

[Sh. Sobhanadreeswara Rao]

of metal occurred twice, in a span of four days. At Jaggaihpel lime stone pulverizing unit, the quality of execution of works by National projects construction company and Sub-contractors was so poor that the production work came to a halt. It appears the management has failed to take necessary steps to prevent the occurrence of such accidents.

I urge upon the Central government to look into the matter immediately and take necessary steps for preventing the recurrence of incidents in future.

(vii) Need to provide more funds to West Bengal for saving flora and fauna of mangrove eco-systems in Sunderbans

SHRI SANAT KUMAR MANDAL (Joynagar): Sir, the Sunderban Biosphere Reserve (SBR), a 9, 630 sq. kms. area covering the mangrove forests of the Sunderbans with a unique ecosystem and diversity, is languishing for want of committed funds from the Centre. This will be evident from the level of funding for the 10-point action plan put on the anvil by the State-level Steering Committee for the Sunderban Biosphere Reserve. Out of the anticipated outlay of Rs. 90.40 lakhs involved on the comprehensive management action plan on Sunderban Biosphere Reserve approved for the year 1991-92, only Rs. 26.90 lakhs have been received. Against an annual expenditure of Rs. 134.30 lakhs on the comprehensive plan on Sunderbans Mangrove ecosystem for a five-year period from 1991-92, a sum of Rs. 72 lakhs only has been received. Then, in respect of third scheme entitled ecological rehabilitation of Sunderbans under integrated wasteland project, still being processed by the National Wasteland Development Board and which envisaged a total expenditure of Rs. 430.27 lakhs, a sum of Rs. 45 lakhs, which was expected during 1991-92 is yet to reach the State Government.

I would urge on the Central Government to provide the committed funds to the State Government of West Bengal for saving the whole spectrum of flora and fauna of mangrove ecosystem in the Sunderbans from the impending calamity.

MR. DEPUTY SPEAKER: The House now stands adjourned for lunch to meet again at 2.15.p.m.

13.13 hrs

The Lok Sabha then adjourned for lunch till fifteen minutes past Fourteen of the Clock

The Lok Sabha re-assembled after Lunch at Twenty minutes past Fourteen of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

FINANCE BILL 1992 CONTD.

[English]

MR. DEPUTY-SPEAKER: Shri Vijayaraghavan may continue his speech.

[Translation]

*SHRI V.S. VIJAYARAAGHAVAN Palghat: Mr. Deputy Speaker, Yesterday I was speaking about some of the problems of my constituency, Palakkad when the House adjourned. Today I do not want to go into other political questions. I will come straight to the problems of my constituency. Yesterday I mentioned about the drought conditions in Palakkad. When the Silent Valley Project Was given up the late lamented Indiraji had assured that the Kurairkutty Karupara Project would be sanctioned. But this too has been shelved due to the opposition from the environmentalists. I would like to request the Government that at least the irrigation part of the project should be sanctioned. This will save the crops. Palakkad is the rice bowl of Kerala. But due to the drought condition the farmers are suffering. When the late

*Translation of the speech originally delivered in Malayalam.

Rajivji visited Palakkad in 1985 he took keen interest in visiting all the drought affected areas of Palakkad. He was convinced about the problem and that is why he was kind enough to sanction a technology mission for Palakkad. Out of the 100 such missions in the whole country one was given to my district. He also sanctioned Rs. 4 Crores for the mission in Palakkad although only Rs. 2.5 Crores were allotted on an average for missions in other areas. This mission envisaged the supply of 40 litre of water per capita. But unfortunately, the LDE Government motivated by political considerations did not make this mission a success. The result is that only Rs. 3. 15 Crores were spent and the target has not been fulfilled. The period of the mission has ended. I would request the Government to extend the period and fulfill the target. Also, more funds should be allocated for this purpose.

Another very important matter is about the Parambikulam Aliyar agreement between Kerala and Tamilnadu. This project was formulated on the basis of the Tamilnadu. This project was formulated on the basis of the agreement between Kerala and Tamil Nadu in 1958. The Parmabikulam Aliyar project agreement was signed in 1970 whose total outlay was Rs 138 Crores. This was completed in 1972. As per the condition of the agreement it should have been renewed in 1988. But the Tamil Nadu Government did not take any steps to renew it. Tamil Nadu contends that with the expiry of the term of agreement the whole project has become theirs. Tamil Nadu has never honoured the agreement. Under the agreement Kerala should have got water enough to irrigate 4000 acres of land. But Tamil Nadu has never given us the due share of water. The share of Kerala is 38550 million cusecs of water. But it has been found by continuous gauging that Kerala got only 10520 cusses. The whole agricultural operation in the district has been thrown out of gear. I would therefore request the Government to persuade the Tamil Nadu Government to renew the agreement and release sufficient water.

Another area to which the Government should pay attention is tourism. Tourism is an industry. The Tourism Minister made a statement yesterday spelling out the government's policy in this regard. Sir, Kerala abounds in natural beauty. Particularly Palakkad which lies in the lap of the western ghats has a lot of tourist potential. Nellianpati, malarfuzha, Parambikulam, Silent Valley and a lot of other places could be developed as big tourist centres. So, sufficient funds should be allocated for this purpose.

Another point is food processing. Food processing units should be set up in Kerala. We grow pine apple and in fact in the eastern part of Palakkad we grow tomato. If such units are set up it will help the growers.

Kerala has no IIT. A large number of students go out of Kerala Seeking admission in IITs. the Finance Minister complemented the Keralites for their hardwork and the foreign exchange they earn for the country. If in fact they get requisite technical knowledge they can create more wealth for the country. I would therefore request you to set up an IIT in Kerala. It can be set up in Palakkad. as there are many industrial units located in Palakkad. Similarly, I demand that an Indian Institute of Management should also be set up in Palakkad. Sri, we have the Indian Telephone Industry unit in Palakkad. It has the most modern equipment. The development of the second phase of this unit has been accepted by the Communication Minister. I would request the Finance Minister to sanction this programme.

Finally, Sir, I extend my wholehearted support to the bill. I would make one request to the opposition members who have moved amendments. They have moved these amendments out of blind political opposition. When the Hon'ble Prime Minister and the finance Minister are making efforts to strengthen the economy and thus uphold the dignity of this country before the world they should not put hurdles in their way. I would request them to withdraw these amendments and support the bill.

