के लिए एक बड़ा ऐलान किया था, लेकिन आज यह बदकिस्मती की बात है कि 2014 में जो इलैक्शन हुआ, तो भारतीय जनता पार्टी के Chief Campaigner ने सरजमीन आंध्रा के लॉर्ड वेंकटेश्वर मंदिर के अंदर खड़े होकर बोला था कि आंध्र के साथ जो injustice हुआ है, उसे दूर किया जाएगा। जैसे ही भारतीय जनता पार्टी की सरकार आएगी, स्पेशल पैकेज और स्पेशल स्टेटस आपको देने का ऐलान करेगी। लेकिन यह कांग्रेस पार्टी ईमान रखने वाली पार्टी है, हमने सियासत के लिए बायफर्केशन का ऐलान नहीं किया था। हमने आवाम को सामने रखकर ऐलान किया था। लेकिन आज मैं एक मोअज्जिज मेंबर को सुन रहा था। वे हम पर ब्लेम करते हैं। डिप्टी चेयरमैन साहब, हमारी पार्टी और मेरी क्राइड सोनिया गांधी और डा. मनमोहन सिंह जी की जुस्तजू का यह नतीजा था। मैं लीडर ऑफ द हाउस से यह ख्वाहिश करूंगा कि आप को इस इबादतगाह के अंदर कई वर्षों से रहने का तजुर्बा है, भारतीय जनता पार्टी और आज के प्रधान मंत्री को लॉर्ड वेंकटेश्वर, जिन्हें हिंदू धर्म का सब से बड़ा भगवान माना जाता है, उसकी सरजमीं पर खड़े होकर उसके दरबार में खड़े होकर आपने वायदा किया था, उसे दो साल गुजर गए, लेकिन आपने वह वायदा पूरा नहीं किया।

डिप्टी-चेयरमैन साहब, और एक बात है, मैं चाहता हूँ कि आंध्र प्रदेश का जो स्पेशल स्टेटस है, जबकि हमारे प्रधान मंत्री डा. मनमोहन सिंह ने इस हाउस में स्पेशल स्टेट्स का ऐलान किया था, उस पर implementation होना चाहिए। हमारे साथ-साथ इस वक्त के लीडर ऑफ द अपोजिशन और

[श्री मोहम्मद अली खान]

वेंकैया नायडु जी की भी उस वक्त यही मांग थी। मैं उन पॉलिटिकल पार्टीज का शुक्रिया अदा करूंगा कि आपने आंध्र प्रदेश को स्टेट का दर्जा देने की मांग की ताईद की, लेकिन आज भी तेलंगाना के साथ नाइंसाफी हो रही है। ... (व्यवधान) ... मैं इसके साथ-साथ झारखंड, बिहार को स्पेशल स्टेटस का दर्जा देने की मांग की ताईद करूंगा ... (व्यवधान) ...

جناب محمد علی خان (آندھرا پردیش): میں دھنیواد کرنا ہوں کہ ہندوستان کی جمہوری

عدالت کے اندر، جہاں سے ہماری دنیا کو انصاف ملتا ہے، 2014 میں یوپی۔اے۔ کی چیئرپرسن شریمنی سونیا گاندھی جی اور راج گاندھی جی کی قیادت میں ڈاکٹر منموہن سنگھ جی نے، آندھرا پردیش کے لئے ایک بڑا اعلان کیا تھا، لیکن آج یہ بدقسمتی کی بات ہے کہ 2014 میں جو الیکشن ہوا، تو بھارتیہ جنتا پارٹی کے چیف کمپینر نے سرزمین آندھرا کے لارڈ وینکٹیشور مندر کے اندر کھڑے ہو کر بولا تھا کہ آندھرا کے ساتھ جو ان-جسٹس ہوا ہے، اسے دور کیا جائے گا۔ جیسے ہی بھارتیہ جنتا پارٹی کی سرکار آنے لگی، اسپیشل پیکیج اور اسپیشل اسٹیٹس آپ کو دینے کا اعلان کرے گی۔ لیکن یہ کانگریس پارٹی ایمان رکھنے والی پارٹی ہے، ہم نے سیاست کے لئے بالفرکیشن کا اعلان نہیں کیا تھا۔ ہم نے عوام کو سامنے رکھ کر اعلان کیا تھا۔ لیکن آج میں ایک معزز مسٹر کو سن رہا تھا۔ وہ ہم پر یلیم کرتے ہیں۔ ڈپٹی چیئرمین صاحب، ہماری پارٹی اور میری قائد سونیا گاندھی اور ڈاکٹر منموہن سنگھ جی کی جسٹجو کا نتیجہ تھا۔ میں لیڈر آف دی ہاؤس سے یہ خواہش کروں گا کہ آپ کو اس عبادت گاہ کے اندر کئی سالوں سے رہنے کا تجربہ ہے، بھارتیہ جنتا پارٹی اور آج کے پردھان منتری کو لارڈ وینکٹیشور، جنہیں ہندو دھرم کا سب سے بڑا بھگوان ملتا جلتا ہے، اس کی سرزمین پر کھڑے ہو کر اس کے دربار میں کھڑے ہو کر آپ نے وعدہ کیا تھا، اسے دو سال گزر گئے، لیکن آپ نے یہ وعدہ پورا نہیں کیا۔

ڈپٹی چیئرمین صاحب، اور ایک بات ہے، میں چاہتا ہوں کہ آندھرا پردیش کا جو اسپیشل اسٹیٹس ہے، جب کہ ہمارے سابق پردھان منتری ڈاکٹر منموہن سنگھ نے اس ہاؤس میں اسپیشل اسٹیٹس کا اعلان کیا تھا، اس پر امپلی منٹیشن ہونا چاہیئے۔ ہمارے ساتھ اس وقت کے لیڈر آف دی اپوزیشن اور وینکیا ناٹھو جی کی بھی اس وقت یہی مانگ تھی۔ میں ان پارلیمنٹری پارٹیز کا شکریہ ادا کروں گا کہ آپ نے آندھرا پردیش کو اسپیشل کا درجہ دینے کی مانگ کی تائید کی، لیکن آج بھی تلنگانہ کے ساتھ ناانصافی ہو رہی ہے۔ (مداخلت) ... میں اس کے ساتھ ساتھ جھارکھنڈ، بہار کو اسپیشل اسٹیٹس کا درجہ دینے کی مانگ کی تائید کروں گا۔

MR. DEPUTY CHAIRMAN: Okay; now sit down. ... (Interruptions)... Two minutes are over. ... (Interruptions)... All right. Two minutes are over. Now, sit down. ... (Interruptions)...

श्री मोहम्मद अली खान: आपने मुझे बोलने का समय दिया, इस के लिए बहुत-बहुत धन्यवाद।
 †جناب محمد علی خان: آپ نے مجھے بولنے کا وقت دیا، اس کے لیے بہت بہت شکریہ۔
 (ختم شد)

MR. DEPUTY CHAIRMAN: Now, the hon. Minister.

THE MINISTER OF FINANCE AND THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): Mr. Deputy Chairman, Sir, I am extremely grateful to the hon. Members who have spoken on this motion. Obviously, a very large number of Members are concerned with regard to the future economic development of the State of Andhra Pradesh. The undivided State of Andhra Pradesh has been one of the most progressive regions in the country, and I have not the least doubt that both the units which have been carved out, Telangana and Andhra Pradesh, in the long run, will certainly be amongst the fastest-growing States, as far as India is concerned. But while we discuss this, we have to bear in mind that there are several issues which are of extreme political, and, at times, even emotional sensitivity, as two of my colleagues in the Ministry, Mr. Venkaiah Naidu yesterday and Mr. Chowdary today, expressed their sentiments. It is obvious that when we discuss, in the public domain and the political domain, issues relating to region, caste, religion, language, water, each one of these issues has an ability to throw up a lot of sensitivity and become extremely emotive. And, therefore, each one of us has the responsibility of approaching these issues with a sense of fairness and justice. In the past also, States in India had been bifurcated. Punjab was bifurcated into Haryana and Himachal Pradesh. All the three units, which were carved out, have done extremely well and I belong to a political party which has conventionally believed that smaller States are better administrative units. When the first NDA Government under Mr. Vajpayee was in power, we had decided to create three States, Uttarakhand, Jharkhand and Chhattisgarh. Virtually unanimous resolutions were passed in the larger Assemblies. There were different political parties in power in each of the States. After consultations and in a consensual manner, the States were bifurcated. That bifurcation did not result in any kind of a political crisis. It was, by and large, politically extremely smooth.

