

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:430

ANSWERED ON:20.11.2009

INDIA'S TAX POLICIES

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Dharmshi Shri Babar Gajanan;Saroj Smt. Sushila

Will the Minister of FINANCE be pleased to state:

- (a) whether growing unpredictability in India's tax policies is creating unquantifiable risk in the investment planning;
- (b) if so, whether the Ambassadors and High Commissioners of seven rich countries have jointly protested against features of India's retrograde tax regime;
- (c) if so, the details thereof and reaction of the Government thereto; and
- (d) the steps taken by the Union Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a): The current tax policies in India have not only increased revenue collection but also accelerated economic growth. Simplification and rationalization have been emphasised with the ultimate objective of mobilizing resources for investment. The proposed tax measures as per the New Direct Tax Code are envisaged to further promote growth with equity.
- (b): There has been no protest from the countries referred to in the Question against features of India's tax regime.
- (c) & (d): Question does not arise in view of (b) above.