[English]

SHRIRAMKAPSE (Thane): Mr. Deputy Speaker, Sir, I will restrict my speech to some points regarding direct taxation and indirect taxation. In direct taxes, as far as the Income Tax Act is concerned, one feels that before this Finance Bill, we were better. We were taxed less and after this Finance Bill, we will have to face many problems. One is about 80 L. My experience is that the Government has become wise after some months.

At the time of last Finance Bill consideration we suggested something which they have accepted now. There is a possibility that they will accept whatever we say today in the next Budget. Last year we had proposed that the collection of income-tax at source of income above Rs. 2500 by way of interest on term deposit in cooperative banks should not be there. For old people, for pensioners, for middle class people, for cooperative banks, this will create problem. You did not accept it at that time. But this year, you have accepted. Last year, about the restaurant tax, we gave some suggestions and amendments were moved. Even for the cooperative bank, we had met Dr. Manmohan Singh with the delegation. But he was not willing to accept about the restaurant tax amendment which was moved. Now you have accepted it. This year, I have gone a step further I have moved a petition in the Lok Sabha on second of this month which was signed by the voters of my constituency. They demanded that sections 80-L 80-CC and 80-CCB and Section 71 should be restored.

[Translation]

SHRI MURLI DEORA (Bombay South): It is restored.

SHRI RAM KAPSE: Shri Murlid Deora is saying that it is restored. I would like to state what has been done and what has not been done because I am sure you will support me.

[English]

About section 80-L where the gross total income includes any income by way of interest—Government securities bank deposits, it was up to Rs. 7,000. For dividends and Unit Trust of India, the limit was up to Rs. 8,000. For shares the limit was up to Rs. 8,000. So, the total concession was up to Rs. 13,000. Now you have raised the exemption limit up to Rs. 28,000 but only up to Rs. 7,000 in terms of section 80-L has been restored. What about the other Rs. 6,000? We expected, when you extended the exemption limit up to Rs. 28,000 you took into account inflation. That inflation still remains and together with this concession, it will be Rs. 35,000 again. The people believed in the Government and invested in the securities. Now curtailing the limit from Rs. 13,000 to Rs. 7,000 is a breach of trust. In a way, this is a deceit. Why was it done? Actually in 1968, when section 80-L was introduced, it was introduced as an incentive for saving. After 23 years, you changed the situation. Actually, it had also become a permanent feature. In 1980-81, interest up to Rs. 5,000 was exempted. Then, it was increased up to Rs. 10,000 and then up to Rs. 13,000. Now you have again brought it down to Rs. 7,000. As far as the savings are concerned, will it work as an incentive? As far as those people who have invested are concerned, this is definitely a breach of trust. The incentive is given for savings for more productive use and it should be in the form of any rational tax scheme. It is the saving which helps capital formation and you need it now. Encouraging savings is the best antidote to contain inflation. Restoration of concession up to Rs. 7,000 would not give sufficient incentives to savings. I request the Minister to consider this point. If you cannot increase the amount of concession beyond Rs. 13,000, at least keep it as it was.

As far as 80 (C) (A) and 80 (C) (b) are concerned, National Savings Scheme, LIC i.e., Jeevan Dhara Jeevan Akshay, 100 per cent deduction was allowed up to Rs. 40,000/-. Under 80 (C) (B), deduction was allowed on investment made in units of any of the following:-

"Mutual - funds, Unit Trust of India, Canara Bank and all the banks"

and in a way it was a postponement of the tax for some years. He did not avoid the tax. Ultimately he was going to pay it to you at the time of maturity. But 80 (C) (C) (A) and 80 (C) (C) (B) have been dropped and now you will say that it will be included in 88. Only one-fifth of the amount will be considered under Section 88. My suggestion is you consider that all 80 (C), 80 (C) (B) and 80 (L) were helping the nation and the individual both. The person was suffering because he thought that he will get some income-tax concession.

About the LIC, can the insurance be with retrospective effect and is there any re-assurance now? Those who invested for three years believing in LIC, believing in the Government and

[Translation]

Does giving word have any significance in dealings? We say that we should keep our promises, come what may.

[English]

The advertisements of LIC went on and Jeevan Akshay and Jeevan Dhara have been discontinued. At the most hereafter, if you feel that it was misused, hereafter you can decide about that but those who paid for three years, is it not expected of you that Jeevan Dhara and Jeevan Akshay, whatever commitment was there on the part of LIC, it should be continued and it should not be withdrawn? That is my demand. Law-abiding, middle-class, salaried people, saving for productive use and those who were planning for old age, are being unnecessarily taxed and deceived. This is clear breach of trust.

About 71, in my petition to the Lok Sabha on p.2, para c, we have made this demand. Until now:-

"Whenever any person builds a house or acquires a flat with the help of housing loan, the interest paid, accrued or was treated as

loan on house property and was allowed to be offset against the taxable income."

If you stay in your own house, that is not taxed. But if you give it on rent basis to someone, you will be taxed. Actually this is a house or a flat acquired one capital loan. There the interest is increased. He has to pay the interest and again he has to pay the tax. At least one flat or one house, should not be taxed. What is the reason? A person thinks of his old age and even on borrowed capital, he acquires that property. He acquires that property on borrowed capital. There he is paying heavily. He does not get the rent to that extent. A situation may arise where a Defence person or a Government servant who owns a flat or house is transferred and he has to go there. I think this suggestion should also be accepted. This is about the Direct Taxes. The petition has already been moved. It is with you. Please consider it. I think Shri Murlī Deora will help me.

SHRI MURLI DEORA: I am supporting you. (Interruptions)

SHRI RAM KAPSE: I think he is using his good offices. He is from Bombay.

About excise tax, I have got some suggestions. Amendment/175/86,55/92 was notified on 31st of March. (Interruptions) It has created panic in the small-scale units. At Mumbai, Thane and everywhere the small-scale units are under closure. thousands of small-scale units will be closed. Lakhs of people will be affected. My suggestion is that you immediately postpone it for a year and reconsider the whole issue about the registration and withdraw the amendment because ultimately it is creating problem as far as the labour is concerned. For the worker also, you should decide in his favour. This is my first suggestion.