My friend, Mr. Jairam Ramesh, who is absent today, had raised a few questions when he opened the debate yesterday, particularly with regard to the proceedings of this House as also the Reorganization Act, as to what the position is with regard to each of the issues raised therein. He is also the author of a book on the story of bifurcation. Yesterday, he claimed that he was also the author of the Bill. It is a different matter that the strategy that he devised at that time as an expert on Andhra Pradesh resulted in Congress losing its deposits in all the seats.

†Transliteration in Urdu Script.

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But that apart, where do we stand today? We stand today at a stage where the city of Hyderabad which is an important commercial centre, as a part of the bifurcation, goes to the State of Telangana. That has created a situation where Andhra Pradesh has lost out on revenue, even though in the long run, the State of Andhra Pradesh is bound to recover if there is good governance in Andhra Pradesh, if they plan the affairs as are being planned by the Government headed by Shri Chandrababu Naidu; and because of the sense of entrepreneurship of the people of that State itself, the State in the long run would get out of the revenue deficit situation that it is currently in. But, for the present, it needs more urbanization, it needs more capital, it needs more industries to come in and, for some period, the State of Andhra Pradesh needs a hand-holding.

And I would like to assure the hon. Members of this house that the Central Government will fulfil all the responsibilities that it has in hand-holding the State of Andhra Pradesh so that it can recover to a level where the State then goes and progresses on its own.

Sir, we must bear in mind how the State finances and the Central Government finances are to operate. The Central Government finances today predominantly come from certain categories of taxation, which are Direct Income-Tax, Central Excise, Customs Duty and Service Tax.

Additionally there are some non taxation methods of raising the revenue. The taxation that the Central Government has, from that taxation pool, by virtue of devolution, money also goes to the State Government. The States have their own areas of revenue, their own taxation. That is the Constitutional scheme. Under the Constitution, the States have taxation areas. In addition to the taxation a State collects, a State gets its share of devolution from the Central taxes. Now the Constitutional mechanism is very clear that the State Government has its own resources, plus it gets its own devolution, and then further support grants and support to the scheme, etc., from the Central Government.

On devolution of taxes, I would like to join the issue with my friend from Trinamool Congress, Mr. Sukhendu Sekhar Roy when he said yesterday that the Central Government can just print the currency and distribute it. I do not think that is the way a national economy is going to be run. Forty two per cent of the Central revenues go to the States. The balance 58 per cent which is with the Central Government, it has to take care of the country's defence. It has a huge bill of salaries and pensions. It has to repay back and service the loans, interest plus other loans. It then has to support, out of 52 per cent a lot of Central sector schemes which are operated through the State Governments. After doing

all that the Central Government has a deficit. This year the deficit is 3.9 per cent. In case there is a larger economic management of the country that there is some sort of a crisis, then, the Central Government has to spend more.

For instance, the current hon. President was the Finance Minister and we had the global economic crisis, he had to spend 3 per cent extra as an extra stimulus. Therefore, our borrowings went up by 6 and 6 ½ per cent. So, lakhs of crores had to be borrowed every year by the central Government in order to operate its own finances. Therefore, the size of the cake is limited. The size of the pie is limited. It is very easy to say in a debate of populism. To say all right 'X' State wants extra amount of money, give it to 'Y' 'Z', 'B' 'C' and 'D' so that we can please everybody. But let us bear in mind that India is the Union of States. The Union has to survive so that you can have India as the Union of States. You can't have financially vulnerable Union that India eventually becomes only a confederation of States. That is not India's Constitutional structure. It is a Union of States. Therefore, to defend the country to support itself, the Central Government must also have sufficient resources available for itself after having supported each State Government.

Now, when the framers of the Constitution, framed the structure as a part of the federal India, how does the Centre assist the States? All right, for instance, the UPA Government or the NDA Government can say that I am a friendly party or my own party is ruling in a dozen States, I will give them more money, I will give less money to the States which are ruled by different political parties. Our Constitution structure doesn't permit that. Whether it was the UPA Government or the NDA Government there has to be a Constitutional norm wherein the money has to be devolved to the States. The Constitutional norm was prescribed in the Constitution under Article 218. Now, under Article 280, a Constitutional Commission called the Finance Commission is created. It reviews the situation every five years, and after every five years, it decides how the Centre is going to help the States. It lays down the formula. And if I give a particular assistance to State 'X', I give it to the State 'Y'. But the Finance Commission is equally concerned about the health of some of the States. For example, Andhra Pradesh in this case. The undivided Andhra Pradesh was a very progressive State. It was a revenue-surplus State, and therefore, Andhra Pradesh would ordinarily have been dealt with as an undivided State on the same pattern like, let us say, Tamil Nadu, Karnataka or Maharashtra. These were healthy States. But the division created a situation where the lucrative part has gone to Telangana because of Hyderabad, and undivided Andhra Pradesh, being a financially healthy State, unfortunately, became a revenue deficit State, and becoming a revenue deficit State was one of the main reasons which was a cause of worry when my friends on the other side were sitting on this side and we were sitting on the other side of the

[Shri Arun Jaitley]

House. Even though many of us were in support of the State of Telangana, we were equally concerned with the principle of fairness. When you create a new State of Andhra Pradesh, it was being called Seemandhra, at that time, it has to be a viable State. What kind of assistance is this which is going to be given to the State of Andhra Pradesh itself? And while discussing this, in the Act, and then in the hon. Prime Minister's statement, a number of commitments were then made to the State of Andhra Pradesh that this is how we will take care of the interests of Andhra Pradesh, and I am going to candidly place each one before this hon. House as to the kind of commitments that were made. Section 9 says: "Centre shall assist the successor State of Andhra Pradesh and Telangana, both of them, to raise additional police forces." Section 30 deals with an issue which Telangana has been raising now, which is, that the High Court must also eventually be separate. The High Court has to be eventually separate. That is when once the Capital comes up, the High Court shifts there etc., or if the States can come to some form of an arrangement, the Centre would like that situation. Section 46 was a very important provision -- how is the revenue going to be distributed? I will read out just one or two sentences of section 46. The award made by the 13th Finance Commission to the existing State of Andhra Pradesh shall be apportioned between the successor State by the Central Government on the basis of population ratio and other parameters, which is, if I remember correctly, 58 and 42 per cent, 58 per cent in favour of Andhra Pradesh; provided that on the appointed date, the President shall make a reference to the 14th Finance Commission to take into account the resources available to the successor State and make a separate award for each of the successor States, notwithstanding, etc. This will be a package for backward districts. Then there have to be adequate incentives for Rayalaseema. That is a commitment which has been made and that is one of the responsibilities, I am straightaway conceding, of the Central Government, to make sure that these steps are taken in order to do this handholding as far as Andhra Pradesh is concerned.

Thereafter, after Section 90 onwards, there are several other sections. Section 84 says that two River Boards are to be created; Section 90 says that Polavaram Irrigation Project is declared as a National Project because that is an important project which will bring water to a large part of the State itself though some of my friends from Odisha have some issues with regard to that. But that is a commitment made in the Act which has been virtually unanimously ...*(Interruptions)*...

SHRIMATI RENUKA CHOWDHURY (Andhra Pradesh): Sir, Polavaram and Bhadrachalam are important irrigation projects and I also had issues with regard to their concerns ...*(Interruptions)*...

SHRI ANUBHAV MOHANTY (Odisha): Sir, I think the matter is *sub judice*.

SHRI SITARAM YECHURY (West Bengal): Since you are permitting that, then I also want to speak, if you don't mind. It is a serious matter. Thank you for yielding, Mr. Finance Minister. Sir, the point that I wish to make is this. It is my Party's MLA who has been elected from Bhadrachalam. He has been assigned to one State, while the people, who voted for him, have now been shifted to the other State. The voters are in the other State and he sits in the Assembly in this State. Sir, this is an anomaly that has happened. So, we made a demand to permit this person to sit in both the Assemblies. Sir, this is an anomaly. So, you please understand the anomaly.

SHRIMATI RENUKA CHOWDHURY: Sitaram Garu, even I am being the victim of the same anomaly. My constituency is Telangana... ..(Interruptions)...

