

1	2	3
4.	Madhya Pradesh	Bastar Sarguja
5.	Bihar	Sitamari Darbangha Madhubani Samastipur Khagaria Palamau Vaishali
6.	Maharashtra	Amaravati
7.	Assam	Nagaon N. Lakhimpur Dhemaji Nalbari
8.	Karnataka	Bijapur
9.	Rajasthan	Jhunjunu
Total No. of Districts 25		

(Interruptions)

SHRI RAJESH PILOT (DAUSA): I can make out Jhunjunu in Rajasthan. Whether you go on to natural calamity affected areas in the last 10 years or something? Have you selected these districts?

SHRI CHATURANAN MISHRA: That I have not selected. Since the Department has made other districts, after the experience, there is no other reward. The State Government officials say that they are not prepared to cover all the people in the country. They are large in number. That is one of the reasons.

MR. SPEAKER: I do not think you have to go on explaining. We are very short of time today. Later on you can bring it. Please carry on.

SHRI CHATURANAN MISHRA: I have completed my statement.

MR. SPEAKER: You have completed. Thank you very much.

(Interruptions)

SHRI RAJESH PILOT: The purpose of the scheme will be defeated. If it is natural calamities, in North-East, they have not sent ... (Interruptions)

SHRI CHATURANAN MISHRA: Because it has not been circulated. So I named.

MR. SPEAKER: We can discuss it later on.

[Translation]

SHRI RAM KRIPAL YADAV (PATNA): Mr. Speaker, Sir, This is of urgent nature. Several districts of Bihar have been left out ... (Interruptions) Please include these districts which have been left out. ... (Interruptions)

[English]

SHRI BASU DEB ACHARIA: West Bengal has been left out.

MR. SPEAKER: It can be discussed.

SHRI BASU DEB ACHARIA: Why has West Bengal been left out?

MR. SPEAKER: Please sit down. I think everybody is very enthusiastic about it. It seems to be a very good thing. Please sit down. I am saying this that subject to availability of time, we may be able to discuss sometimes in the next week. It is because I really do not know how many Government Bills can be discussed. So there is a possibility of some time available in the next week. I will see that we can have a discussion on that. Now we go to the Finance Bill.

FINANCE BILL, 1997-CONT.

14.12 hrs.

[English]

MR. SPEAKER: The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1997-98, be taken into consideration."

The motion was adopted.

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

Clause 2

MR. SPEAKER: The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3-Amendment of Section 10

Amendments made:

page 3,—

for lines 10 and 11 substitute—

'(a) after clause (6B), the following clause shall be inserted, namely:—

"(6BB) Where in the case of the Government of a foreign State or a foreign enterprise deriving income from an Indian company engaged in the business of operation of aircraft, as a consideration of acquiring an aircraft or an aircraft engine (other than payment for providing spares, facilities or services in connection with the operation of leased aircraft) on lease under an agreement entered after the 31st day of March, 1997 and approved by the Central Government in this behalf and the tax on such income is payable by such Indian company under the terms of that agreement to the Central Government, the tax so paid;

Explanation.—For the purposes of this clause, the expression "foreign enterprise" means a person who is a non-resident,";

(aa) in clause (15) in sub-clause (iv) after item (i), in the Explanation, after clause (b), the following clause shall be inserted, namely:—'. (248)

Page 3.—

for lines 13, substitute—

'(b) in clause (15A), after the words "under an agreement", the words, letters and figures—

"entered before the 1st day of April, 1997 and' shall be inserted. (249)

Page 3 —

for lines 19 and 20 substitute—

"(e) in clause (23G),—

(i) the words, letters, brackets and figures "which fulfils the conditions specified in sub-section (4A) of section 80-IA" shall be omitted;

(ii) in the Explanation, for clause (c), the following clause shall be substituted, namely:—"; (250)

Page 3, line 23,—

add at the end "which fulfils the conditions specified in sub-section (4A) of section 80-IA". (251)

Page 3, line 24—

add at the end "which fulfils the conditions specified in sub-section (4A) of section 80-IA"; (252)

Page 3, line 26,—

add at the end "where such project starts generating power on or after 1st day of April, 1993";(253)

Page 3, line 27,—

add at the end "on or after the 1st day of April, 1995.", (254)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clause 4, stands part of the Bill."

The motion was adopted.

Clause 4, was added to the Bill.

Clause 5, Amendment of Section 35

Amendments made:

Page 3, lines 43 and 44,—

omit "and such expenditure is of capital nature". (255)

Page 3, line 47,—

for "sub-section", substitute "clause". (256)

Page 3, line 49,—

for "sub-section", substitute "clause". (257)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 5, as amended, stands part of the Bill."

The motion was adopted.

Clause 5, as amended was added to the Bill.

Clause 6-Insertion of new section 35 ABB

Amendment made

Page 3, line 54 and 55,—

for "with effect from the 1st day of April, 1998", substitute "and shall be deemed to have been inserted with effect from the 1st day of April, 1996". (258)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That Clause 7 to 10 stand Part of the Bill."

The motion was adopted.

Clauses 7 to 10 were added to the Bill.

Clause 11

DR. MURLI MANOHAR JOSHI (ALLAHABAD): I beg to

Page 5,—

(i) line 26,—

after "Income-tax Act, the clause (b),"

insert—"(a)"

(ii) after line 32, insert—

'(b) for the word "accountant" wherever it occurs, the words "Income-tax practitioner or an accountant" shall be substituted.' (188)

MR. SPEAKER: I shall now put Amendment no. 188, moved by Dr. Murli Manohar Joshi, to the vote of the House.

The amendment No. 188 was put and negatived.

MR. SPEAKER: The question is:

"That clause 11 stand part of the Bill."

The motion was adopted.

Clause 11 was added to the Bill.

Clause 12—Amendment of Section 44AD

SPEAKER: Shri Bhargava, are you moving your Amendment number 21?

[Translation]

SHRI GIRDHARI LAL BHARGAVA (JAIPUR): No, Sir.

[English]

Amendment made:

Page 5, for lines 33 to 35, substitute—

'12. In section 44AD of the Income-tax Act,—

(i) in sub-section (2), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1994, namely:—

"Provided that where the assessee is a firm, the salary and interest paid to its partners shall be deducted from the income computed under sub-section (1) subject to the conditions and limits specified in clause (b) of section 40;"

(ii) sub-section (5) shall be omitted.' (259)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 12, as amended, stand part of the Bill."

The motion was adopted.

Clause 12, as amended, was added to the Bill.