My second suggestion is about tax deduction at source. Self-agents of small-scale industries are facing a problem. You allow tax deduction at source to tea-garden agents, travel agents, agents of grain merchants but you do not allow it as far as the

[Sh. Ram Kapse]

small-scale industries are concerned. The tax deduction at source has created problem as far as the agents of small-scale industries are concerned. So, whatever facility is available to all others like the tea-garden agents and all that, that should be given to agents of small-scale industries also. That is my second suggestion. So, I have given six suggestions - four suggestions as far as the Direct Taxes are concerned and two suggestions as far as the Indirect Taxes. Again, I will request you one thing. Since last year, we have been demanding an increase as far as the Income-tax limit is concerned. We are demanding it up to Rs. 48,000/- Please, you consider that and restore all the concessions which were there formerly.

SHRIROSHANLAL (Khurja): Sir, I must thank you for allowing me to speak on the Finance Bill.

I rise to oppose the Finance Bill on account of the following reasons. The Finance Minister has said that there is need for structural reforms. We are supposed to be moving in a blind way to old ideas, old outdated policies and outdated concept of economic development and therefore we are unable to understand or appreciate the urgent need for reforms to be carried out as our esteemed Finance Minister has said in his Budget Speech. We are not opposed to reforms as such but we are worried about how it is implemented. We have to see at whose cost these reforms are going to be carried out. We are living in a society where the differentials between the income and the living standard of its people are vast. There is massive unemployment which has already played havoc in the society. There are people, there are certain sections in this country who can certainly bear the cost. We want to know on whose shoulders, on whose back the main load of these reforms is going to fall. Is it going to fall on the persons who are minting black money, on the persons who are smuggling money out of the country and keeping secret accounts in foreign banks? Or, is the main load of these reforms going to fall on the blackmarketeers or on the

shoulders of the persons who are the habitual tax-evaders? There is not even a slightest indication in the Budget Speech of the Finance Minister that the burden of these reforms is going to fall squarely on these people. My objection to this particular reform which is advocated and advanced by the Finance Minister is that the burden is put on those sections which are least able to bear it. And that is going to lead to disastrous consequences. It is difficult to believe how this open door policy which is being adopted now, the open door policy of foreign investments, for multinational corporations, for imports, is it going to meet the urgent requirements of the society, the Indian society? We are talking of balance of payment crisis. Everybody is worried about it. But how, by drastically cutting down all the custom tariff on import you expect to get over this balance of payment crisis. Will the Finance Minister explain as to how the increase in the value of import without correspondingly increasing the export is going to get you out of this balance of payment crisis? In my opinion just the reverse will happen.

What will be the impact of this liberalisation policy of import on many of our domestic industries? The policy will allow all these foreign owned industries and multinational corporations to come in India without any restrictions. They have been told that they will be treated on exactly the same footing as Indian industries. This assurance has been given by the Finance Minister. No export obligation will be put on them. When these multinationals set up their units here in India and start the production, they are not going to be subjected to any export obligation. This is the assurance given by the Government. How many of our domestic indigenous industries which have developed over the years at considerable amount of sacrifice and cost, will be able to stand up against this competition with the multinationals? What will happen to our small-scale industry?

The Finance Minister who has a reputation of being an eminent economist of the country, I do not understand, as I told you last year, he has not utilised his long

experience in shaping this Finance Bill. He appears to be a prisoner of bureaucratic inertia to innovation like it was last year. I am reminded of an Urdu couplet here?

"Bahut Shor Sunte thei pahloomein dilka,
Jo chira to eik Katra-e-khoon nikla"

What will happen if multinationals start coming to India? Our industries will come to a halt. There will be a labour problem because foreign companies will be set up in India and they will have their own staff etc. What will happen to our labour? This will ultimately result in the unemployment of the labour class and the nation will face the problem of unemployment. The Finance Minister has not touched it at all.

The small scale sector in our country has become a very big sector giving employment to lakhs of people. The figures of export performance of the small scale sector is in no way less than the large scale organised sector. In some respects, it is better than those. What will happen to these small scale sector when the multinationals or NRIs are allowed to set up their industries in India without any restriction of any kind? What will be the fate of our own industry, our workers and our people? By this, about three lakh small scale industries will be closed and about three crores of persons will be rendered jobless. Then there is a cut in the social welfare budget by about 16 per cent. By this cut, about nine crores of people will be rendered unemployed. The Jawahar Rozgar Yojana which is meant for the rural development of the society, where 70 per cent of our people live in the villages, there also, there is a cut by 10-15 per cent. And this will again aggravate the problem of unemployment. Job opportunities are going to be diminished. Recently, there was an announcement by the Railways - the Railways, it is the biggest public sector where about seven lakh people are being employed every year - that there is a cut by about 30-35 per cent. This will further aggravate the problem. So this is the Budget and this is the Bill which the Finance Minister has brought before this House and before this nation.

The Finance Minister in para 6, page 2, of his Budget speech has said that we also embarked on a medium term programme of structural reform, including new initiatives in trade policy and industrial policy aimed at improving the efficiency, productivity and international competitiveness of Indian industry. Our longer term objective is to evolve a pattern of production which is labour intensive and generates larger employment opportunities in productive higher income jobs and reduces the disparities in income and wealth between the rural and urban areas. It is a complete negation to what is happening and what is started happening. It is before everybody in this House and outside also.

What did the Finance Minister say about the Public Distribution System? He said many new outlets are going to be open. He has enhanced the price of very basic or necessary supplies like wheat, rice and sugar which are generally distributed through the Public Distribution System. Sir, you do not know, the Finance Minister does not know and the Prime Minister does not know about the Public Distribution System. It is the poor and weaker sections who go to the Public Distribution Centres. These are the basic needs of the people and their prices have been enhanced. The prices have gone up and what is the purpose of such a distributing system? It is a complete negation of the actual facts. This, I want to bring it to the notice of this House, through you. This is an admitted fact and that the prices of these essential commodities have been put up because subsidies have to be cut down according to the prescription of the IMF. *(Interruptions)*

SHRI ROSHAN LAL: Sir, for the Members on this side of the House, you should be kind enough by allowing more time because all the Members on that side of the House, they will say that the Finance Minister or the Prime Minister is taking the nation by their policies to the heaven. But only this side can tell that we are not going to the heaven; we are going to the hell. So we should have more time. We should point out what are the

[Sh. Roshan Lal]

weaknesses in the policies of the Government by which our Indian society will suffer, our salaried persons will suffer, our labourers will suffer and our country will suffer. So it is natural sir, that you will be kind enough to allow more time.