SHRI SITARAM YECHURY: Sir, this has to be resolved. That is what I am stating.

SHRI ARUN JAITLEY: I think, on a lighter note, it is not very surprising that Marxist and Marxist MLAs have an identity issue these days.

SHRI SITARAM YECHURY: Sir, they have a multiple identity.

MR. DEPUTY CHAIRMAN: That is a national identity.

SHRI ARUN JAITLEY: I must clarify one thing that there are issues and straightaway Odisha has an issue. It is before the Supreme Court and we will all be bound by the Judgement. Bhadrachalam may have an issue but once an Act is passed by the Parliament, the Central Government can't take a contrarian position. The Act simply says that the Polavaram Irrigation project is declared as a national project. Now, I can't take up a position which is to the contrary because it is an Act of Parliament. And, therefore, unless there is some order setting this Act aside or some other judgement of the Supreme Court, the Central Government has to go by the Act of Parliament.

SHRI C.M. RAMESH: Sir, the Polavaram is a national project and only hundred crores have been given.

SHRI ARUN JAITLEY: I am not going to tell you separately what we are going to do for the Polavaram Project.

MR. DEPUTY CHAIRMAN: Rameshji, listen.

SHRI ARUN JAITLEY: Sir, I am not going away from this debate. I will, certainly, tell him that. I am first reading out the commitments in the Act.

SHRI ANUBHAV MOHANTY: I hope you consider Odisha's concern on this.

MR. DEPUTY CHAIRMAN: No, Anubhav, listen.

SHRIMATI RENUKA CHOWDHURY: He gave a notice for Short Duration Discussion on this.

DR. K.V.P. RAMACHANDRA RAO (Telangana): Mr. Ramesh, you are making a shadow-box in shelters.

MR. DEPUTY CHAIRMAN: Now, listen to him. ...*(Interruptions)*...

SHRI ARUN JAITLEY: Then, there is the Thirteenth Schedule in Section 93- 'Progress of Several Institutions as per the Thirteenth Schedule'; then, fiscal measures and tax measures in Section 94. These are the details of the commitments as far as the Act is concerned. Now, the then hon. Prime Minister -- when the debates went on about what was not in the Act, Mr. Venkaiah Naidu explained at length -- gave an additional assurance that they would grant the Special Status also as per the six-point statement, which he read out. The 13th Schedule to the Act lists a large number of commitments because most of the Central institutions and Central-sector supported projects, highways, etc., were closer to Hyderabad. Now, if all national institutions go to Hyderabad, to one State, then what happens to the other projects? The 13th Schedule specifically gave a list of large number of these institutions and projects like AIIMS, IIMs etc., which are sought to be established in the successor State itself. Now, these were broadly, between the statement of the then hon. Prime Minister and the Act passed by Parliament, the commitments which have been made. Since the time we started working -- we are in the second year -- as far as these commitments are concerned, on each one of them, let me first tell you how the issue was operated and I will come to the issue of the special status. I will, certainly, seek a solution or guidance from the hon. Members and I will just indicate the problems which have arisen because of the very particular Constitutional issue. As far as our commitment to honour each one of these commitments is concerned, it is absolute. There are no ifs and buts.

Now, with regard to each of these institutions to be established -- that is an easier part, so I will deal with it first -- IIT to be established in Andhra Pradesh, the IIT has been established; it is functioning. The NIT to be established; it has been established; since September, 2015, it is functioning. IIM is to be established; the academic session has already commenced from the year 2015 itself.

DR. K.V.P. RAMACHANDRA RAO: Is it different from what Shri Venkaiah Naidu said or is it the same thing?

MR. DEPUTY CHAIRMAN: Listen, please. ...*(Interruptions)*... Listen to it.

SHRI ARUN JAITLEY: We are just two years away, and I am reading out to show a seriousness that each one of these institutions that we have promised have either been established or we have asked the State Government for land. The land has been identified, and we are moving forward in each one of them. So, the IIT is established and functioning, - the NIT is established and functioning; the IIM is established and functioning; the Indian Institute of Science's academic session has commenced from August, 2015. This is Mr. Chowdary's own Department. As far as the Central University in Andhra Pradesh is concerned, the Andhra Pradesh Government has finalized the site, and offered the site to the Central Government. Therefore, the steps are to be taken. The IIT commenced from the year 2015-16. So, each one of the institutions, which we have said has either been established or we have asked the State Government for land. For a Tribal University, both in Andhra Pradesh and Telangana, lands have been offered in Andhra Pradesh. The Telangana State Government has informed us that action is being taken very soon to handover land to us.

As far as urban development is concerned, the DPR of Visakhapatnam Metro is currently under appraisal of the Urban Development Ministry. In-principle approval for it has been granted. The issue of Railway Zone is a very sensitive issue, and I am sure that now Shri Suresh Prabhu, whose deemed State is Andhra Pradesh, will certainly have the matter examined; it is being examined at a high level by his Ministry. Then, coal blocks to be allotted, as far as power projects, etc., are concerned. I have the whole list with me. The Vijayawada Airport is to be established. As regards NHAI, Shri Gadkari has announced a huge package, as far as National Highways are concerned. So, in power sector, road sector, each of those Thirteenth Schedule commitments which have been made, they have been established and are functioning, - where land is required in some cases, land is being offered, and there is not a single institution in that list where the Centre has any desire either in the State of Telangana or Andhra Pradesh to go back on it. This involves a very large expenditure. But that expenditure also gets spread over a period of time, and the Central Government is committed to undertake each one of that expenditure.

Sir, now under the Krishi Sinchai Yojana, there are eight projects of Andhra Pradesh which are being cleared. In addition to this, the State Government and its representatives have had a series of discussions with me with regard to the financing of the Polavaram Projects. It is because irrigation normally is a State subject, but in this case, since it is a Central subject, some funding -- I will read out the details of the funding just now -- on that account has been given by us last year. And we have now come broadly to an arrangement...

SHRI NARENDRA KUMAR SWAIN (Odisha): As far as the Polavaram Project is concerned, it is going to submerge seven Gram Panchayats in Malkangiri District.

SHRI ARUN JAITLEY: I am currently on the Polavaram Project. Sir, as far as Polavaram Project is concerned, we have organised meetings and a discussion between NABARD and the State Government in order to find resources. NABARD, in the first instance, is going to provide continuously for the resources which are required for the Polavaram Projects. Therefore, that arrangement is fairly at an advanced stage. I have personally spoken to the NABARD; the State Government has been in touch with NABARD; several meetings have been held; and action on that front also is being taken. In addition to that, under the Pradhan Mantri Krishi Sinchai Yojana, there are eight projects worth ₹1,818 crores; out of which, ₹ 610 crores is the Central share for the State of Andhra Pradesh, which has already been sanctioned and, there, the action has proceeded. I can give to any Member, if necessary, the list of all the eight projects which is with me.

Sir, as far as some of these commitments are concerned, building a capital city in a backward area takes several years. As I indicated, after 42 per cent of the Central resources going to the States, within the funds available, we have to find funds in order to fulfill our commitments under this Act. This is not the final account; these are payments being made in a pipeline. These pipeline payments for backward areas, for Rayalaseema, for the State capital, will all be made. For instance, one of the key items in the Act is that from 2015 to 2020, the 14th Finance Commission will apply. I will deal with how much the 14th Finance Commission has given taking these requirements into consideration. But, what happens to the ten month period when the State was created in the month of June, 2014 till 31st March, 2015 when for the nine-ten month period, the 13th Finance Commission was applicable? The resource gap because of loss of revenue had to be compensated as far as the Central Government is concerned. Now, on that issue, there are some discussions between the Centre and the State with regard to the nature of the resource gap itself. The State has indicated one figure. The Central assessment of that figure is being examined. As a part of this, ₹ 2,803 crores have already been paid to the State. Further amounts have to be paid to the State subject to the verification of the 2014-15 resource gap. There is some different assessment with regard to resource gap. We are trying to converge to a solution. We have come very close to that solution. But, the resource gap of 2014-15 is a Central responsibility under the Act and it is going to be fully honoured. A part of the payment has already been made. The balance part which we will have to make will also have to be spent over the next two-three years for the simple reason that the State will continue getting a stream of revenue and the Centre will also have resources rather than cut down from some other developmental expenditure and divert it. The Backward Area

Grant, again a pipeline, has to be continuously given. ₹ 700 crores on that account has already been sent.