Clause 13—Amendment of Section 44AE

[Translation]

SHRI GIRDHARI LAL BHARGAVA: I beg to move:

Page 5, lines 37 and 38,—

for "shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1994."

substitute "shall be inserted with effect from the 1st day of April, 1998." (22)

[English]

MR. SPEAKER: I shall now put Amendment No. 22, moved by Shri Girdhari Lal Bhargava, to the vote of the House.

The amendment No. 22 was put and negatived.

Amendment made:

Page 5, for lines 36 to 38, substitute—

'13. In section 44AE of the Income-tax Act,—

(i) in sub-section (3), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1994, namely:—

"Provided that where the assessee is a firm, the salary and interest paid to its partners be deducted from the income computed under sub-section (1) subject to the conditions and limits specified in clause (b) of section 40;"

(ii) sub-section (6) shall be omitted.' (260)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That clause 13, as amended, stand part of the Bill."

The motion was adopted.

Clause 13, as amended, was added to the Bill.

Clause 14—Insertion of new Section 44AF

[Translation]

SHRI GIRDHARI LAL BHARGAVA: I beg to move:

Page 5, Line 42

for "five per cent" substitute "two per cent" (23)

[English]

MR. SPEAKER: I shall not put Amendment No. 23, moved by Shri Girdhari Lal Bhargava, to the vote of the House.

The amendment No. 23 was put and negatived.

Amendment made:

Page 5, line 49,-

omit "and clause (b) of section 40". (261)

(Shri P. Chidambaram)

Amendments made:

Page 5,—

after line 51, insert—

"Provided that where the assessee is a firm, the salary and interest paid to its partners shall be deducted from the income computed under sub-section (1) subject to the conditions and limits specified in clause (b) of section 40." (262)

Page 5,—

omit lines 59 to 61 (263)

Page 6,—

omit lines 1 and 2 (264)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That clause 14, as amended, stand part of the Bill."

The motion was adopted.

Clause 14, as amended, was added to the Bill.

MR. SPEAKER: The question is:

That clause 15 stands part of the Bill.

The motion was adopted.

Clause 15 was added to the Bill.

Clause 16

MR. SPEAKER: Dr. Joshi, are you moving Amendment Number 88?

DR. MURLI MANOHAR JOSHI: I am not moving.

SHRI P. CHIDAMBARAM: Thank you.

MR. SPEAKER: The question is:

"That Clause 16 stands part of the Bill".

The motion was adopted.

Clause 16 was added to the Bill.

MR. SPEAKER: The question is:

That clause 17, stands part of the Bill."

The motion was adopted.

Clause 17 was added to the Bill.

Clause 18-Amendment of Section 48

MR. SPEAKER: Dr. Joshi, are you moving Amendment number 89?

DR. MURLI MANOHAR JOSHI: I am not moving.

SHRI P. CHIDAMBARAM: Thank you.

Amendment made:

Page 6, line 39,—

add at the end "other than capital indexed bonds issued by the Government". (265)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That clause 18, as amended, stands part of the Bill".

The motion was adopted.

Clause 18, as amended, was added to the Bill.

MR. SPEAKER: The question is:

That Clause 19 to 24, stand part of the Bill."

The motion was adopted.

Clauses 19 to 24 were added to the Bill.

Clause 25-The amendment of Section 80-1A

Amendment made:

Page 7, line 16,—

after "industrial park", insert "or commercial production of mineral oil in the North Eastern Region". (266)

Page 7, line 18,—

for "1999", substitute "1998". (267)

Page 7,—

for line 32, substitute "1997 and ending on the 31st day of March, 2001", (268)

Page 7, line 42,—

for "1998", substitute "1997". (269)

Page 7, line 43,—

for "2002", substitute "2001". (270)

for "sub-section", substitute "sub-section". (271)

Page 7,—

after line 54, insert—

"4(E) This section applies to any undertaking which begins commercial production of mineral oil in the North Eastern Region". (272)

Page 7,—

for lines 56 to 62, substitute—

'(a) after clause (ib), the following clause be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely:-

"(ic), in the case of an undertaking referred to in sub-section (4C), hundred per cent of the profits and gains derived from such business for the initial five assessment years and thereafter, twenty-five per cent of the profits and gains derived from such business:

Provided that where the assessee as a company, the provisions of this clause shall have effect as if for the words "twenty-five per cent", the words "thirty per cent", had been substituted";

(b) after clause (ic), as so, inserted, the following clause shall be inserted with effect from the 1st day of April, 1998, namely:-

"(id) in the case of an industrial park referred to in sub-section (4D), hundred per cent of the profits and gains derived from such business for the initial five assessment years and thereafter, twenty-five per cent of the profits and gains derived from such business:

Provided that where the assessee is a company, the provisions of this clause shall have effect as if for the words "twenty-five" per cent", the words "thirty per cent", had been substituted", (273)

Page 8, line 7,—

for "inserted", substitute "inserted with effect from the 1st day of April, 1998". (274)

Page 8,—

after line 7, insert—

"(iv) after clause (iv), the following clause shall be inserted with effect from the 1st day of April, 1998, namely:-

(v) in the case of undertaking referred to in sub-section (4E) hundred per cent of profits and gains derived from such business for the initial seven assessment years."; (275)

Page 8, line 13,—

for "clause", substitute "clauses", (276)

Page 8,—

after line 16, insert—

'(viii) seven in the case of an assessee being an undertaking referred to in sub-section (4E) deriving profits and gains from commercial production of mineral oil in the North Eastern Region;

(g) in sub-section (12), in clause (c)—

(i) after sub-clause (3), the following sub-clause shall be

inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely:-

"(4) in the case of an undertaking referred to under sub-section (4C) means the assessment year relevant to the previous year in which the undertaking starts to provide the telecommunication services whether basic or cellular.";

(ii) after sub-clause (4) as so inserted, the following sub-clauses shall be inserted with effect from the 1st day of April, 1998, namely:-

"(5) in the case of an undertaking operating an industrial park referred to under sub-section (4D) means the assessment year relevant to the previous year in which the undertaking starts operating such industrial park notified for the purposes of the said sub-section.

(6) in the case of an undertaking engaged in the business of commercial production of mineral oil referred to under sub-section (4E) means the assessment year relevant to the previous year in which the undertaking commences the commercial production of mineral oil."

(iii) after clause (1), the following clause shall be inserted with effect from the 1st day of April, 1998, namely:-

'(g) "North Eastern Region" means the region comprising of the States of Arunachal Pradesh, Assam, Manipur, Maghalaya, Mizoram, Nagaland and Tripura.' (297)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 25, as amended, stands part of the Bill"

The motion was adopted.

Clause 25, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 26 to 28 stand part of the Bill".

Motion was adopted.

Clauses 26 to 28 were added to the Bill.