MR. DEPUTY SPEAKER: Shri Roshan Lal, even on this side also, there are many Members who want to speak.

SHRI ROSHAN LAL: Even if the subsidies are cut down for other commodities that can be understood, but if the food subsidy which is meant entirely to help the weaker sections is to be cut down because of the dictates of the IMF and other money lender friends outside, then how these policies, this Budget and this Bill will be serving more than 70-80 per cent of the Indian population? Who will be happy by this Budget? Small section of our people - only 10 crores of our people - will be happy by this Budget. Who will be happy? The NRIs will be happy; the multi-national corporations will be happy. Will the common people be happy? Will the labourers be happy? Will the persons living in the villages be happy? Or will the cultivators or farmers be happy?

They have not been allowed or such restrictions have been put on them. The FCI is fixing the prices at the rate of Rs. 275 per quintal. So, no farmer is selling the wheat to the FCI. This has been purposely done. Why? By doing this, the Government will say that our farmers are not supplying the wheat, and so, we will import wheat from outside. They have created this situation. This is not good and that is not going to serve the major portion or 80 per cent of our population.

Then comes the policy of privatisation. That is also a very dangerous one. There again, the foreign NRIs or multi-national corporations will come and they will own the private sectors. They will have their own staff or labourers. Then, the labourers from India will be thrown out of job. This will be the result of privatisation.

I have told about the policy of the Government to import wheat from USA. There is no necessity. The Finance Minister has already said that India is self-sufficient in various items and wheat is a part of it. Then, what is the necessity of importing wheat? This is only to surrender ourselves to them. It is a sort of subjugation to the dictates of the USA. What will be the result? There will be a two-fold result. 1) Its quality not being good for the health of the Indian people; and 2) After one year, the fertility of the land will be completely or substantially reduced, thereby our Indian farmers will be compelled to come to a stage where there will be no production of wheat; and so, they will be importing wheat from outside. This is the policy of the Government, which I entirely oppose and I request the Government to withdraw that policy.

Regarding Direct Taxes, I want to say something. The Finance Minister has increased the basic exemption limit from Rs. 22,000 to Rs. 28,000. What he has done is nothing, if he compares the figure of price rise. 20 per cent to 25 per cent rise is there in the prices. But, he has raised the exemption limit only by Rs. 6,000. If you take into consideration the effect of price rise, it would be more than Rs. 7,000 or Rs. 8,000. So, this is a complete negation.

Again, he has limited the exemption limit under Section 80L, to Rs. 7,000 only. What has he done? It is only a jugglery; it is only a magic wand. He started his speech by showing the magic wand to the public and saying that, here is the artificial gold. He is projecting that artificial gold to be a 22 carat jewellery. This is the exact thing. He is giving from that side; but taking much from the other side. So, my suggestion to the hon. Finance Minister is that he should raise the exemption limit to Rs. 36,000; and restore completely the concessions under section 80L, 80CCA, 80CCB, to the rates which were allowed previously. There are three basic acts which show the mistakes in the Finance Bill. He has made a distinction between the ladies and the gents by raising the standard deduction. He has not given

any reason. There is a provision that this provision can be made but this provision should be made with some arguments. He has not given it. So, it is ultra vires. It should be avoided.

He has introduced a very funny scheme by making a fixed amount of tax of Rs. 1,400 on sales. I think, the hon. Finance Minister is not there. But Mr. Dalbir Singh and Mr. Rameshwar Thakur are there. I think, they are well acquainted with it. I think, he has not understood the difference between the sales tax and the income-tax. The Finance Bill is for the income-tax and not for the sales-tax. He has said about the sales. This is not necessary. If we have sales up to Rs. 5 lakh, there is a law. I have been in the department. I know about taxation. So, this is ultra vires. It will be challenged in courts.

Number three is that he has introduced a provision to include a backlog system. There is already a provision under section 64 of the Income-Tax Act. It is a deeming provision. It deems as if there is a clear provision. What are those incomes? There are provisions. What incomes are deemed to be incomes? There is already a provision.

Similarly, for the purpose of how the incomes of certain persons, which are supposed to be diverted or are supposed to be away from the tax, are to be included in the income of the mother or father. What is the necessity? There is a great objection to this. The minor receives a donation. He builds up the capital. If he puts deposits into some firms, etc., he enjoys income from there. It is his source. It is his own income. We have to find out the taxation pattern. We are the person who are managing this whole tax structure. We know what is the correct income - whether a particular income belongs to 'A' or 'B'. The persons who are managing the income-tax, know very well that there is no necessity. This will be declared as ultra vires by the courts of law because there is already a deemed provision where the minor's income is to be clubbed. So, before it is declared by any court as ultra vires, it should be taken back.

Then, there are certain exemptions under the Wealth Tax. These are for whom? It is only for the big companies, for big persons and not for the weaker sections and not for the salaried persons. What has been done for the salaried persons. My suggestion is that for the salaried persons, this should be raised to Rs. 25,000. For the middle income group cases, there is no substantial benefit.

About the persons or the businessmen having income of one lakh or so, if there is any benefit - and that too temporarily - that is about the persons or the businessmen having income of more than Rs. 2 lakh. You know that about 15 per cent of the total income under income-tax is from 85 per cent of the taxpayers. 85 per cent of the total tax is got from 15 per cent. Who are those 15 per cent? Those are big businessmen. So, if you raise the standard deduction to Rs. 25,000 and the exemption limit to Rs. 36,000, then the Finance Minister or the State Minister for Finance who is sitting here will say that this will create a loss. Definitely, it will be a loss. But then he has got the means. He has advised three rates. We can raise it a little bit from Rs. 20,000 to Rs. 25,000 and from Rs. 30,000 to Rs. 35,000 and from Rs. 40,000 to Rs. 45,000. For higher income group, it will not make any difference. So, this is my objection. So, standard deduction should be raised to Rs. 25,000 because the salaried persons are the most affected persons by this step. Sections 80L, 80 CCA and 80 CCB should be restored.