SHRI Y.S. CHOWDARY : Sir, it has to be given as per the Koraput-Bolangir-Kalahandi pattern. You are giving only ₹ 50 crores per district per year. It is a very nominal amount.

SHRI ARUN JAITLEY: A quantum of ₹ 700 crores has been given. Among various States, the quantum is sorted out. For example, on account of Capital, where construction has to be made—principal buildings like Raj Bhavan, High Court, Secretariat, etc. -- ₹ 2,050 crores have already been given to the State.

SHRI Y.S. CHOWDARY: If you permit, Sir, I would like to say that undoubtedly, as per the cooperative federal system...

MR. DEPUTY CHAIRMAN: You are a Member of the Council of Ministers.

SHRI Y.S. CHOWDARY: Since he has yielded, kindly permit me. Out of ₹ 2050 crores for the Capital, ₹ 1,000 crores has been given to Guntur and Vijayawada underground sewage system. That is not a part of the capital city construction. There are so many contentious issues. There is no doubt about that. My request is, let us agree to pass a resolution to discharge responsibility expeditiously, not just in letter and spirit of the Act but also...

MR. DEPUTY CHAIRMAN: You are a Member of the Council of Ministers. Do not do it, please.

SHRI Y.S. CHOWDARY: Along with various States you may do certain things. But please do things specifically. Because the States of Andhra Pradesh and Telangana, both, got affected, I request the Finance Minister to come up with some...

MR. DEPUTY CHAIRMAN: Mr. Chowdary, it is the joint responsibility.

SHRIMATI RENUKA CHOWDHURY: We ask for a time-bound action.

SHRI Y.S. CHOWDARY: Because two years have passed. Still, the reconciliation is going on. I have been involved in that. So my request is that we have to report to this august House within 30 days or within 45 days. This is simple arithmetic. This is not rocket science. My request is, let us pass a resolution that we also will discharge the responsibility expeditiously to safeguard Andhra Pradesh.

SHRI MOHD. ALI KHAN: To safeguard Andhra Pradesh, Sir, what about the special status and financial assistance?

MR. DEPUTY CHAIRMAN: Please sit down. ...*(Interruptions)*...

SHRIMATI RENUKA CHOWDHURY: Sir, the main issue is, we have seen all this. The point is, what we are asking is, it was a very specific issue. Does Andhra Pradesh get the 'Special Category' status or not? Say, 'yes' or 'No'.

DR. K. V. P. RAMACHANDRA RAO: Sir, ...

MR. DEPUTY CHAIRMAN: I am not allowing anybody. Please sit down. Let the Minister complete. Sit down. ...*(Interruptions)*...

DR. K. V. P. RAMACHANDRA RAO: Sir, let them come about with a 'Special Category' status.

MR. DEPUTY CHAIRMAN: Now, please take your seats. Listen to the Minister.

SHRI ARUN JAITLEY: Sir, I have no hesitation in telling my colleagues from all sections of the House that in the calendar of Centre-State relationship, this is not the last day and this is not the last amount. There is a pipeline which takes time and therefore, payments are spread over time. So, the Capital construction has to begin. We have already given some funds for the Capital construction certainly, depending on how the project is proceeding within the limits of the Central Government. You had asked me about Pollavaram. I had said that further funding is being arranged through the NABARD route, but on account we have already given ₹ 850 crores because Pollavaram is not a project which will get finished in one year. So, yes, from the Central funds we have also given funds as far as Pollavaram is concerned. Now, on account on these heads mentioned in the Act, a sum of ₹ 6403 crores has been given and this is all as part of the pipeline and therefore, further funding itself is going to take place. Now, as far as...

SHRI C. M. RAMESH: The amount which you are giving is ₹ 850 crores. So far, it is ₹ 6000 crores?

MR. DEPUTY CHAIRMAN: Please listen.

SHRI ARUN JAITLEY: Plus NABARD ...*(Interruptions)*... it is going to be organised.

MR. DEPUTY CHAIRMAN: It is already clear.

SHRIMATI RENUKA CHOWDHURY: We have...

MR. DEPUTY CHAIRMAN: Now, please sit down.

SHRI DIGVIJAYA SINGH: We have a number of issues. We are just waiting for the Finance Minister to complete.

MR. DEPUTY CHAIRMAN: Let him complete.

SHRI ARUN JAITLEY: So, with regard to the tax concessions, in the Budget of 2015-16, I had announced two particular tax concessions. One was additional depreciation under Section 32(1) and the other was the additional investment allowance under Section 32 (a) (b) for those investing in the two successor States. Let me remind my friends on the other side that these two tax concessions -- my friends from Andhra Pradesh, Shri Chowdhury, Shri Ramesh and other colleagues have been pressing me -- are not sufficient, more must be given.

SHRI MOHD. ALI KHAN: What is the problem? ...*(Interruptions)*...

SHRIMATI RENUKA CHOWDHURY: This is absolutely playing to the gallery. They have objected. They are saying 'no'. ...*(Interruptions)*... Sir, I want to know in one word, 'yes' or 'no'. It is very simple. Does Andhra Pradesh get a 'Special Category' recognition? Say in one word 'yes' or 'no'. After that we will listen to all this Ramayana and Mahabharata. Does Andhra Pradesh get a 'Special Category' recognition? Say, 'yes' or 'no'.

MR. DEPUTY CHAIRMAN: You sit down. Let him speak. ...*(Interruptions)*...

SHRIMATI RENUKA CHOWDHURY: The people of Andhra Pradesh will catch you and say. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please sit down. ...*(Interruptions)*... Nothing will go on record other than what the Finance Minister says. ...*(Interruptions)*... Sit down, ...*(Interruptions)*...

DR. K.V.P. RAMACHANDRA RAO: *

MR. DEPUTY CHAIRMAN: Sit down ...*(Interruptions)*... I am not allowing you ...*(Interruptions)*...

DR. K.V.P. RAMACHANDRA RAO: *

MR. DEPUTY CHAIRMAN: Sit down. I am not allowing ...*(Interruptions)*... I want to tell the hon. Member ...*(Interruptions)*...

DR. K.V.P. RAMACHANDRA RAO: *

MR. DEPUTY CHAIRMAN: Now, sit down ...*(Interruptions)*... Listen to me. ...*(Interruptions)*... Sit down ...*(Interruptions)*... I am not able to understand you. Sit down ...*(Interruptions)*... Now, you sit down. ...*(Interruptions)*...

DR. K.V.P. RAMACHANDRA RAO: *

MR. DEPUTY CHAIRMAN: Now, you sit down ...*(Interruptions)*... Please, sit down ...*(Interruptions)*... No; I am on my legs. ...*(Interruptions)*... What you have to say? ...*(Interruptions)*... You first ask him to obey me. ...*(Interruptions)*... This is not the way. ...*(Interruptions)*... You first obey. What I am saying is. ...*(Interruptions)*...

SHRI NARENDRA KUMAR SWAIN: *

MR. DEPUTY CHAIRMAN: Listen to me. Sit down ...*(Interruptions)*... I am on my legs ...*(Interruptions)*... Sit down ...*(Interruptions)*... Don't do that. ...*(Interruptions)*...

SHRI NARENDRA KUMAR SWAIN: *

MR. DEPUTY CHAIRMAN: What I am saying is this. It is not going on record. It is not going on record ...*(Interruptions)*... Sit down. ...*(Interruptions)*... Please, sit down ...*(Interruptions)*... What I am only saying is this. This was a discussion where 23 hon. Members participated. So, naturally, the Finance Minister will have to react and respond to many points ...*(Interruptions)*... Please, he is very liberal and responding to every point and explaining ...*(Interruptions)*... Let him complete ...*(Interruptions)*...

After that, if you have one or two clarifications, I can understand that. But, interruption-after-interruption is not good ...*(Interruptions)*...

SHRI MOHD. ALI KHAN: But, Mr. Chowdary interrupted him...
(Interruptions)...