Clause 29-Amendment of Section 80-0

DR. MURLI MANOHAR JOSHI: Sir, I beg to move:

"Page 8,—

for clause 29, substitute—

"29. In section 80-0 of the income-tax Act, for the words beginning with "where the gross total income of an assessee" and ending with the words "In computing the total income of the assessee" the following words shall be substituted, namely:-

"Where the gross total income of an assessee, being an Indian company, or a person (other than a company) who is resident in India, includes any income by way of royalty, commission, fees or any similar payment received by the assessee from the Government of a foreign State or a foreign enterprise in consideration for the use outside India of any patent, invention, model, design, secret formula or process, or similar property right, or information concerning industrial, commercial or scientific knowledge, experience or skill made available or provided or agreed to be made available or provided to such Government or enterprise by the assessee, or in consideration of technical or professional services rendered or agreed to be rendered outside India to such Government or enterprise by the assessee, and such income is received in convertible foreign exchange in India, or having been received in convertible foreign exchange outside India, or having been converted into convertible foreign exchange outside India, is brought into India, by or on behalf of the assessee in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange, there shall be allowed, in accordance with and subject to the provisions of this section, a deduction of an amount equal to one hundred per cent of the income so received in, or brought into, India in computing the total income of the assessee". (129)

[Translation]

SHRIMATI SUSHMA SWARAJ (SOUTH DELHI): They are doing injustice to us. ...*(Interruptions)* Please cooperate with us in this matter. Tax is being imposed on the Indian scientists who are earning and bringing money from abroad. Multi Nationals are being spared and tax is being imposed on the scientist ...*(Interruptions)*

[English]

MR. SPEAKER: I will now put Amendment No. 129 moved by Dr. Murl Manohar Joshi to the vote of the House.

The amendment No. 129 was put and negatived.

MR. SPEAKER: The question is:

"That clause 29 stands part of the Bill".

The motion was adopted.

Clause 29 was added to the Bill.

Clause 38-Amendment of Section 88

Amendment made:

Page 8,—

for lines 30 to 32, *substitute—*

'30. In section 88 of the Income-tax Act, in sub-section (2) in clause (xvi), with effect from the 1st day of April, 1998,—

(i) after the words "by a public company", the words "or as subscription to any eligible issue of capital by any public financial institution" shall be inserted;

(ii) in the *Explanation,—*

(A) for clause (i), the following clause shall be substituted, namely:—

"(i) "eligible issue of capital" means an issue made by a public company formed and registered in India or a public financial institution and the entire proceeds of the issue is utilised wholly and exclusively either for the purposes of developing, maintaining and operating an infrastructure facility or for generating, or for generating and distributing, power or for providing telecommunication services whether basic or cellular;"

(B) after clause (iii), the following clause shall be inserted, namely:—

(iv) "public financial institution" shall have the meaning assigned to it in section 4A of the Companies Act, 1956.'. (278)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 30, as amended, stand part of the Bill".

The motion was adopted.

Clause 30, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 31 to 36 stand part of the Bill"

The motion was adopted.

Clauses 31 to 36 were added to the Bill.

Clause 37-Amendment of Section 115-JA

Amendments made:

"Page 9,—

for lines 21 and 22, *substitute—*

"(viii) the amount of profits eligible for deduction under section 80IIIC, computed under clauses (a), (b) or (c) of sub-section (3) or sub-section (3A), as the case may be, of that section, and subject to the conditions specified in sub-sections (4) and (4A) of that section;

(ix) the amount of profits eligible for deduction under section 80IIIE, computed under sub-section (3) of that section." (279)

Page 9—

for line 40, *substitute—*

"(6) Where as a result of an order under sub-section

(1) or sub-section (3) of section 143, section 144, section 147, section 154." (280)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 37, as amended, stands part of the Bill."

The motion was adopted.

Clause 37, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clauses, 38 and 39 stand part of the Bill."

The motion was adopted.

Clauses 38 and 39 were added to the Bill.

Clause 40-Insertion of new Chapter XII D

[Translation]

SHRI GIRDHARI LAL BHARGAVA: Sir, I beg to move:

Page 9,—

after line 63, insert—

"(5) No tax in terms of sub-section (1) to (4) of this section shall be leviable in respect of the amount declared, distributed or paid as dividends from the profits in respect of which the company is liable to pay tax at the rate relevant to the assessment year 1997-1998." (24)

[English]

MR. SPEAKER: I put amendment No. 24, moved by Shri Girdhari Lal Bhargava to the vote of the House.

The amendment No. 24 was put and negatived.

DR. MURLI MANOHAR JOSHI: I beg to move:

Page 9, line 53—

after "dividends" insert—

"in excess of fifty per cent of capital" (90)

Page 9, line 57—

for "fourteen days" substitute—

"thirty days". (91)

MR. SPEAKER: I put amendment Nos. 90 and 91 moved by Dr. Murl Manohar Joshi to the vote of the House.

The amendments No. 90 and 91 were put and negatived.

Amendments made:

Page 9—

after line 55, insert—

"(1A) notwithstanding that no income-tax is payable by a domestic company on its total income computed in accordance with the provisions of this Act, the tax on distributed profits under sub-section (1) shall be payable by such company." (281)

page 9, lines 57 and 58—

for "from the date of declaration of dividends", substitute—

"from the date of—

(a) declaration of any dividend; or

(b) distribution of any dividend; or

(c) payment of any dividend,

whichever is earliest." (282)

Page 9, line 63—

add at the end—

"or the tax thereon." (283)

Page 10—

for line 11, substitute—

"Explanation.—For the purposes of this Chapter the expression "dividends" shall have the", (284)

(Shri P. Chidambaram).

MR. SPEAKER: The question is:

"That Clause 40, as amended, stands part of the Bill."

The motion was adopted.

Clause 40, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That Clauses 41 and 42, stand part of the Bill."

Clause 41 and 42 were added to the Bill.

Clause 43-Amendment of Section 143

Amendment made:

Page 10—

for lines 41 to 44, substitute—

"43. In section 143 of the Income-tax Act, in sub-section (1) in clause (a) with effect from the 1st day of April, 1998—

(i) for the second proviso, the following proviso shall be substituted, namely:—

"provided further that an intimation shall be sent to the assessee whether or not any adjustment has been made under the first proviso and notwithstanding that no tax or interest is due from him.";

(ii) in the third proviso, the words "for any tax or interest due" shall be omitted." (285).

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 43, as amended, stands part of the Bill."

The motion was adopted.

Clause 43, as amended, was added to the Bill.

Motion Re: Suspension of Rule

SHRI P. CHIDAMBARAM: I beg to move:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 286 to the Finance Bill, 1997 and that this amendment may be allowed to be moved." (329)

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 286 to the Finance Bill, 1997 and that this amendment may be allowed to be moved."