Government has made a provision for bringing out black money. They have allowed only five kilograms of gold to be imported. On the contrary, what provisions are made by the Finance Minister for the poor people and weaker sections? If they build houses by getting loans and other things, the Government demolishes them. On such matters, some penalties on the demolishers should be fixed. This is not a good thing. This is a national loss and not a loss of that particular man who built the house. So, my submission, through you, is that the Finance Minister should bring an amendment that the persons who have constructed their houses

[Sh. Roshan Lal]

by their hard-earned money should not be demolished. I remind him once again of a case of Khurja where Rs. 80 lakhs were spent and the work of building the houses was already approved in 1990. It was demolished recently and razed to the ground. In spite of the court order, about 30 shops belonging to Kabristan were completely razed to the ground. In spite of the court order, it was demolished. Is this the policy of the Government Finance Minister has not made any provisions that if there are certain constructions made by poor persons irrespective of whether there is approval or not, they should not be demolished. The honorable Lady Minister for Urban Development was telling that she is regularising unauthorised colonies. This is good if it is in the real direction and they should proceed that way. But when you allow five kilograms of gold and at the same time, demolish the petty houses of the labourers and weaker sections, is not good. Is this the policy of the Government? Sir, you know the percentage of the weaker sections in our country. Seventy crores of the lower income group are labourers and farmers and only ten crores of people come under the other category where they can have some benefits from the Budget.

My last point is regarding protection of the income tax officers which I raised last year also. What is the Finance Minister doing for the protection of the officers of the Income Tax Department? Do you know what treatment is meted out to the income tax people who go for survey and raid parties? They have been attacked. You know what happened to the lady officers in Kashmir. They were not treated in a proper manner and in front of so many persons, their hands and heads were broken. Last year also, I raised what happened in Dehra Dun when the Deputy Commissioner was arrested and then let off by the order of the High Court only. What is the Finance Minister doing to protect the honour of income tax officers? Sir, I suggest that four constables headed by one sub-inspector should be posted at the headquarters of the Deputy Commissioner.

There are four Deputy Commissioners under one Commissioner's charge and in this way, there will be 20 persons at their disposal. These police officials should be deputation for one or two years.

Secondly, magisterial power should be given to those persons who are in charge of the raid at a particular place. I had been in a raiding party once in Hapur and I had to face a very awkward situation. We managed to seize very valuable material which was stashed away. But those people against whom we carried out the raid, tried to attack us with sticks, rifles and other weapons. Somehow, we could manage to take away the material and keep it in the income tax office in Meerut. This is the situation. I fail to understand why the Minister does not care for his own people's safety. That is why I reiterate that these officials should be given police assistance and magisterial powers. When they go for search and survey, they should also be equipped with firearms. If these steps are taken, all those tax evaders, smugglers and other people whose premises, whether they be business premises or household premises, are raided, will not have the guts or courage to attack the raiding party. Also, if these measures are taken, our revenue will be doubled.

MR. DEPUTY SPEAKER: Col. ram Singh, would you like to speak?

RAO RAM SINGH (Mahindergarh): Is my name in the list? Yesterday, I sent a note and my name was in the list. But if there are many Members yet to speak, I do not mind sacrificing my chance.

MR. DEPUTY SPEAKER: You may speak.

RAO RAM SINGH: Before I start, may I ask as to how many time you will ring the bell? I think for the hon. Member, you must have rung the bell at least ten times. He has said that they require more time apparently because we are supposed to go to heaven, while they are supposed to go to hell. I think I understood him correctly. May I tell him that the distance to heaven and hell is just the

same and it makes same time to reach there.

Anyway, for how long can I speak Sir?

MR. DEPUTY SPEAKER: You may speak for ten minutes.

RAO RAM SINGH: Thank you. Mr. Deputy Speaker Sir, I wish to congratulate the Finance Minister for the noble means he has adopted and the path-breaking budget that he has presented to augment the resources and strengthen the economy of our country. I think the measures have helped in a large way to rejuvenate the economy that was rendered anaemic by the efforts of the previous regime in their two or three years' rule. I must congratulate the Finance Minister and the other officials of his Ministry who have taken this bold step for the first time and allowed the official import of gold. Now, that they have reduced the custom duty on the import of gold, it will provide considerable relief to the poorer sections also because they also purchase gold for the marriage purpose.

I would also like to give a few suggestions. I confess that I am not an expert in matters of high finance but I do not think it is necessary to be an expert. I think any of these matters is not beyond the scope of ordinary commonsense; a robust kind of common sense. I would rather say it is the same thing as a house holder balances his expenditure against his long income. But we have been over-spending so lavishly and to such a great extent that the nation now is drowning in loans. To what extent can we keep on borrowing the money? I think the servicing of the taxes by themselves have become a burden and unless we get out of this trap the future of the country appears to be dim.

As far as I am concerned, I would like to buy a Rolls Royce, if for nothing, no other purpose then just to keep up with the Joneses but unfortunately I cannot afford a Rolls Royce. Then, I say, "all right, I will make do with the old Indian, the faithful Ambassador". And, I think the Ambassador does just as

well as any Rolls Royce can do. The object is to go from point 'a' to point 'b' in a given time. Therefore, on a larger canvas of the country if we cannot afford Rolls Royce, let us do with the old faithful ambassador. I would, therefore, suggest a drastic cut in expenditure and I would go so far to say that there should be a cut both in non-plan and plan expenditure.

As far as non-plan expenditure is concerned, it may sound to be harassing for anybody to suggest a cut in plan expenditure but we must face the facts of life, that is, if we cannot afford much huge expenditure then just by borrowing and getting into the debt trap, it is only an artificial development that we are making in our country.

Even in the plan-expenditure, where one rupee is spent and actually four annas or 25 paise reaches the actual business end of the pipeline and about, 12 paise will disappear as the rodents in between keep on eating it. Therefore, as I said, I am not an expert of high finance, but I think the Parliament, we as representatives of the people should take a vow that we will not get into the debt trap and stop taking loans from all these organisations, which we are finding impossible to pay. That is a suggestion which I have and it is up to the experts to examine it.

As I said, as any prudent house-holder would balance his Budget, the Finance Minister should also, as a prudent house-holder for the whole country, balance the Budget and see that we do not spend beyond our means.

