

been set up in the State which are getting a lot of help and guidance from that Fish Research Centre. So, there is every justification that the Research Centre should remain in Burla. Unfortunately efforts are being made by the vested interest to shift that Research Centre from Burla to a place where it has nothing to do with fishing.

In view of this, I request the Central Government that the Regional Fish Research Centre at Burla should not be shifted to any other place and it should be expanded further to give a boost to research and development in the field of fishing in India.

[Translation]

(iv) Need to open more Post offices in Jahanabad District, Bihar

SHRI RAMASHRAYA PRASAD SINGH (JAHANABAD): Sir, India is a Federal country, where Bihar is a state. Bihar is considered as a backward state. No new post office has been opened in my constituency, Jhanabad. Branch post offices may be opened in Kewari, Harisingara villages of Khikarsarai block in Gaya district, Chakronia village of Masorhi block, Sahapur village of Dhanrua block, Bhavanipur and Daharpur villages of Ghosi block in Patna district. In these village letters and moneyorders do not reach to the people in time thereby disturbing the work of the people. The Head Post office at Jahanabad should be upgraded as Jahanabad is District Headquarter.

I, therefore, request the Central Government that immediate necessary action may be taken in this regard.

[English]

(v) Need to take thumb impression of Voters while preparing Voters List for use in General Elections

SHRI P.C. THOMAS (MUVATTUPUZHA) : Sir, the system of giving identity cards for all voters in India, though laudable, is highly expensive and difficult. Another system has also to be thought of, as this is most important for our democratic system.

While casting votes in general elections either signature or thumb impression of each voter is taken in polling booth. Thumb impression of one person differs from another person and is, therefore, best proof of identity. We can have a system of taking thumb impression of voters while voters' list itself is prepared. The voters' list should have thumb impression of each voter. His thumb impression can be taken at the time of voting also as is being done now. Comparison of the impression on voters' list with the impression given in the polling booth makes best proof for voters' identity. Even with naked eye, these can be compared. A magnifying glass in a polling station can make this foolproof. At any rate, the foolproof comparison by experts is possible when there are more challenged votes or at later stages during election petitions. Severe punishment can be proposed for wrong-doers.

This can completely stop booth capturing and other illegal ways of fraud on voting.

I request the Central Government to make a study of such a system and to implement it in our general elections.

[Translation]

(vi) Need to provide adequate quota of tarcoal to Gujrat

SHRIMATI BHAVNABEN DEVRAJ BHAJ CHIKHALIA (JUNAGARH) : Sir, Gujrat has been facing acute shortage of Damar (Coaltar) for the last many years. However, due to summer being at its peak in the last season, the production of Damar was less and inadequate arrangement of loading in coal refineries had its effect on the development of the State.

The Government of Gujrat took up the matter with Central Government and also wrote many letters in this regard but the reply was that the matter is under consideration and no further action was taken. In the year 1996-97, Gujrat has demanded two lakh tonnes of coaltar.

I, therefore, urge upon the Central Government that in view of the development of Gujrat, this problem may be resolved at the earliest and the State may be provided Damar (coaltar) as per its requirement.

(vii) Need to continue the practice of conversion of leasehold properties into freehold in Delhi

SHRI JAI PRAKASH AGARWAL : (Chandni Chowk-Delhi) : Sir, the Government had fixed 31-8-96 as last date for conversion of leasehold properties into freehold in Delhi. It is in the interest of both the Government and the people to continue this scheme for ever. It would be better to continue it atleast for one more year.

Besides, the scheme for conversion of leasehold plots measuring upto 200 sq. yards into freehold may also be introduced so that people can avail of this benefit and the Government can earn crores of rupees. For this I request through you to the Central Government that a new scheme for conversion of leasehold plots (land) alongwith leasehold properties in Delhi into freehold may be introduced without any further delay so that the people of Delhi may get some relief.

[English]

(viii) Need for early conversion of Nizamabad and Mudkhed to Metre Gauge Railway line into Broad Gauge

SHRI G.A. CHARAN REDDY (NIZAMABAD) : Sir, Nizamabad, though a backward region in Andhra Pradesh, yet, is one of the biggest trading partners with Nanded town bordering Maharashtra via Mudkhed. At present, Nizamabad town is connected with Mudkhed by metre gauge line, with the result the transshipment of goods takes place at Mudkhed for onward transportation to Nanded and Bombay, which involves additional

transportation cost and damage of goods in handling and delay in reaching of goods at the destination. The distance between Nizamabad and Mudkhed is only about 70 kilometres which can be converted into broad gauge.