The motion was adopted.

New Clause 43A

Amendment made:

Page 10—

after line 44, insert—

Amendment section 167A.	"43A. In section 167A of the Income-tax Act, for the words "maximum marginal rate", the words "rate as specified in the Finance Act of the relevant year" shall be substituted with effect from the 1st day of April, 1998." (286).
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(Shri P. Chidambaram).

MR. SPEAKER: The question is:

"The New Clause 43A, be added to the Bill."

The motion was adopted.

New Clause 43A, was added to the Bill.

MR. SPEAKER: The question is:

"That Clauses 44 and 45, stand part of the Bill."

The Motion was adopted.

Clauses 44 and 45 were added to the Bill.

Clause 46-Amendment of Section 194

Amendment made:

Page 10, lines 59 and 60—

for "dividends declared, distributed or paid, as the case may be, on or after the 1st day of June, 1997", substitute "dividends referred to in section 115-0". (287)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 46, as amended, stands part of the Bill."

The motion was adopted.

Clause 46, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That Clause 47, stands part of the Bill."

The motion was adopted.

Clause 47 was added to the Bill.

Clause 48-Amendment of Section 195

Amendment made:

"Page 11, lines 7 and 8,—

for "dividends declared, distributed or paid as the case may be, on or after the 1st day of June, 1997", substitute "dividends referred to in section 115-0". (288)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 48, as amended, stands part of the Bill."

The motion was adopted.

Clause 48, as amended, was added to the Bill.

Clause 49-Amendment of Section 196C

Amendment made:

"Page 11, lines 11 and 12,—

for "dividends declared, distributed or paid as the case may be, on or after the 1st day of June, 1997", substitute "dividends referred to in section 115-0". (289)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 49, as amended, stands part of the Bill."

The motion was adopted.

Clause 49, as amended, was added to the Bill.

Clause 50-Amendment of Section 196D

Amendment made:

"Page 11, in lines 15 and 16,—

for dividends declared, distributed or paid as the case may be, on or after the 1st day of June, 1997", substitute "dividends referred to in section 115-0". (190)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 50, as amended, stand part of the Bill."

The motion was adopted.

Clause 50, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That Clauses 51 to 56 stand part of the Bill."

The motion was adopted.

Clause 51 to 56 were added to the Bill.

Motion Re: Suspension of Rule

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

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 291 to the Finance Bill, 1997 and that this amendment may be allowed to be moved." (330)

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 291* to the Finance Bill, 1997 and that this amendment may be allowed to be moved." (330)

The motion was adopted

New Clause 56A

Amendment made:

"Page 11,—

after line 60, insert,—

Amendment of Schedule IV '56A. In Schedule IV to the Income-tax Act, in Part A, in rule 6, in clause (a), for the word "ten", the word "twelve"

shall be substituted with effect from the 1st day of April, 1998'. (291)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That new clause 56A be added to the Bill."

The motion was adopted.

New Clause 56A was added to the Bill.

MR. SPEAKER: The question is:

"That Clauses 57 and 58, stand part of the Bill."

The motion was adopted.

Clause 57 and 58 were added to the Bill.

Clause 59-Amendment of Section 4 of Act 35 of 1987

Amendments made:

"Page 12, line 12,—

for "1999", substitute "1988". (292)

"Page 12, line 15,—

for "1999 and ending on 31st day of March, 2009", substitute "1998 and ending on the 31st day of March, 2008". (293)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 59, as amended, stands part of the Bill."

The motion was adopted.

Clause 59, as amended, was added to the Bill.

Clause 60-Short Title and Commencement

Amendments made:

"Page 12, line 17,—

omit "AND WEALTH". (294)

"Page 12, line 18,—

omit "and Wealth". (295)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 60, as amended, stands part of the Bill."

The motion was adopted.

Clause 60, as amended, was added to the Bill.

Clause 61—Definitions*Amendment made:*

"Page 12, lines 23 and 24,—

omit "or sub-section (1) of section 63". (296)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 61, as amended, stands part of the Bill."

*The motion was adopted.**Clause 61, as amended, was added to the Bill.***Clause 62-Charge of Tax on Voluntarily disclosed income**

SHRI NIRMAL KANTI CHATTERJEE (DUMDUM): Sir, let me first make one statement. I have so many amendments coming later. Some of our amendments have been accepted and some of our amendments have not been accepted. Under both counts what we intend to do is, we take the amendments to the people and not press them here in the Parliament because we do not accept it. It is our regret that we do not accept the approach as enunciated in his reply and, therefore, with regret we are not pressing the amendment here and we intend to take them to the people.

SHRIMATI SUSHMA SWARAJ: First withdraw your support to the Government and then go to the people.

SHRI NIRMAL KANTI CHATTERJEE: Even if we do not take a leaf out of your book, we know what to do.

MR. SPEAKER: It is a major policy statement that he has made.

SHRI SONTOSH MOHAN DEV (SILCHAR): He has to seek leave of the House to withdraw his amendment.

AN HON. MEMBER: He has not moved his amendments at all.

Amendments made:

Page 12, line 31,—

for "section 64", substitute "section 63". (297)

(Shri P. Chidambaram)

Page 12, line 51,—

omit "or under section 37A of the Wealth-tax Act". (298)

(Shri P. Chidambaram)

Page 13,—

for line 1, substitute—

"Income tax Act was made, or survey under section 133A of the Income-tax Act was carried out or in respect of any earlier"; (299)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 62, as amended, stands part of the Bill."

*The motion was adopted.**Clause 62, as amended, was added to the Bill.***Clause 63**

SHRI P. CHIDAMBARAM: Sir, in respect of Clause 63, since we have changed the VDS scheme into VDIS scheme, the whole of Clause 63 is to be deleted. Therefore, we are voting against Clause 63. There is no amendment. We are deleting the whole of the clause. So, when you move this clause, we are going to vote against it.

MR. SPEAKER: The question is:

"That Clause 63 stands part of the Bill."

The motion was negated.

MR. SPEAKER: Clause 63 is dropped from the Bill. The subsequent clauses may be re-numbered accordingly.

Clause 64-Particulars to be furnished in declaration*Amendments made:*

Page 13, line 57,—

omit "or under sub-section (1) of section 63". (300)

(Shri P. Chidambaram)

Page 14,—

for lines 19 to 23,—

"(3) Any person, who has made a declaration under sub-section (1) of section 62 in respect of his income or as a representative assessee in respect of the income of any other person, shall not be entitled to make any other declaration, under that sub-section in respect of his income or the income of such other person, and any such other declaration, if made, shall be deemed to be void." (301)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 64, as amended, stands part of the Bill."