SHRI C.M. RAMESH: Sir, it is a very serious and sensitive issue.
...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Yes, I scolded him. I asked the Minister not to do it. I also told him that it is a collective responsibility ...*(Interruptions)*... I also told him ...*(Interruptions)*... You see the record. I told the Minister that he cannot do it ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Sir, I did not interrupt the hon. Finance Minister ...*(Interruptions)*... Sir, I have not done without your permission and the Minister's permission ...*(Interruptions)*... I have spoken only after he yielded ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: If he has yielded, ...*(Interruptions)*... Mr. Chowdary, you are my friend. It is very unusual when the Finance Minister is speaking, a Member from his own Cabinet asking question. It is very unusual. That is all what I am saying ...*(Interruptions)*...

*Not recorded.

DR. K.V.P. RAMACHANDRA RAO: *

MR. DEPUTY CHAIRMAN: Rao, I will allow you to ask a question after he finishes ...*(Interruptions)*... I will allow you to ask a question. You ask one question after he finishes, no problem ...*(Interruptions)*... Now, Mr. Finance Minister, please proceed with your reply. We also have the Private Members' Business. That is my worry.

SHRI ARUN JAITLEY: Sir, I was mentioning that we announced two important tax concessions in 2015-16. The State Government has asked for more. But, let me remind my friends, when I announced this — this is Renukaji for you to seriously introspect — your party officially opposed both these concessions that I gave in the other House. It is a part of the speech of the most eminent Member there who is also the Chairman of the Standing Committee on Finance. It was a well considered opposition. And, the argument was: If you give concessions to one State, then investments from neighbouring States will flow into that State and the neighbouring States will suffer. Therefore, why are you giving these concessions? So, when you say that they are insufficient, the State Government tells me these are insufficient.

DR. K.V.P. RAMACHANDRA RAO: *

MR. DEPUTY CHAIRMAN: You cannot interrupt now. You can ask a question after he finishes.

DR. K.V.P. RAMACHANDRA RAO: *

MR. DEPUTY CHAIRMAN: Now, please ...*(Interruptions)*... You are not making any point ...*(Interruptions)*... What is the point? ...*(Interruptions)*... It is not going on record ...*(Interruptions)*...

DR. K.V.P. RAMACHANDRA RAO: *

MR. DEPUTY CHAIRMAN: I will allow you to ask a question after he finishes. It is not going on record. Ramachandra Raoji, it is not going on record ...*(Interruptions)*... You cannot take it up emotionally ...*(Interruptions)*... You have to tackle it reasonably ...*(Interruptions)*... Sit down ...*(Interruptions)*...

DR. K.V.P. RAMACHANDRA RAO:*

SHRI C.M. RAMESH: Sir, what is this? ...*(Interruptions)*... A very serious discussion is going on ...*(Interruptions)*... This is a very sensitive and serious matter ...*(Interruptions)*... He cannot do it politically like this. ...*(Interruptions)*... This is a very serious matter in Andhra Pradesh. ...*(Interruptions)*... Sir, Dr. Manmohan Singh is not there, their party leader is not there, Mr. Jairam Ramesh is not there and he is making it political! ...*(Interruptions)*... He is standing up again and again ...*(Interruptions)*...

*Not recorded.

MR. DEPUTY CHAIRMAN: Mr. Ramesh, you sit down ...*(Interruptions)*... What is your problem? ...*(Interruptions)*...

SHRIMATI RENUKA CHOWDHURY: What are you talking? ...*(Interruptions)*... We are competent ...*(Interruptions)*... We have enough leaders ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please do not do this. ...*(Interruptions)*... Mr. Ramesh, you are a Member of the ruling party. Why are you doing this? ...*(Interruptions)*... Your aim should be to ensure that it goes on smoothly. ...*(Interruptions)*... Ruling party Members, please do not interrupt.

SHRI ARUN JAITLEY: I have only to restate one position. As far as the Act is concerned, the work is in progress. We are trying to honour the commitments which have been made by this hon. House and the other House through the Act of Parliament, as far as both the States, Andhra Pradesh and Telangana, are concerned. This brings me to a contentious issue, which was not a part of the Act, but a part of the then hon. Prime Minister, Dr. Manmohan Singh's statement. It was made in the House that the State will be given a special status. Now, the 'special status' really means that as far as the Central sector schemes are concerned, the share of the States will remain 10 per cent and 90 per cent will have to be borne by the Centre. Ordinarily, there are several schemes which are 100 per cent supported by the Centre. There were some schemes which used to be supported 70 per cent by the Centre and 30 per cent by the State. Now, the Committee of Chief Ministers has decided that this will be 60:40. So, for normal States, the sharing will be on 60:40 basis. But for 'Special Category' States, it will be on 90:10 basis. What is really the issue? And, I think, that is why I said that the issue is relating to language, caste, religion, region and water. These are very sensitive issues. Therefore, we function within the framework of Centre-State relations. And, that is a problem. I am not saying more to the aspiration of my learned friends because that is also a commitment made by the Prime Minister and, therefore, we have to consider what has to be done in that matter. Article 280 of the Constitution prescribes for the setting up of a Finance Commission every five years, which will decide each of these issues. Yesterday, Mr. Jairam raised the issue that when Mr. Vajpayee created the three States of Uttarakhand, Jharkhand and Chhattisgarh, the State of Uttarakhand was granted a 'Special Category' status. Under the terms of the then Finance Commission, which were applicable, the National Development Council (NDC) had the authority to decide which State gets a 'Special Category' status. The North-East States and hill States have conventionally been given 'Special Category' status. Since, out of the three States which were created, Uttarakhand was a hill State which always fell into that category, the NDC, under the then Finance Commission, decided to confer

a 'Special Category' status to Uttarakhand. The same facility was not granted to either Jharkhand or to Chhattisgarh. It was because of the hill State category of Uttarakhand. Bihar has always demanded a 'Special Category' status. Odisha has demanded a 'Special Category' status. Several States have demanded it. And, that issue, then, gets referred and works within the parameters of the recommendations of the Finance Commission. The conventional structure of the recommendations of the Finance Commission, till the 13th Finance Commission, used to be that the State's share would be 24 or 28 or 32 per cent. Thus, 32 per cent was the maximum. And, they would say, out of the balance 68 per cent of the Centre, you have enough money. Therefore, support some State as a 'Special Category' State and bear an extra expense on its behalf. So, instead of 30 per cent, that State will have to pay only 10 per cent to the Central sector schemes. That is the net effect of it, because the State has inadequate revenue. Now, when this issue went to the 14th Finance Commission — and that is the issue which went to the 14th Finance Commission after Dr. Manmohan Singh's statement — several States represented after a division. They said that the renewed architecture, which we are finding, of the Centre-State relationship, as far as finances is concerned, is going to be somewhat different. And, this renewed architecture, after considering this so as to have clarity, I will read just two small paragraphs from what the Finance Commission said. The Finance Commission said, the chapter is titled 'Horizontal Balance', We did not make a distinction between special and general category States in determining our norms and recommendations. We believe that while there are certain common factors that impact cost disability and fiscal capacity of States, there exist circumstances that are unique to individual States. Our endeavour has been to take a comprehensive view of these commonalities and special characteristics of individual States while making our assessment and recommendations. In our assessment of State resources, we have taken into account the disabilities arising from constraints unique to each State to arrive at the expenditure requirements. In this regard, we have observed that the North-Eastern and hill States have unique features that have a bearing on their fiscal resources and expenditure needs, such as low level of economic activity, remoteness and international borders. Our objective has been to fill the resource gaps of each State to the extent possible through tax devolution. However, we have provided post-devolution revenue deficit grants for States where devolution alone could not cover the assessed gap, which means everybody gets 42 per cent. But those who are still deficit will get over and above 42 per cent also. So, the North-East and the hill States get it. And, amongst the major States, West Bengal will get it, Kerala will get it, and Andhra Pradesh will get it. So, that is the effect of this paragraph. Many States, in their submission, suggested that the intra-State inequality should be factored into the devolution formula or in determining grants, instead of only broad indicators, such as, per capita income

[Shri Arun Jaitley]

4.00 P.M.

being considered. In this context, some of the States also highlighted the areas within the States, as identified in Article 371 of the Constitution. The Finance Commission said, We are of the view that infra-State inequality is within the policy jurisdiction of the States and provisioning of adequate resources through tax devolution should enable them to address intra-State inequalities in an effective manner. So, they said, The North-East and the hill States are 'Special Category'. For other States, which have revenue deficit, we will follow an alternate formula. And, our alternate formula is that they will get 42 per cent, as any other State, but they will get over and above this 42 per cent, as revenue deficit, plus other grants, so that the disseminates that exist in these States could be done away with. Accordingly, for West Bengal, Kerala and Andhra Pradesh, over and above 42 per cent, they factored in other grants. The total effect of this is that within the framework of the 14th Finance Commission, I have made out a chart. It makes a comparison with the 13th Finance Commission. In the 14th Finance Commission, the undivided State of Andhra Pradesh, that is, both Telangana and Andhra Pradesh, got ₹ 1,10,725.82 crores. I repeat the figure: ₹ 1,10,725.82 crores. Now, you divide this in the ratio of 58:42. Andhra Pradesh gets 58 per cent. So, under the 13th Finance Commission, Andhra Pradesh got ₹ 64,575.30 crores. This is notionally.