Apart from instituting these measures to build up the resources, the Finance Minister has also been kind and considerate in providing relief to the salaried and middle classes. Also to a large extent, action has been taken to curb malpractice's. With so much of gold being smuggled into the country, one used to wonder why the Government cannot allow official import of gold. If there is a requirement, it should be done. People in India during marriage seasons do require huge quantities of gold and they are going to get it by one means or the other. For any

[Rao Ram Singh]

function anywhere, it has got to start from the top. For any function, we see, convoy of cars, the security, the bodyguards and hundreds of chaps are being deployed. Of course, it is essential that we must protect our vulnerable points, our vulnerable people, but it is now being used as a status symbol and nothing else. The amount of security people involved in protecting a few so called vulnerable targets is something that is, I think mind-boggling. It does require to be cut down with a very heavy hand.

Apart from the convoy of cars, the security guards, the number of telephones — I must congratulate the Prime Minister that a report has come out in the Press that in the last couple of days that some thousands of telephones have been surrendered — are functioning. I think, there are still thousands of telephones which are only being used again as status symbols. These can easily be surrendered. They are all being totally misused.

Then the army of Personal Assistants, Personal Secretaries, Private Secretaries and other staff are functioning. Whenever you go to any Office, they are sitting with legs on the table, having *up-shape* over a cup of tea.

I will give you a similar example of nationalised banks. You go to any nationalised bank. The amount of work being done is not even 10 per cent of what the work that is being done in some of the foreign banks in the country. We can see such things in Delhi itself. You go to a foreign bank and see the efficiency there. You go to a nationalized bank and see their efficiency. In a foreign bank, you will see a maximum of 10 to 20 staff members. The business that is being transacted there, probably is much more than the next door nationalised bank, where there will be host of at least 50 people sitting and all having cups of tea. Then, you can see their behaviour. It is very abnoxious. I was always under the impression that the customer is an important fellow and that it is upto the bank to get my money and serve

me. But everytime I go to a bank, I feel as if they are doing me a great favour by attending to me and doing my work. I think it is disgraceful, the way the nationalised banks are functioning; their behavior; their discourteousness, the filth that lies around there. I think, very easily, at least, half of the expenditure can be reduced in this. I am sorry Dalbir Singhji, I just chose the banks, but in other Government organisations also, I think it is the same picture. I did not mean to pick on any one particularly. But the fact remains that unless, the people of India are released from the grip of the bureaucratic control this country is not going to go forward. All the Ministers and all the politicians here think that they are ruling the country. No. They are nowhere near ruling the country. It is the bureaucrats who are ruling the country. They make out the policies. They implement them. And only lip services is being paid by the Ministers and the politicians. It is entirely, we, who are in the stranglehold of the bureaucrats and unless we get out of it - again I would congratulate the Prime Minister for what we have read in the papers that thousands of bureaucrats are being given a golden hand shake or some such thing - it is not possible. I do not have the correct figures with me now. But I think about 10 or 15 years ago, in Haryana, there was a total of about one hundred or so IAS Officers and I think, today, the total would be somewhere between 500 and odd IAS officers. Although, the Prime Minister is trying to reduce their number - again I must congratulate the Prime Minister - but like the legendary tribe Ben Abu Adham, this tribe will keep on increasing.

You cannot to anything to reduce their number; they will just keep on creating more and more posts for themselves and work will expand to fill up those posts that they create.

I think the fault also lies with some of us. We also indulge in a little bit of hypocrisy; by hypocrisy I mean we say things which we do not really mean; just to gain political mileage out of it; and in saying those things we do not worry as to how many reputations of honest people we are demolishing in this way.

I am not directly concerned with the

subject, but I can cite it as an example. One of our very very able Chiefs of the Staff - he is an excellent Commander - commands an army of million people. His reputation was being demolished here. Why? Because he used the word 'bandicoot' here. Well, in the Army, we use bandicoot every day; it does not mean a sin; and I don't think the people for whom he used the word 'bandicoot' would have ever objected to it. But, here, we take such umbrage that how is it that an Army Officer uses the word 'bandicoot' for our friends across somewhere or the other. It was thought that now he must resign. Well, I think that we should at least have this much curtesy in our mind that he commands an army of one million people; and he has the respect of those people; and if we denigrate him here, then what impact will it have on the morale of the Army.

Anyway, I get back to the subject. I am sorry, for this. I did not mean anything else. I think much more needs to be done. I think the Finance Minister and his team have provided adequate relief; I think the word 'adequate' probably is not what I really mean; but he has provided some relief to the salaried and middle classes and I think much more needs to be done for providing better relief for the salaried and middle classes and this potion has been raised by a number of other hon. Members. I would suggest that there should be an increase in the exemption limit to at least Rs. 36,000/- that is Rs. 3,000 a month; I think that is a very very reasonable demand and there should be an increase in the exemption limit from Rs. 28,000/- to Rs. 36,000/-.

I also feel that there should be an overall exercise to see that there is a reduction in the rate of both direct and indirect taxes, because it is a well-known principle that if the taxes are reduced, there will be much better compliance; and I think the overall exchequer will stand to gain if there is an adequate reduction; and higher taxes always make dishonesty a necessity; the higher the taxation the dishonesty becomes a necessity. Therefore, I think that it is upto us, upto the Finance Minister to give a little bit of encouragement to honesty also; and that

can be done by further reduction of the rate of taxes.

I would also like to suggest — I would not like to call it a revolutionary change but a drastic change — and I would request the Finance Minister to examine the question of doing away entirely with the income tax for the armed forces; and that would be a beginning. An Utopian society would be a society where there is no taxation. Well that we cannot hope to achieve for at least in the next 50 years; but, at least a beginning can be made; and there should be a beginning made by doing away with the income tax for the armed forces.

I do not think that financially it will have any effect, or any burden, because the number of staff employed in the CBE income-tax office and the GHQ income-tax office is so high, it is a whole army by itself and the number of tax-payers in the Armed Forces is very very limited. If the exemption limit is raised to Rs. 36000 or Rs. 48000 then it will be even further reduced and a huge army of the GHQ income tax staff and of the Controller of Defence Accounts staff can be saved. Also, the expenditure incurred on collection of income-tax for the Armed Forces is just as much as the income or the tax collected. Therefore, I think, a beginning can be made if a serious step is taken and this suggestion is accepted. If one says that it is a ridiculous suggestion, which does not merit any consideration, then it can be thrown into the waste paper basket and forgotten.