*The motion was adopted.**Clause 64, as amended, was added to the Bill.***Clause 65-Time for payment of tax***Amendment made:*

Page 14, line 24,—

omit "or wealth". (302)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 65, as amended, stands part of the Bill."

The motion was adopted.

Clause 65, as amended, was added to the Bill.

Clause 66-Interest payable by declarant

Amendments made:

Page 14, line 26,—

for "section 65, substitute "section 64", (303)

Page 14, line 32,—

omit "or wealth", (304)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 66, as amended, stands part of the Bill."

The motion was adopted.

Clause 66, as amended, was added to the Bill.

Clause 67-Voluntarily disclosed income not to be included in the total income

Amendment made:

Page 14, line 42,—

for "section 65 or section 66", substitute "section 64 or section 65". (305)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That clause 67, as amended, stand part of the Bill."

The motion was adopted.

Clause 67, as amended, was added to the Bill.

MR. SPEAKER: The question is:

That clause 68 stands part of the Bill."

The motion was adopted.

Clause 68 was added to the Bill.

Clause 69-Tax in respect of Voluntarily disclosed income or wealth not refundable

Amendment made:

Page 15, lines 1 and 2,—

omit "or under sub-section (1) of section 63". (306)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"Clause 69, as amended, stands part of the Bill."

The motion was adopted.

Clause 69, as amended, was added to the Bill.

Clause 70-Declaration not admissible in evidence against declarant

Amendment made:

Page 15, line 4,—

Omit "or sub-section (1) of section 63". (307)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"Clause 70, as amended, stands part of the Bill."

The motion was adopted.

Clause 70, as amended, was added to the Bill.

Clause 71-Secrecy of declaration

Amendment made:

Page 15, lines 8 and 9,—

Omit "or under sub-section (1) of section 63." (308)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"Clause 71, as amended, stands part of the Bill."

The motion was adopted.

Clause 71, as amended, was added to the Bill.

Clause 72-Exemption from Wealth tax in respect of assets specified in declaration

Amendments made:

Page 15,—

after line 33, insert—

"(iii) the value of the jewellery or bullion so declared shall be taken to be its market value as on the 1st day of April, 1987, where the disclosure is made in respect of an assessment year earlier than assessment year 1987-88, and for the purposes of this Chapter the expression 'jewellery' shall have the same meaning assigned to it in Explanation 1 to sub-section (viii) of section 5 of the Wealth Tax Act." (309)

Page 15, line 39,—

for "section 67", substitute "section 66". (310)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"Clause 72, as amended, stands part of the Bill."

The motion was adopted.

Clause 72, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That Clause 73, stands part of the Bill."

The motion was adopted.

Clause 73 was added to the Bill.

Clause 74-Removal of doubts

Amendment made:

Page 15, line 45,—

for "section 72", substitute "section 71". (311)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"Clause 74, as amended, stands part of the Bill."

The motion was adopted.

Clause 74, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That Clause 75 stands part of the Bill."

The motion was adopted.

Clause 75 was added to the Bill.

Clause 76-How to make rules

Amendment made:

Page 16, line 4,—

omit "or sub-section (1) of section 63." (312)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"Clause 76, as amended, stands part of the Bill."

The motion was adopted.

Clause 76, as amended, was added to the Bill.

Clause 77-Scheme not to apply to certain persons

MR. SPEAKER: Shri Girdhari Lal Bhargava.

SHRI GIRDHARI LAL BHARGAVA: Sir, I am not moving.

Amendment made:

Page 16,—

after line 33, insert—

27 or 1992 "(c) to any person notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992." (313)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"Clause 77, as amended, stands part of the Bill."

The motion was adopted.

Clause 77, as amended, was added to the Bill.

DR. MURLI MANOHAR JOSHI: I beg to move:

Page 16,—

after line 33, insert—

"77A. The proceeds of the tax collected under this scheme shall be utilised for specified objects towards—

(a) development of infrastructure in power, transport and communications; and

(b) provision of facilities for supply of safe drinking water, water supply for minor irrigation, sanitation, housing for poor and roads in rural and backward areas." (134)

SHRI P. CHIDAMBARAM: Sir, I have already assured about it. It is about infrastructure. I have said it in my speech also.

DR. MURLI MANOHAR JOSHI: Please assure it again.

SHRI P. CHIDAMBARAM: I can only request the States to spend this money on infrastructure. We should not do it as it is.

DR. MURLI MANOHAR JOSHI: It should also be on urban slum clearance, etc.

SHRI P. CHIDAMBARAM: Yes. All that is included in infrastructure. I will request the States to do it.

DR. MURLI MANOHAR JOSHI: Okay. The hon. Minister has assured and hence, I would withdraw it.

MR. SPEAKER: Is it the pleasure of the House that the amendment moved by Dr. Murl Manohar Joshi be withdrawn?

The amendment No, 134 was, by leave, withdrawn.

Clause 78

MR. SPEAKER: Shri Murl Manohar Joshi.

DR. MURLI MANOHAR JOSHI: I am not moving.

MR. SPEAKER: Shri Girdhari Lal Bhargava.

SHRI GIRDHARI LAL BHARGAVA: I am not moving.

MR. SPEAKER: The question is:

"That Clause 78 stands part of the Bill."

The motion was adopted.

Clause 78 was added to the Bill.

MR. SPEAKER: The question is:

"That Clause 79, stands part of the Bill."

The motion was adopted.

Clause 79 was added to the Bill.

Motion Re: Suspension of rule

SHRI P. CHIDAMBARAM: I beg to move:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 315 to the Finance Bill 1997 and that this amendment may be allowed to be moved."
(331)

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 315 to the Finance Bill 1997 and that this amendment may be allowed to be moved."
(331)

The motion was adopted.

New Clause 79A

Amendment made:

Page 17,—

After line 24, insert—

'79A. After section 3 of the Central Excise Act, 1944 (hereinafter referred to as the Central Excise Act), the following section shall be inserted, namely:—

"3A. (1) Notwithstanding anything contained in section 3, where the Central Government, having regard to the nature of the process of manufacture or production of excisable goods of any specified description, the extent of evasion of duty in regard to such goods or such other factors as may be relevant, is of the opinion that it is necessary to safeguard the interest of revenue, specify, by notification in Official Gazette, such goods as notified goods and there shall be levied and collected duty of excise on such goods in accordance with the provisions of this section.

(2) Where a notification is issued under sub-section (1), the Central Government may, by rules, provide for determination of the annual capacity of production, or such factor or factors relevant to the annual capacity of production of the factory in which such goods are produced, by the commissioner of central Excise and such annual capacity of production shall be deemed to be the annual production of such goods by such factory:

Provided that where a factory producing notified

goods is in operation only during a part of the year, the production thereof shall be calculated on proportionate basis of the annual capacity of production.