Now, as a part of the alternative architecture that the Finance Commission started keeping this deficit in mind — 42, plus deficit, plus grants, so that some special position is retained by Andhra Pradesh — the handicap is covered up. In, 15 to 20 years, how much do this ₹ 64,000/- crores become? It becomes ₹ 2,06,910.65 crores. So, instead of ₹ 64,000/- crores, as a part of the new architecture, this becomes ₹ 2,06,910.65 crores. So, that is the jump which takes place. Now, let me say this. Should we conclude the issue with this? I am aware of the emotions and the political sensitivity of the issue. We can resort to scoring political points but this is a sensitive area of region. It has implications of water, it has implications of various other things like Pollavaram and so on. The State of Andhra Pradesh has been created separating Telangana. Telangana has been separated, and it has been divided. It is clear that it is politically against the wishes of the people of the Seemandhra region, which is present Andhra Pradesh. Their grievance is, "you created a State, you took the more lucrative part away from us. You made us deficit. You, then, gave us a certain set of assurances. Now, at least, honour those assurances." That is their case. We will respond to each one of those assurances. But we have a Constitutional award, which has changed the material and redefined the architecture. Does it close the issue as far as I am concerned? I am not closing the issue because I am aware of the fact

that with tax buoyancy, economy is improving and our revenue also improves. So, what do you lose out because of a changed architecture? Even though what you are getting is much higher, can it otherwise be compensated? The entire process of creating a developed State out of Andhra Pradesh is going to take years. This is our third year. Please bear in mind that we were adversely affected by international global crisis. We are adversely impacted by two years of drought. We are adversely impacted as far as our revenues are concerned by 10 per cent extra going to the States. We are adversely affected now with ₹ 1,02,000/- crores this year going to meet the Pay Commission's recommendations, besides OROP. But, in the coming years, the Capital construction, industrialisation, projects, these are the pipelines which are on. We have given some assistance, we have given some incentives and we are making arrangements for irrigation and other things. It is an ongoing process. Therefore, handholding of the State of Andhra Pradesh is required. If they feel at any stage that they are losing out because of the changed architecture, then, how can it be adequately compensated? It has to be compensated so that industrialisation, building urbanisation of the State and also irrigation, — these are the three proper things — take place. Certainly, the Centre would go to any extent to hold the hand as far as Andhra Pradesh is concerned. I would urge all my friends on both sides that keeping the sensitivity of the people of Andhra Pradesh and this Constitutional position in mind — this is a developmental issue — let us not make adequate political capital out of this issue. We will support the State of Andhra Pradesh to the fullest extent that the Centre has committed.

SHRI DIGVIJAYA SINGH: Sir, I have some issues. I kept quite during the hon. Finance Minister's speech. But I have some issues, with your permission, Sir. We have heard the hon. Finance Minister's speech with rapt attention. We are extremely grateful to him. He has conceded to the fact that some real handholding has to be done for the State of Andhra Pradesh. Now, in his speech, he has accepted the fact that because of the historical reasons, the fiscal deficit will be inherent to the State of Andhra Pradesh. What he has told us today is that because of that they have given two minor tax incentives, which are not very substantial. That is number one. Number two, as per the recommendations of the Finance Commission, the other States will get it in the ratio of 60:40.

MR. DEPUTY CHAIRMAN: But he said that Andhra Pradesh will get more.

SHRI DIGVIJAYA SINGH: Yes, Sir. But three States, Andhra Pradesh, Kerala and West Bengal will get something more.

MR. DEPUTY CHAIRMAN: And he offered more in addition to that.

SHRI DIGVIJAYA SINGH: Sir, this is one aspect. What is more important ...*(Interruptions)*...

SHRI ARUN JAITLEY: They are getting more.

SHRI DIGVIJAYA SINGH: But, Sir, this has not been quantified. ...*(Interruptions)*...

SHRI ARUN JAITLEY: Let your ignorance not mislead the House. This has been quantified for each year by the Finance Commission.

SHRI DIGVIJAYA SINGH: Sir, this is what I am trying to say. Please hear what I am trying to say. The then hon. Prime Minister had said, "A 'Special Category' status will be given to the State of Andhra Pradesh." Now, as he rightly pointed out, the hill States were given the 'Special Category' status even in this Finance Commission where the State of Andhra Pradesh has not been included. So, a commitment has not only been made by the hon. Prime Minister in the House but, at the same time, I believe, on the 1st of March, 2014, a Cabinet decision was also taken. I would like to ask the hon. Finance Minister whether that Cabinet decision stands today or not. That is number one.

Secondly, Sir, as far as the Central assistance is concerned, the share of the States has been changed after devolution in accordance with the Finance Commission. We would urge and request the hon. Finance Minister and the Government of India that even in Central assistance the share of the State of Andhra Pradesh should be similar to that of the hill States, as recommended by the Finance Commission, that is, in the 10:90 ratio.

Sir, these are the two points that we have made, and because the hon. Finance Minister has not really addressed these points or addressed the issue of the 'Special Category' status to the State of Andhra Pradesh, we are totally dissatisfied with his reply. And, that is why, Sir, we would like to stage a walk out.

[At this stage some hon. Members left the Chamber.]

SHRI NARESH GUJRAL: Sir, I want to ask him. ...*(Interruptions)*... Two Prime Ministers had committed that the ...*(Interruptions)*... Chandigarh would be transferred to "Punjab. Have you addressed that? What about that? ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Okay. Shri Sukhendu Sekhar Roy. ...*(Interruptions)*... Mr. Ramesh. ...*(Interruptions)*... Mr. Ramesh. ...*(Interruptions)*... Just put a question. ...*(Interruptions)*...

SHRI C. M. RAMESH: I want some clarification from the hon. Finance Minister and the hon. Home Minister. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No Home Minister. ...*(Interruptions)*...

SHRI SITARAM YECHURY: One minute, Sir; just one thing.

SHRI C. M. RAMESH: He has given me the permission to speak. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I will call you, after Mr. Ramesh. And Mr. Ramesh, only put your question. You are from the Ruling Party.

SHRI C. M. RAMESH: We should not be compared with the other States. The Andhra Pradesh State in the Act itself...

MR. DEPUTY CHAIRMAN: He said that in place of ₹ 64,000 crores, you are getting more than ₹ two lakh crore. What are you saying?

SHRI C. M. RAMESH: Sir, the Krishna Board has to be constituted. The Godavari Board has to be constituted. Also, the number of seats in our Assembly must be increased; its reorganization has not taken place. That has not been taken care of. Hence, I would request the Government to bring out a white paper about what needs to be done in the future. That would be good for the States. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Now, Shri Sukhendu Sekhar Roy.

SHRI SUKHENDU SEKHAR ROY (West Bengal): Sir, I have a point of order.

MR. DEPUTY CHAIRMAN: A point of order! Now, one second. There are one or two more clarifications to be sought. Let me finish with that.

SHRI SUKHENDU SHEKHAR ROY: Sir, I want a clarification and I have a point of order.

MR. DEPUTY CHAIRMAN: You are putting me in a difficulty. ...*(Interruptions)*... Anyway, I will cooperate with every Member, but there is the Private Members' Business also. Please keep that in mind.

SHRI SUKHENDU SEKHAR ROY: I will take only two minutes, Sir. First of all, Article 1 has been referred to indirectly by the hon. Finance Minister, and I always learn from him. Whenever he speaks, people like me always learn. Even today, I have learnt a lot. My perception is that he has rightly quoted that India is a Union of States. But, at the same time, the hon. Finance Minister has said that India is not a federation.

MR. DEPUTY CHAIRMAN: No, he said 'it cannot be a confederation'.

