

Feb. 28, 2015

PRESS RELEASE

Shri Randeep Singh Surjewala, MLA & Spokesperson, All India Congress Committee has issued the following statement to the press today:-

“BJP Government’s Union Budget 2015-16 can be aptly described in four ‘Ds’ – Disappointment to Common Man & Salaried Class, Discouragement to Agriculture & Farmers, Denuding Rural Upsurge and Denying Investment & Growth. Budget has exposed the anti-ruralite, anti-farmer and anti-common man face of the government establishing Modi’s government credentials as a government **‘of the rich, by the rich and for the rich’**.”

Finance Minister has lost a historical opportunity of big ticket reforms, phenomenal agricultural growth, creation of jobs, preservation of social welfare schemes, promotion of infrastructure and reduction of inflation in prices by resorting to mere empty rhetoric that lacks sums and substance.

Shri Narendra Modi and Shri Arun Jaitley must answer to people of India about the fate of much touted promise of **‘achhe din’**.

Agriculture – Budget’s biggest casualty

Comprising of 62% of India’s population, engaging 49% of India’s work force and contributing 17% of GDP, agriculture sector has faced cruel neglect in Union Budget. Economic Survey 2015 itself reflects that agriculture growth has gone down from 4.7% under Congress regime in 2013-14 to 1.1% under BJP government in 2014-15. Even total grain output is likely to fall from 2650 lakh metric tons in 2013-14 to 2570 lakh metric tons in 2014-15. Area under cultivation has also gone down by 33.22 lakh hectares in 2014-15 on account of anti-farmers policy.

Under Modi government, an acute Urea fertilizer crisis prevails with government importing only 17.37 lakh tons of Urea in June-Oct. 2014 as against 43.82 lakh tons a year earlier by Congress government. Budget is totally silent about implementation of Swaminathan Commission Report. In fact, prices of main agriculture crops like Basmati Rice have fallen from Rs.6000-6500 per quintal a year ago to Rs.3200-3300 per quintal this season and Cotton prices have fallen from Rs.5300-5500 per quintal a year ago to Rs.3800-4000 per quintal this season.

Crude oil has fallen from \$114 per barrel in May, 2014 to \$54 per barrel now. Instead of passing on the benefits to farmers/common man of cheaper diesel and petrol, Modi government has increased customs duty from 2.5% to 7.5% and has increased excise duty four times accumulating a revenue of

Rs.90,000 crore annually. To add salt to the injury, FM has converted this gain by increasing road cess on diesel/petrol from Rs.2/- to Rs.8/- per litre.

What is most shocking is that Modi government has decreased aviation fuel prices three times from Rs.76,241/- per kilo litre (Rs.76.24 per litre) to Rs.46,051/- per kilo litre (Rs.46.51 per litre) making aeroplane fuel cheaper than petrol/diesel.

There is no focus on rural growth with systematic undermining of MGNAREGA. FM allocated 34,000 crores to MGNAREGA in 2014-15 but distributed only 13,833 crores. Rural Development Ministry's budget has actually been reduced with annual outlay of 72,000 crores including the outlay of 34,600 crore for MGNAREGA, which may similarly be not allocated.

COMMON MAN/SALARIED CLASS VERSUS CORPORATES

Common man and salaried class are feeling cheated by denial of any benefit in the personal income tax to common man and salaried class. No incentives have been offered for savings. Much publicized Pension Scheme for common man only envisages a maximum contribution of Rs.5,000/- over a period of five years from Government of India, making it redundant.

As against this, FM promises a 5% reduction in Corporate tax.

INFLATION

Inflation is constantly rising with the Consumer Price Index (CPI) (now compared with a base year of 2012) rising to 5.11% in January, 2015 due to increase in prices of food and beverages items.

SOME IMPORTANT ISSUES

- (i) FM does not explain as to how MUDRA Bank with a corpus of 20,000 crores only can turn around 5,64,000 crores MSME – Small Business Units.
- (ii) FM's promise of creation of an innovation fund in NITI Aayog with a mere Rs.150 crore allocation is similarly superficial. Allocation of mere 1000 crores to encourage all the start up businesses is also grossly inadequate.
- (iii) Allocation of mere 1500 crores for village skills funds is a similar formality.
- (iv) FM sets no road map for creation of jobs.

- (v) Increase of merely 20,000 crores in Defence Outlay of the country raises serious questions about government's intent.
- (vi) Lack of allocation for government's main schemes like '*Smart Cities Projects*', '*Svachh Bharat Abhiyan*', '*Sagar Mala*', '*Namo Gange*' and '*Beti Bachao, Beti Padhao*' reflects that government only believes in sloganeering than actual implementation. For example, cost of constructing 12 crore toilets alone is pegged at 1,98,000 crores."

RANDEEP SINGH SURJEWALA