(3) The duty of excise on notified goods shall be levied at such rate as the Central Government may by notification in the Official Gazette specify, and collected in such manner as may be prescribed:

Provided that, where a factory producing notified goods did not produce the notified goods during any continuous period of not less than seven days, duty calculated on a proportionate basis shall be abated in respect of such period if the manufacturer of such goods fulfils such conditions as may be prescribed.

(4) Where an assessee claims that the actual production of notified goods in his factory is lower than the production determined under sub-section (2), the Commissioner of Central Excise shall, after giving an opportunity to the assessee to produce evidence in support of his claim, determine the actual production and redetermine the amount of duty payable by the assessee with reference to such actual production at the rate specified in sub-section (3).

(5) Where the Commissioner of Central Excise determines the actual production under sub-section

(4), the amount of duty already paid, if any, shall be adjusted against the duty so redetermined and if the duty already paid falls short of, or is in excess of, the duty so redetermined, the assessee shall pay the deficiency or be entitled to a refund, as the case may be.

(6) The provisions of this section shall not apply to goods produced or manufactured,—

(i) in a free trade zone and brought to any other place in India; or

(ii) by a hundred per cent export-oriented undertaking and allowed to be sold in India.

Explanation 1.—For the removal of doubts, it is hereby clarified that for the purposes of section 3 of the Customs Tariff Act, 1975, the duty of excise leviable on the notified goods shall be deemed to be the duty of excise leviable on such goods under the Schedule to the Central Excise Tariff Act, 1985, read with any with any notification for the time being in force.

Explanation 2.—For the purposes of this section the expression "free trade zone" and "hundred per cent, export-oriented undertaking" shall have the meanings assigned to them in section 3. (315)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That New Clause 79A be added to the Bill."

The motion was adopted.

New Clause 79A was added to the Bill.

Clause 80-Insertion of new Section 4A

[Translation]

SHRI GIRDHARI LAL BHARGAVA: Sir, I beg to move:

Page 17, line 41,—

after "consumer" insert—

"which shall not be more than five per cent. of the assessable value" (26)

[English]

MR. SPEAKER: I shall now put Amendment No. 26 to Clause 80 moved by Shri Girdhari Lal Bhargava to the vote of the House.

The amendment No. 26 was put and negatived.

Amendment made:

Page 17, line 25,—

omit "1944 (hereinafter referred to as the Central Excise Act)," (316)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That Clause 80, as amended, stands part of the Bill."

The motion was adopted.

Clause 80, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That Clause 81, stands part of the Bill."

The motion was adopted.

Clause 81 was added to the Bill.

Motion Re: Suspension of rule

SHRI P. CHIDAMBARAM: I beg to move:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 317 to the Finance Bill, 1997 and that this amendment may be allowed to be moved." (332)

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which

it relates, in its application to Government amendment No. 317 to the Finance Bill, 1997 and that this amendment may be allowed to be moved." (332)

The motion was adopted.

New Clause 81A

Amendment made:

Page 18,—

after line 13, insert:

"81A. In section 38 of the Central Excise Act, in sub-section (2), after the words 'every notification issued under' the following shall be inserted, namely:—

'section 3A, section 4A',". (317)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That New Clause 81A be added to the Bill."

The motion was adopted.

New Clause 81A was added to the Bill.

MR. SPEAKER: The question is:

That Clauses 82 and 83 stand part of the Bill."

The motion was adopted.

Clauses 82 and 83 were added to the Bill.

Motion Re: Suspension of rule

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

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 318 to the Finance Bill 1997 and that this amendment may be allowed to be moved." (333)

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 318 to the Finance Bill 1997 and that this amendment may be allowed to be moved." (333)

The motion was adopted.

New Clause 83A*Amendment made:*Page 18, after line 17, *insert*—

Provision as to duties of excise on specified petroleum products in relation to a certain period and validation.

"83A. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) No. G.S.R. 240(E) dated the 3rd day of May, 1997, which was issued in exercise of the powers conferred by rule 57A of the Central Excise Rules, 1944, to restrict credit of duties paid on specified petroleum products used as inputs in the manufacture of final products shall,—

(a) be deemed to have, and to have always had, effect on and from the 23rd day of July, 1996; and

(b) be deemed to prevail, and to have always prevailed, over all notifications issued on or after the 23rd day of July, 1996, but before the 3rd day of May, 1997, under rule 57A of the said rules in relation to specified petroleum products.

Explanation.—For the purposes of this section, "specified petroleum products" means naphtha, furnace oil, low sulphur heavy stock, light diesel oil, bitumen and paraffin wax falling under Chapter 27 of the Schedule to the Central Excise Tariff Act, 1985.

(2) Any action or thing taken or done or purported to have been taken or done on or after the 23rd day of July, 1996, and before the 3rd day of May, 1997, in relation to specified petroleum products, under the Central Excise Rules, 1944, read with notifications referred in clause (b) of sub-section (1), shall be deemed to be, and to have always been, for all purposes, as validly and effectively taken or done as if the provisions of sub-section (1) had been in force at all material times and such action or thing had been taken or done under the Central Excise Rules, 1944, read with the notification dated the 3rd day of May, 1997, referred to in sub-section (1), and, accordingly, notwithstanding anything contained in any judgement, decree or order or any court, tribunal or other authority,—

(a) credit of duties restricted on or after the 23rd day of July, 1996, and before the 3rd day of May, 1997 on specified petroleum products, shall be deemed to be, and shall be deemed to have always been, as validly restricted, as if the provisions of this section had been in force at all material times;

(b) no suit or other proceedings shall be maintained or continued in any court for allowing the credit, and no enforcement shall be made by any court of any decree or order allowing the credit, of duties which have been restricted and which would have been validly restricted if the provisions of this section had been in force at all material times;

(c) recovery shall be made of the credit of duties, which have not been restricted but which would have been so restricted if the provisions of this section had been in force at all material times, within a period of ninety days from the date of enactment of this Bill and the event of non-payment of such credit of duties within this period, in addition to the amount of credit of such duties recoverable, interest at the rate of eighteen per cent. per annum shall be payable, from the date immediately after the expiry of the said period of ninety days till the date of payment.

Explanation.—For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this section had not come into force." (318)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That new Clause 83A, be added to the Bill."

*The motion was adopted.**New clause 83A, was added to the Bill.***Clause 84-Amendment of Act 32 of 1994**

SHRI P. CHIDAMBARAM: Sir, about Clause 84, there are a number of Amendments. I have already made a statement day before yesterday that it will not be brought into force immediately. We will give an opportunity to each industry. The rules will be framed. Only after that, the tax will be levied. In view of that, I think all hon. Members may kindly not press the Amendments to Clause 84.