SHRI SUKHENDU SEKHAR ROY: Sir, kindly refer to the record. He said, 'it is not a federation'.

MR. DEPUTY CHAIRMAN: No, he said, 'confederation'. I heard it.

SHRI SUKHENDU SEKHAR ROY: My question is whether India is a unitary State. That is the point I want to raise here.

MR. DEPUTY CHAIRMAN: The Constitution is very clear.

SHRI SUKHENDU SEKHAR ROY: Secondly, Sir, the Minister has referred to Article 280 regarding constituting a Finance Commission at the expiry of every five years. We all know the modalities. Previously, these things were being done by the Planning Commission. Now, this is done by another extra-Constitutional authority, that is, NITI Aayog. And, most of the financial powers have been usurped by the Finance Ministry and they are allocating the funds to the States at their whims and fancies. Should this system continue?

MR. DEPUTY CHAIRMAN: Now, Shri Anubhav Mohanty. Put your questions only.

SHRI ANUBHAV MOHANTY: Sir, I would like to thank you for giving me the permission to speak. Sir, I had a lot of expectations from the hon. Finance Minister's reply today. He is also the Leader of the House. But I am very disheartened that yesterday, he spoke with so much of emotions, with so much of feelings about all the facts and figures. Still the hon. Leader of the House did not reply to any of my queries. Sir, through you, I just want to ask two simple questions from the hon. Leader of the House.

Sir, last year, all the Members of the Biju Janata Dal from Lok Sabha and Rajya Sabha met the hon. Prime Minister with a memorandum from our State regarding the Polavaram issue. Hon. Prime Minister committed to us that nothing would be done harming the people of Odisha and without consulting the Government of Odisha. So, how can the Government continuously say that fundings are going on and these will continue when the matter is *sub judice* The matter is in the Supreme Court. So, why is the Government repeatedly saying that Polavaram project is on? And, till now, there is no solution that has been brought up from the Government side which can be fruitful.

Secondly, the Leader of the House said yesterday that special packages had been given to West Bengal and Andhra Pradesh. How can they miss, how can they ignore, Odisha that comes in between West Bengal and Andhra Pradesh?

MR. DEPUTY CHAIRMAN: He has explained it.

SHRI ANUBHAV MOHANTY: Can the Leader of the House clarify....

MR. DEPUTY CHAIRMAN: He has already explained as to why three States are coming for the 'Special Category' Status.

SHRI ANUBHAV MOHANTY: Sir, the Parliamentary Standing Committee on Commerce has clearly stated, which I quoted yesterday also, and I quote again: "The Committee recommends that 'Special Category' Status be extended to industrially-backward States like Bihar, Odisha and Jharkhand." So, will the Leader of the House say that he defies this, he denies this recommendation? If not, why is he not mentioning Odisha's name and why is he not granting 'Special Category' Status to Odisha?

MR. DEPUTY CHAIRMAN: Now, Shri V. Vijayasai Reddy.

SHRI SITARAM YECHURY: Sir, I also want to seek some clarifications.

MR. DEPUTY CHAIRMAN: After Mr. Reddy, I will call you. He is from Andhra.

SHRI V. VIJAYASAI REDDY (Andhra Pradesh): Sir, through you, I would like to bring two points to the notice of the hon. Finance Minister. Number one, the hon. Finance Minister has referred to Article 280 of the Constitution of India. According to Article 280, whatever recommendations the Finance Commission gives to the Government of India, they are only recommendatory in nature, and it is not mandatory on the part of the Government of India to scrupulously follow them in letter and spirit. Further, Sir, the Fourteenth Finance Commission had no mandate whatsoever to decide whether Andhra Pradesh should be granted the 'Special Category' Status or not.

Finally, Sir, the last point is that till now, all the eleven States, hitherto granted the 'Special Category' Status, were granted this status by virtue of the Executive Order that was passed by the Government of India and not by virtue of the Resolution that had been adopted by the Lok Sabha or the Rajya Sabha. Sir, in the instant case, on 1st March, 2014, the Central Cabinet had passed a Resolution granting the 'Special Category' Status. Therefore, even today, it is binding on the present Government to follow it in letter and spirit.

SHRI SITARAM YECHURY: Sir, I heard the reply of the hon. Finance Minister with a lot of attention, and I have always known that this is a very complex issue. Since you mentioned that he is from Andhra, what do I do, Sir?

MR. DEPUTY CHAIRMAN: Maybe the Finance Minister is favouring him very much. You are very much interested in both the States; one is Kerala. They can give special assistance. You must thank the Finance Minister You must thank the Minister.

SHRI SITARAM YECHURY: You are not allowing me to thank him. I will thank him for one more matter, I will just tell you. But it is only attending to the question, which Mr. Sukhendu Sekhar Roy has also asked, about federal or unitary. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No. He is here. ...*(Interruptions)*...

SHRI SITARAM YECHURY: I am not answering; I am only referring to it in a lighter vein. You said that he is from Andhra, and, therefore, you are giving him precedence. It is very good. I am glad that you did it. I am not disputing that. Sir, I was born in an Andhra family. I was born in Madras General Hospital.

MR. DEPUTY CHAIRMAN: You are not bound by any boundaries of the States. You have become a national personality. What are you saying? ' Even, international. ...*(Interruptions)*...

SHRI SITARAM YECHURY: So, therefore, do not please label that he is from Andhra. ...*(Interruptions)*... Please don't do that. ...*(Interruptions)*... We are all Indians; and, therefore, we are not a federation.

MR. DEPUTY CHAIRMAN: Yechury is above all States' considerations. ...*(Interruptions)*...

SHRI SITARAM YECHURY: Allow me to come to the point, Sir. I am grateful to the hon. Finance Minister for the reply that he gave. I always knew that it was a complex subject but after hearing the reply, I am feeling that it is much more complex than what I thought, Sir. I think, there are two issues involved in it. One is the question of packages to be given to the various States under various categories and categorizations. That is one issue, and, which, undoubtedly, is a very important issue and there is no dispute on that. But these are the issues, and, I agree with him entirely, which cannot be settled now at the end of this, and it will be in continuum. It will continue, and we all will be discussing that. That is one matter. What we were discussing in this particular matter was what this House and the Parliament promised and legislated for the State of Andhra Pradesh. It is the 'special status'. Is that being given or not? ...*(Interruptions)*... That is the point.

MR. DEPUTY CHAIRMAN: He said, whatever is in the Act, he will uphold. ...*(Interruptions)*... In the legislation, that is not there. ...*(Interruptions)*... He said, whatever is in the Act, he will uphold. He said, whatever is passed by the Parliament,

he is upholding and implementing. With regard to the other thing, he said, that is under consideration but he has not assured. That is what he said.

SHRI SITARAM YECHURY: That is one point. The whole debate and discussion started with that point. I am fully aware. It is not there in the legislation. So, I am not saying, it is a law that you are violating. No, I am not saying that.

SHRI ARUN JAITLEY: I don't want to disturb you. In your capacity both as an MP and the leader of a very important political party, you have all the experience. I have read out the 14th Finance Commission's recommendations. I have also said that this has created a problem because then what happens to Dr. Manmohan Singh's assurance. So, if they lose out anything because of that, I can otherwise think in terms of compensating them because, at the end of the day, it is a rupee and a pie issue. Let me reiterate what I had said. Andhra is special to us because Andhra has lost out as a part of the division. Suggestions have come that the Finance Commission's reports are recommendatory and could be rejected. Now, as a part of federal India, this time, the Finance Commission recommended 42 per cent; a 10 per cent hike has never been given, it is normally a two per cent hike. Now, if the Centre reserves the right to reject the recommendation, what will happen to federalism in India? A lot of my colleagues felt, Mr. Venkaiah Naidu is here, that by making it 42 per cent, Ministries in the Government of India would lose out on revenues. He remembers this. My argument in support of the recommendations was that India is a case of shared sovereignty between the Centre and the States. Just as the Centre has a mandate to rule, the States also have a mandate to rule. Now, because of this problem created in relation to Andhra Pradesh, do we want to set precedence? I said, I reject a part of the report. Please advise us as a leader of a political party.