Again, the question of the tax laws comes. The tax laws in our country are so complex and the number of amendments, and amendments to amendments are many more. First there is an amendment and then there is an amendment to the amendment and so on!

I remember a cartoon during the war time where a courier pigeon was sitting on an electric pole and another courier pigeon came flying from behind and asked the first pigeon if it was carrying the War Office Despatch number so and so, and asked it to hurry up, because the second pigeon was

[Rao Ram Singh]

carrying an amendment to the amendment being carried by the first one! Thus there are amendments to amendments. The only people gaining out of this are the income-tax lawyers and the Chartered Accountants employed to prepare the income-tax returns. I do not understand a thing of all that.

If the laws are simple it will be better. I am told that the Rajah Chellaiah Committee has made some outstanding recommendations. It is only hearsay; I heard that and lot of Members in the House have praised the Rajah Chellaiah Committee recommendations. If those recommendations are so good, why should we not make totally fresh laws and do away with these amendments so that the life of a citizen is made slightly easier and it is encouraging them to be more honest citizens?

Then the other point is of Octroi. Octroi is a thing which I think is a shame for our country. We pay only lip service that there should be free flow of traffic, but we impose octroi duty. If a vehicle goes from here to Jaipur at hundred points and in six cities one has to stop. There will be number of vehicle hours and man hours wasted. Of course, we attach little importance to time, therefore, it does not make much difference. But the number of man hours and vehicle hours wasted, is a criminal waste. Lot of time is lost in paying the terminal tax and octroi for any goods carrier.

On the question of conserving diesel, there are committees and committees to see how petrol and diesel can be conserved. Lakhs and lakhs of litres of diesel is wasted because of the octroi and terminal tax payments. Nobody pays attention to this. Then, the corruption it breeds is something phenomenal. It has been given a name 'entry'. He gives one hundred rupees. For what? It is to give entry. Entry means paying octroi at the terminal tax post. When he gives one hundred rupees, he says 'all right'. Take the example of European Community, where there is free flow of traffic. There, when you

go from one place to another, there is no tax, there is no octroi, there is no *chung*, there is no custom duty. But here, from one district to another, you have to pay octroi at the terminal tax post. I do not know what is the difficulty in cutting out this. Why can this be not cut out? I think, certain States had cut out octroi. I am not quite sure about this. I think, Karnataka State had done away with octroi. If certain States can do away with octroi, I do not know why can the other States not do that? That means, we are encouraging and breeding corruption, which takes place in those octroi outfits and in those terminal tax posts. I would request the Finance Minister to examine this point in consultation with the States. The other excuse which is given is that it is a State Subject. When some States can do it, why can the other States not do it? If the Central Government has to compensate with particular Municipal Committees and others, then they should fix a rate and compensate them. I think, octroi is a prime shame on our country as it stands today.

Of course, sales tax is the other thing. I think, enough has been said already on this. So, I would not like to repeat that.

The other suggestion for the consideration of the Finance Minister is to reduce the gap in the price of diesel and kerosene. At present, the price of diesel was stepped up and the price of kerosene was reduced. Ostensibly we say that since kerosene is used by the poorer sections of the society, we have to make it more readily available to them. But the effect has been on the opposite. It has become less available. Why? It is because of the gap in prices. All the kerosene, I would not say all, 75 per cent of the kerosene is adulterated and it is used as an adulterant for diesel because of the vast difference in price. In any city, I can say, if one hundred tankers of kerosene oil enter, with a guarantee that fifty of those tankers are decanted into petrol pumps straightaway and with difficulty, fifty of those tankers are distributed amongst the poorer sections of the society. If the gap in the price of diesel and kerosene is reduced, then adulteration will not remain profitable and kerosene will be more readily available to the poor people,

and all the diesel engine will have a longer life. And now because of this adulteration, the lifespan of a tractor engine or a truck engine is reduced by at least 25 to 50 per cent, if not more. I request the Finance Minister to consider my suggestion on this.

These are some of the points that I wanted to say. Sir, I thank you very much for giving me an opportunity.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Sir, before I enter into the Finance Bill, I will mention two things which are connected with resources but not directly connected with the Finance Bill.

Firstly, very recently, the Reserve Bank of India have allowed the commercial banks to give six per cent interest on savings bank deposits. Now, we know that savings bank deposits are also opened in the Post Offices. So long the situation was that the Post Office Saving bank deposit rates were higher than the savings bank deposit rates in the commercial banks. Now, in comparison they are below the commercial bank rates. There it is six per cent and at the Post Office it is five and a half per cent. I had a talk with the Finance Minister. Their feeling is that Post Office savings bank rates are provided with some tax concessions. This is an argument which is not entirely valid. Why? It is not that the statement is untrue but the fact is that those who have Post Office savings deposits, are not tax payers. They are distributed all over the country; they are the small savers who are not tax payers. They are the most numerous who make their deposits in the Post Office savings banks. The tax concession is irrelevant for them. The Post Office savings banks amount is also available to the States as loan. Therefore, I suggest, that immediately while giving a reply or even before, they make an announcement that the Post Office savings bank rates are more than six per cent which is the current rate for commercial banks.

The second point that I would like to make is this. Though it is not directly connected with the Finance Bill all the same it is connected with mobilisation of resources

within the economy. That is a reference which is there in the Chelliah Committee Report also. I am referring to consignment tax. It is this tax which could generate approximately Rs. 100 crores of tax revenue every year for the major States. All those big business people, who avoid paying the sales tax because they call this not a sale but a transfer of consignment, can be caught in this manner and about Rs. 15 crores can be garnered via the consignment tax, benefits of which will entirely flow to the States.

The third point that I want to make is a very simple demand. The Government must immediately withdraw this Book - Budget at a Glance because this gives all wrong figures. Let me mention the figures. I do not know whether they have cared to look at it. I am comparing the two books. One is the Receipts Budget and the other is Budget at a Glance. I can understand the reason why there is such a mistake, if it is a mistake at all, because I believe the intent is to fudge the figures, to bluff the country into complacency. In the Budget, the figure in the Receipts Budget is Rs. 7800 crores, for income-tax the figure is Rs. 7870 crores and the figure in the Receipt is Rs. 7300 crores. Like this, there is the whole series. In the case of expenditure tax, there is an mistake in the other direction - Rs. 50 crores here and Rs. 150 crores in the receipt budget. In respect of Customs, Excise and all other items, the figures given in this book exaggerate the collection, excepting for that Rs. 50 crores thing, and there could a reason for this exaggeration. In the mean time, I demand that this pamphlet 'Budget at a Glance' be withdrawn from circulation.... (Interruptions). This can be withdrawn immediately if you so choose.