SEVERAL HON. MEMBERS: Yes.

MR. SPEAKER: Everybody has agreed.

Amendment made:

Page 21,—

after line 46, insert—

"(1A) Notwithstanding anything contained in sub-section (1) of section 68, in respect of the taxable service referred to in items (g) to (r) of sub-clause (41) of section 65, the service tax for such service shall be collected from such person and in such manner as may be prescribed at the rate specified in section 66 and all the provisions of this Chapter shall apply to such person as if he is the person responsible for collecting the service tax in relation to such service."(319)

Page 21,—

for line 48, substitute—

"section (1) or sub-section (1A), as the case may be, shall be paid to the credit of the Central Government by the 15th of the month." (320)

Page 21,—

for line 51, *substitute*—

"accordance with the provisions of sub-section (1) or sub-section (1A), as the case may be, shall, notwithstanding such failure, be liable to". (321)

Page 21,—

after line 54, *insert*—

"(1) in the opening portion, for the words, brackets and figures "sub-section (1) of section 68", the words, brackets, figures and letter "sub-section (1) or sub-section (1A) of section 68, as the case may be," shall be substituted;". (322)

Page 21, line 55,—

for "(i)", *substitute* "(ia)". (323)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That clause 84, as amended, stands part of the Bill."

The motion was adopted.

Clause 84, as amended, was added to the Bill.

MR. SPEAKER: Shri Nirmal Kanti Chatterjee, are you moving your amendments?

SHRI NIRMAL KANTI CHATTERJEE: No. ...(*Interruptions*)

MR. SPEAKER: The question is:

"The clause 85 stand part of the Bill."

The motion was adopted.

Clause 85 was added to the Bill.

Motion Re: Suspension of rule

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

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 314 to the Finance Bill 1997 and that this amendment may be allowed to be moved." (334)

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 314 to the Finance Bill 1997 and that this

amendment may be allowed to be moved." (334)

The motion was adopted.

New Clause 86

Amendment made:

Page 22,—

Amendment of Act 52 of 1963.

After line 48, *insert*—

"86. In the Unit Trust of India Act, 1963, in section 32, sub-section (3) shall be omitted with effect from the 1st day of June, 1997". (314)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That New Clause 86 be added to the Bill."

The motion was adopted.

New Clause 86 was added to the Bill.

MR. SPEAKER: The question is:

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

The motion was adopted.

The First Schedule was added to the Bill.

Second Schedule

Amendments made:

Page 30,—

for lines 9 and 10, *substitute*—

'(ii) in sub-heading No. 0802.11, for the entries in column (4) and column (5), the entries "Rs. 55 per Kg." and "Rs. 50 per Kg." shall respectively be substituted'. (324)

Page 30,—

for lines 11 and 12, *substitute*—

'(iii) in sub-heading No. 0802.12, for the entries in column (4) and column (5), the entries "Rs. 100 per Kg." and "Rs. 95 per Kg." shall respectively be substituted'. (325)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That the Second Schedule, as amended, stands part of the Bill".

The motion was adopted.

The Second Schedule, as amended, was added to the Bill.

Third Schedule

DR. MURLI MANOHAR JOSHI: I beg to move:

Page 37,—
omit lines 28 to 31. (113)

Page 37,—
omit lines 37 to 40. (114)

Page 37,—
omit lines 45 and 46. (115)

Page 38,—
omit lines 2 to 5, (116)

Page 39,—
omit lines 8 to 11. (117)

Page 39,—
omit lines 29 to 32. (118)

Page 40,—
omit lines 17 to 20. (119)

Page 40,—
omit lines 25 to 28. (120)

Page 41,—
omit lines 1 to 4, (121)

Page 44, line 27,—
for "8%" substitute "Nil" (122)

Page 48, line 40,—
omit "9506.00", (123)

Page 50, line 12,—
for "8 % of substitute "Nil". (124)

Page 50, line 23,—
for "8%" substitute "Nil". (125)

Page 50, line 28,—
for "8%" substitute "Nil". (126)

Page 52,—
(i) after line 8, insert—
(i) in heading No. 29.14, for sub-heading No. 2914.20, the following shall be substituted, namely:-
"2914.20 Camphor (other than camphor tablets made out of camphor powder)"
(ii) line 9, for "(i)" substitute "(ia)". (127)

Page 65, line 50,—
for "8%" substitute "Nil". (128)

Page 41, line 34,—
omit "3917.00" (135)

Page 54,—
(i) after line 2, insert—
"(i) for heading No. 39.17 and the entries relating thereto, the following shall be substituted namely:-
3917.10 Tubes, pipes and hoses, and fittings therefor (for example, joints, elbows, flanges) of, plastics 25%
3917.20 Layflat tubings Nil"
(ii) line for for "(i)" substitute (ia)" (136)

Page 44, line 4,—
for "8%" substitute "5%" (169)

MR. SPEAKER: Now, I shall put all the amendments moved by Dr. Joshi to the vote of the House.
The amendments No. 113 to 129, 135, 136 and 169 were put and negatived.

[Translation]

DR. MURLI MANOHAR JOSHI (ALLAHABAD): Why do you want to deny the poor their bread and butter?

[English]

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): I have already explained that *bhujia*, *papad* etc. are already exempt.

[Translation]

DR. MURLI MANHAR JOSHI: But you have raised the duty on chutni Pickles, soft drinks etc.

[English]

SHRI P. CHIDAMBARAM: It is only for the branded products. You can add a few more of them. Give me a list and I would add a few more.

Amendments made:

Page 38,—
omit line 15, (326)

Page 46,—
after line 55, insert—
"(ia) after NOTE 6, the following NOTE shall be inserted namely:-
"7. For the purposes of heading No. 85.24, "recording" of sound or other phenomena shall amount to manufacture', (327)

Page 50,—

for lines 30 to 35, substitute—

"(6) in Chapter 22,—

(i) in heading No. 22.02, for sub-heading No. 2202.30 and the entries relating thereto, the following shall be substituted, namely:—

2202.30— Soya milk drinks, whether or not sweetened or flavoured Nil

2202.40— Fruit pulp or fruit juice based drinks 8%

(ii) for heading No. 22.04, and the entries relating thereto, the following shall be substituted, namely:—

22.04 ETHYL ALCOHOL OR ANY STRENGTH WHETHER DENATURED OR NOT BUT NOT INCLUDING ALCOHOLIC LIQUOR FOR HUMAN CONSUMPTION

2204.10— Denatured ethyl alcohol of any strength 18%

2204.90— Other Nil" (328)

(Shri P. Chidambaram)

MR. SPEAKER: The question is:

"That the Third Schedule, as amended, stands part of the Bill".