SHRI SITARAM YECHURY: Mr. Deputy Chairman, Sir, through you, let me tell the Finance Minister that I entirely agree with his sentiments. I will, in fact, go up to the question of 50:50. Let it come from 42 to 50. That is a different point. We will discuss it, debate it and we will have our positions. But I entirely agree with his sentiments. There is no question of now rejecting that. If It has happened, it has happened. Yes, there are problems. We will try and resolve them together. Sir, there is only one point. My only point is that the conflict arises not because of this issue alone. It also arises because of the assurances given here. Now, the point is, how do you settle that? That is the issue, I am raising. Yes, I understand that there are conflicts and contradictions between the assurances and what we have heard today, we have discussed today; I do not want to repeat that. But, Sir, a way-out has to be found. You are in the Chair. This august House resolved it, not through a legislation but through a Resolution, and an assurance was given here.

[Shri Sitaram Yechury]

There is a conflict that needs to be resolved. So, something which I am urging through you to the Government is that they will have to work out a mechanism through which this issue can be resolved. Otherwise, it can be a powder keg for continuous discord. Mr. Venkaiah Naidu knows and the hon. Finance Minister also knows, and I will also keep raising it saying that we have said this because that will be a continuous source that can inflame and ignite at any point. So, you are required to come with a solution to it. Now, how do you want to work on it? The Cabinet, in its own wisdom, can make suggestions. If you want our assistance and help, we can also contribute, if you think it is worthwhile. But, nevertheless, this is a larger issue which needs to be resolved. Therefore, having made that promise in this House, how do you assuage that feeling? That is the question. ...*(Interruptions)*...

SHRI D. RAJA: Sir, I want to ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Raja, next is your Resolution. Do you want to ...*(Interruptions)*...

SHRI D. RAJA: I have one question, Sir. After that, we will come to the Resolution. ...*(Interruptions)*... Sir, the demand for special status to Andhra Pradesh has become a very sensitive political issue in the State of Andhra Pradesh.

MR. DEPUTY CHAIRMAN: That is clear. Why do you say it again and waste the time of the House? ...*(Interruptions)*...

SHRI D. RAJA: All parties, including TDP, are agitating; people are agitating. Now, the charge against the Government is ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: You ask the question. Why are you making statements? ...*(Interruptions)*... Everybody knows this.

SHRI D. RAJA: Please listen, Sir. The charge against the Government is, the Government is running away from the assurance given by the former Prime Minister. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: What is this? Why are you wasting time of the House like this? ...*(Interruptions)*... Everybody knows all this.

SHRI D. RAJA: I am not wasting time. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: If you have a question, then you ask.

SHRI D. RAJA: That is what I am asking. How is the Government going to face this problem? ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: The Government has explained it. What more do you want them to explain?

SHRI D. RAJA: Sir, the Government has not explained adequately. That is why I am asking the question. This issue has to be squarely faced, Sir. People are agitating. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Whatever the Government can do, he has said. ...*(Interruptions)*...

SHRI D. RAJA: Venkaiah Naiduji spoke in detail about various schemes, and the Finance Minister ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, no. This is not a question.

SHRI D. RAJA: Do you mean to say that all these amount to giving a special status to Andhra Pradesh? At least, explain that point. Because you have done so much, does it mean this amounts almost to giving a special status to Andhra Pradesh?

MR. DEPUTY CHAIRMAN: Okay. That is very obvious. ...*(Interruptions)*... Reply is obvious.

SHRI D. RAJA: Let him explain, Sir. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Okay, now ...*(Interruptions)*...

SHRI TIRUCHI SIVA: Sir, I have a point of order. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, no, Mr. Siva. ...*(Interruptions)*... Now, with regard to Mr. Sukhendu Sekhar Roy,...

THE MINISTER OF URBAN DEVELOPMENT; THE MINISTER OF HOUSING AND URBAN POVERTY ALLEVIATION; AND THE MINISTER OF INFORMATION AND BROADCASTING (SHRI M. VENKAIAH NAIDU): Mr. Deputy Chairman, if you don't mind, I have to put one thing on record. Yesterday also, ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I am worried only about the Private Members' Resolutions.

SHRI M. VENKAIAH NAIDU: I will take only two minutes. ...*(Interruptions)*... Sir, this is precisely the reason why I insisted earlier that it be a part of the Bill; it could not. I am not criticizing anyone; they are also not there. So, that is the reason. And the entire House should understand that the 14th Finance Commission is subsequent to that.

MR. DEPUTY CHAIRMAN: That has been explained clearly.

SHRI M. VENKAIAH NAIDU: That is the subsequent recommendation. Had it been a part of the Bill, this difficulty would not have come. Sitaramji has rightly raised the issue and the Finance Minister has also given an indication as to how you tackle this typical situation where some assurance is given. What is said in the Act, the Minister is saying he will implement. What is not said in the Act, and only an assurance is given, then subsequently, the Constitutional position of accepting the 14th Finance Commission, a typical situation has arisen. How do we meet it? That should be the endeavour of all of us and then come out with some practical solution so that we can move forward in the future also. If you try to score political points, then people will say, "You have not put it in the Act"; and they will say, "You are running away". Nobody is running away, Sir. Whatever we could do, the Government has done and the Finance Minister...

MR. DEPUTY CHAIRMAN: I am sure he will do further.

SHRI M. VENKAIAH NAIDU: Yes, that is what he has said, he will do further.

MR. DEPUTY CHAIRMAN: See, the Finance Minister ...*(Interruptions)*...

SHRI C.M. RAMESH: Sir, yesterday ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, no; I am not allowing anybody. The Finance Minister has already made it clear that it is not final. Ultimately, there will be consideration. He said that also. And he also said that the Finance Commission recommendation is after the Bill. Therefore, nothing more is required now. But I would also join every Member that the Finance Minister may, because of the difficulties in the Andhra Pradesh State, be more considerate and see whatever can be done. That is all right. That is all. ...*(Interruptions)*... I am not allowing. ...*(Interruptions)*... Now, Shri Sukhendu Sekhar Roy. ...*(Interruptions)*... I am not allowing. ...*(Interruptions)*...

SHRI TIRUCHI SIVA: Sir, I am on a point of order. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, I am not allowing that. ...*(Interruptions)*... He knows that. ...*(Interruptions)*...

SHRI ANUBHAV MOHANTY: Sir, I have a request for hon. Minister. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Sukhendu Sekhar Roy, we all know what the Constitution says, "India, that is Bharat, shall be a Union of States."

Now, Private Members' Business. ...*(Interruptions)*... I am not allowing. ...*(Interruptions)*... Now, Shri Basawaraj Patil to speak. ...*(Interruptions)*...

SHRI TIRUCHI SIVA: I have a point of order, Sir. ...*(Interruptions)*...

SHRI ANUBHAV MOHANTY: Sir, please. I request you. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I am not allowing. ...*(Interruptions)*... Shri Basawaraj Patil. ...*(Interruptions)*...

SHRI ANUBHAV MOHANTY: My Party will walk-out, Sir. ...*(Interruptions)*... My Party is walking out. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Yes, you may as you please. ...*(Interruptions)*...

[At this stage, some hon. Members left the Chamber.]

RE. DEMAND FOR CLARIFICATION FROM THE DEFENCE MINISTER

MR. DEPUTY CHAIRMAN: That is over. ...*(Interruptions)*... Now, I have taken up Private Members' Business. ...*(Interruptions)*...

SHRI SITARAM YECHURY (West Bengal): Sir, only one clarification. ...*(Interruptions)*... Are you trying to bring any other Bill or legislation granting Special Status? ...*(Interruptions)*...

THE MINISTER OF FINANCE AND THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): I think, what in simple language, ...*(Interruptions)*...

SHRI TIRUCHI SIVA (Tamil Nadu): Sir, what is this? ...*(Interruptions)*... Only one issue is going on forever. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I am not allowing, ...*(Interruptions)*...

SHRI TIRUCHI SIVA: Sir, when I said on a point of order, why are you not allowing me? ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: See, this is called a filibuster. ...*(Interruptions)*...

SHRI TIRUCHI SIVA: Sir, this is an important issue. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: See, time now is 4.30 p.m. ...*(Interruptions)*... It is delaying deliberately. ...*(Interruptions)*... You have nothing in your point of order? What point has been broken here? You are a Vice-Chairman. I cannot understand your way of doing it. ...*(Interruptions)*...

SHRI TIRUCHI SIVA: Sir, you have allowed every one. ...*(Interruptions)*...