I would, therefore, urge upon the hon. Minister of Railways to order for starting the work of gauge conversion from Nizamabad to Mudkhed (about 70 kilometres) in this financial year itself, without any further delay, as it is the long-standing demand of the people of Nizamabad.

13.25 hrs.

FINANCE (NO. 2) BILL, 1996

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : Mr. Speaker, Sir, yesterday we had a long but a very peaceful discussion on the Finance Bill. Some very valuable suggestions were made by a number of Members.

SHRI MADHUKAR SARPOTDAR (MUMBAI NORTH-WEST) : Sir, yesterday we were given an assurance.

MR. SPEAKER : No, please. We cannot complete it. Yesterday it was a clear-cut decision that the debate would be completed and that the Finance Minister would reply today. I cannot make an exception now.

SHRI MADHUKAR SARPOTDAR : Yesterday, it was decided that I would be allowed.

MR. SPEAKER : Sarpotdarji, please take your seat.

SHRI MADHUKAR SARPOTDAR : I leave it to the Chair ... (*Interruptions*)

MR. SPEAKER : The second stage and third stage of the Bill are coming. I do not know whether you can raise some point after the second or third reading. Let the Finance Minister reply.

SHRI P. CHIDAMBARAM : Yesterday, Sir, I had the opportunity and privilege to intervene briefly and clarify some points as and when they were made by the hon. Members who participated in the discussion. Therefore, there are no major issues which I need to discuss today. There are no major issues on which a reply is expected, but I wish to assure the hon. Members that the Finance Bill, as I said, carries forward the philosophy of a low tax rate, simpler procedures. And I promise strict enforcement of the laws in order to raise more revenues.

13.27 hrs.

(PROF. RITA VERMA *in the Chair*)

Sir, hon. Member, Shri Jaswant Singh made a number of suggestions. I wish to respond to one on corporate governance. I think this is extremely important. Sir, all over the world, the corporate governance and good corporate behaviour is now insisted upon as a requirement by law and by regulatory agencies. We

are on the threshold of reorganising our corporate sector. I agree that a number of bad practices and wrong practices crept into the corporates and the behaviour of some corporates has not been exemplary or even satisfactory.

We are aware of the Cadbury Committee Report. We have asked some of our financial institutions to interact with corporates to draw up a Code of Corporate Governance. I do not think that it is easy to draw up a Code, but we are engaged in that exercise. I am confident that in due course I will be able to come forward with a Code of Corporate Governance.

I have also looked into the role of nominee directors. Government officers are nominated as directors on the boards of a number of companies. Then, there are other avenues through which the directors are nominated. Public financial institutions nominate directors, LIC and GIC nominate directors. Sometimes, it is an instrument of the Company Law Board to nominate directors on the Board. I was given a set of papers which contain what are called the do's and don'ts for nominee directors. Well, if they did all that they were supposed to do and did not do all that they were not supposed to do, I think their role would be more effective. But I think all this has now become a routine and routine is the enemy of change, routine is the enemy of efficiency and quality. I think we must try to break this routine and impress upon the nominee directors that they have a much larger role to play and more active role to play, particularly in banks. I think the nominee directors exercise greater vigil and ask more questions. Even a Socratic method of simply asking questions, would have put Chief Executives and Chief Operating Officers on more guard and would have improved the quality of performance of these companies.

Again I am looking at the role of nominee directors and I intend to revise the guidelines to nominee directors, particularly those who are appointed by the Government.

Madam, I accept Shri Nirmal Kanti Chatterjee's very correct formulation—which I requested him to repeat and I noted it down—that in the draft income-tax law that we are now in the process of drafting exemptions should be given only to four broad categories, namely to research and development, exports, some identified backward areas and in order to promote savings. You will find that this is reflected when the new Bill is drafted.

I also accept his rather radical suggestion for him that direct income-tax rate should be reduced. I asked my people to do a quick back-of-the-envelope calculation as to what will happen if the slab rates were reduced to, what appears to be a good ideal rates, 10 per cent, 20 per cent and 30 per cent. I am afraid today we will straightaway lose about Rs. 3,000 crore and that is not possible now. But we must move towards these rates and I am glad that Shri Chatterjee and his party are on board that we must lower tax rates. But what applies to income-tax also applies to other duties. I am sure that in