The motion was adopted.

The Third Schedule, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That the Fourth Schedule stands part of the Bill".

The motion was adopted.

The Fourth Schedule was added to the Bill.

MR. SPEAKER: The question is:

"That Clause 1, Enacting Formula and the long Title stand part of the Bill."

The motion was adopted.

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

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

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

15.00 hrs.

MR. SPEAKER: Motion moved:

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

Prof. Rupchand Pal, would you like to speak?

SHRI RUPCHAND PAL (HOOGHLY): I would speak very briefly.

MR. SPEAKER: We have already decided to go to the people.

SHRI SATYA PAL JAIN (CHANDIGARH): In that case, if they press all the amendments, it will be easier for them to go to the people at an early date.

SHRI RUPCHAND PAL: The serious reservations of my Party are with regard to several provisions which are against the interest of the common people of this country, particularly against our self-reliance. They would adversely affect the domestic industries. We have submitted a memorandum both to the Finance Minister as well as to the Prime Minister. We are distressed that a very few, hardly any of the important, suggestions have been accepted by the Finance Minister. We are committed to the United Front Government. We are supporters of this Government.

SHRI RAJESH PILOT (DAUSA): Are you walking out?

SHRI RUPCHAND PAL: No, Sir, we are not walking out. To save the country from the hands of divisive and communal forces of the country, we are compelled to support the Finance Bill, otherwise we have serious reservations about several provisions.

DR. MURLI MANOHAR JOSHI: On listening to the speech of my esteemed friend, the Chairman of the Estimates Committee, I am reminded of a small couplet.

MR. SPEAKER: I think Prof. Pal has made it very clear.

SHRI BASU DEB ACHARIA: I would like to speak a different point. He has already expressed the views of my Party. We had submitted memorandum. We had discussions with the Finance Minister and also the Prime Minister. We gave several suggestions.

SHRI RAJESH PILOT: I am told that Shri Somnath Chatterjee has deliberately stayed away from the House.

SHRI BASU DEB ACHARIA: No, he is not well. He was in the hospital. Yesterday only he was discharged from the hospital.

None of our suggestions regarding disinvestment of the public sector undertakings, strengthening of the public sector undertakings, taxation on the dividend, opening of insurance sector, etc. have been accepted by the Finance Minister. What he has stated would help the insurance sector. He has assured on the floor of the House that he would give autonomy to LIC and GIC. I have been discussing with him. I had a number of meetings with him. There are two issues with regard to the insurance sector. One is, the employees of LIC/GIC do not have a right to collective bargaining. Previously they used to have that right. The wage revision is always imposed upon them. As is being done with the employees of the banking sector, the wage revision is being thrust upon the employees of the insurance sector. We pointed out several anomalies that are there. When the wages of the employees of the insurance sector was revised last time, there were some discriminations and anomalies.

Their take-home salary was being reduced. I was assured that what was given to the employees of the banking sector would be extended to the insurance sector also. I do not know why the Finance Minister has become so rigid in regard to the employees of the insurance sector. When he has assured that autonomy will be given, the management to LIC and GIC were asked to negotiate with the employees and their associations, and settle the pending issues. I request the Finance Minister that the right to collective bargaining, as he has assured on the floor of the House today, be given to the employees of LIC and GIC. The management should negotiate with the employees to settle the pending issues. We have expressed our reservations.

MR. SPEAKER: I think you have expressed them very eloquently

DR. MURLI MANOHAR JOSHI: I am reminded of a small couplet of the great Urdu poet Akbar Iahabadi.

Qaum Key Gham Mein Dinner Khaati Hai; C.P.M.
Hukkaam Key Saath

Dard Aapko Bahut Hai Magar Aaraam Key Saath.

SHRI P. CHIDAMBARAM: I have held discussions with Shri Acharia. An opportunity for a wide-ranging debate on the insurance sector is coming up when the IRA Bill will be introduced in this House. I have already written to him and to his party leader also. Let the debate come. At that time the views that I had expressed in my letter, I will articulate in the House. He has a right to say what he wants to say. The House can debate the insurance sector. I believe, Sir, that notwithstanding their ideological and philosophical reservations on the Finance Bill and the Budget, in the heart of hearts, they support the direction of the reforms that we have taken up. And I thank all sections of the House for the broad and generous support they have given me in piloting this Budget and this Finance Bill.

SHRIMATI GEETA MUKHERJEE (PANSKURA): I hope that the IRA Bill will have a different connotation when it comes.

MR. SPEAKER: The question is:

"That the Bill, as amended, be passed

The motion was adopted

[English]

MR. SPEAKER: I must thank all the hon. Members very sincerely. For clause-by-clause discussion, we had earmarked two hours. For third reading, we had earmarked one hour. Out of the three hours allotted, we spent exactly 58 minutes to transact this business. Congratulations to all of you.

Since there is no more Government business before the Private Members Bills, I adjourn the House for twenty

minutes, as a tea break, to meet again at 3.30 p.m.

15.09 hrs.

The Lok Sabha then adjourned till thirty minutes past Fifteen of the Clock.

15.41 hrs.

The Lok Sabha re-assembled at forty-one minutes past Fifteen of the Clock.

(SHRI P.M. SAYEED in the Chair)

[English]

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

Eighth Report

PROF. PREM SINGH CHANDUMAJRA (PATIALA). Sir, I beg to move:

"That this House do agree with the Eighth Report of the Committee on Private Members' Bills and Resolutions Presented to the House on the 7th May, 1997."

MR. CHAIRMAN: The question is:

"That this House do agree with the Eighth report of the Committee on Private Members' Bills and Resolutions presented to the House on the 7th May, 1997."

The motion was adopted.

15.42 hrs.

PRIVATE MEMBER'S RESOLUTION

Illegal Immigrants-contd.

[English]

MR. CHAIRMAN. We shall take up further discussion on the Illegal Immigrants Resolution moved by Shri Jagat Vir Singh Drona on the 13th December, 1996. The time allotted for this Resolution is five hours, the House has already taken four hours and twelve minutes, and only forty-eight minutes are left. Shri G.M. Banatwalla was on his feet.

Shri G.M. Banatwalla, you may please continue your speech.

SHRI G.M. BANATWALLA (PONNANI): Mr. Chairman, Sir, it is most unfortunate that the entire question of the presence of illegal migrants in the country has been politicised and a bogie is sought to be raised about for the so-called large scale infiltration in the country.

The very origin of this controversy lies in the electoral battle that was to be fought in Assam. Accordingly, a question was raised on the occasion of the by-election of