Many have characterised this Finance Bill and this approach to the Finance Bill. What was the task? The task was to mobilise resources. In the short-run we are in a crisis. We have been told that again and again. That crisis was manifest in one way in the deficit in the budget and in another way in the balance of trade in our external deficit. These were crucial short run problems which have to be answered apart from the short-run

[Sh. Nirmal Kanti Chatterjee]

problems of prices and very intense short-run problem of unemployment.

Let me now indicate how they propose to tackle them. Just a few minutes back, our valued and esteemed colleague George Fernandes was enquiring from us how much additional mobilisation you are making. Perhaps momentarily he forgot that the instruction from the IMF in terms of deficits is not to raise the resources but to try to have economy in expenditure. The net mobilisation of resources via the Finance Bill is a negative Rs. 570 crores. This is a valiant effort. Instead of mobilising resources, they have squandered them via the Finance Bill. Is that what you are trying to understand George? O.K. and how they have done it, I will come to that. Rs. 570 crores they have given up. Expenditure cuts we know. I have mentioned during my Budget speech that that is a dangerous route because every cut in expenditure is a cut in the income of somebody who was the beneficiary of that expenditure. It could be the small-scale sector, it could be an official in the secretariat, it could be a labourer getting the benefit of IRDP or Jawahar Rozgar Yojana.

15.49 hrs.

[RAO RAM SINGH *in the Chair*]

Sir, I assume you are not less liberal than the Deputy Speaker in allowing time to the speaker. I am addressing you now.

There is fat, we know. But that fat could be absorbed by growing muscles in terms of our output, by adding muscles to our economy, and the condition precedent for that was mobilisation of resources. I have indicated on a macro plane that there was a net loss of Rs. 570 crores at the time of the Budget Speech. Now after the two announcements, while replying at the time of the Budget and while moving the Finance Bill, you have added to that deficit or negative revenue earning by another approximately, for the Centre, Rs. 400 crores. Altogether it could be a thousand crores of rupees of net loss through your Finance Bill.

How have you been able to do this? That is very interesting. The entire approach of your Budget - please permit me to say so - apart from being dictated by the interests abroad, is in terms of giving concessions to rich. It is not that Dr. Manmohan Singh does not refer to the fact. But, what then is the definition of a rich person in the country? Can we make a sense out of the definition either from the Budget speech or from the Finance Bill and its provisions? Let me remind the House and the Government and, perhaps, our Opposition friends from BJP also that 10 per cent of our families in the country have as much income as the rest 90 per cent of the families. Do you agree to that? I can very simply illustrate this.

Our per capita income today is approximately Rs. 5,000 a year. Please multiply it by five. The average income is Rs. 25,000 per family. That is the average. Our poverty line is at Rs. 12,000 per annum. Now the only income-tax payer families in our country - assuming that one income-tax payer is there in each family and assuming that the income-tax exemption limit is Rs. 25,000 - are above the average of the country. There are thousands of them. We have, approximately, 17 crores of families in the country. The figure of 7 million income-tax payers which the hon. Finance Minister mentioned in the Budget speech is a bogus figure. It is not true. The individuals and the Hindu Undivided Families are approximately 52 lakhs who are tax-payers. These are assesses. I am prepared to make the assumption that tax-payers who are not assesses are also there in numerous numbers. They are working in offices who do not submit their return but, nevertheless, they pay income tax. Altogether they will be about one crores of them.

17 crore families are there. One crore families pay income-tax. That is six per cent. Please add another 4 per cent for the agricultural sector. So, it is the 10 per cent of the household who enjoy as much income - because the per capita per household income means that - as the rest 90 per cent of the household. And even within this 10 per cent who is rich? Once again out of this 10 per

cent, if you look into the CAG reports, it is that less than one per cent command as much income as the rest 9 per cent.

Who was rich? Whom would you tax? Whom would you give concessions to? Let us see what you have done. What you have done is in terms of giving duty concessions. That is another funny aspect of it. In the Budget speech it was said that we want to reduce import duties in order that we can make imports liberally to make our economy cost effective for exports.

Several questions arise here. Will the hon. Minister enlighten the House as to what is the import intensity of our exports forgetting diamonds and jewellery? You have given plenty of concessions to capital goods. I want to know what fraction of our exports is conditioned by these imports of capital goods, if it is not insignificant. Sir, the argument was that concessions on import duties are very liberal, a reduction of Rs. 1500 crores on import duties takes place. Now, the entire speech is contradictory because naturally you are under pressure from IMF and you cannot admit that. Therefore, from paragraph to paragraph you have to move in a contradictory fashion. On the one hand, therefore, the argument is stated like this, that to make imports less costly, I introduce the duties'. And a few paragraphs later you come with the proposal of convertibility of rupee on the argument that it will make imports restricted and costly. Now just imagine, and even the Finance Minister or these Ministers who assist him will not be able to say what is the net impact of reduction of imports and the convertibility of rupees to the extent of 60 per cent which makes the imports costlier than before. The fun of it is, the task was to have to mobilise the resources. Instead of trying to make imports costlier via convertibility, the task should have been not to give duty relief to the extent of Rs. 1500 crores. And that is precisely what they have done. They are talking of figures, I will come to that. You give me more time although you are looking at me already, Sir. I am grateful to you.

MR. CHAIRMAN: Nirmalda, the point is

that the Minister is going to reply at 4.30 p.m.

SHRI NIRMAL KANTI CHATTERJEE: It is impossible, Sir. (Interruptions). It is just an impossibility, Sir,

MR. CHAIRMAN: And there are still a number of hon. Members who wish to speak. Therefore, I would request....

SHRI NIRMAL KANTI CHATTERJEE: Sir, you should not contradict like the Government is. It is exactly because of this the Finance Minister can't speak at 4.30. So, let us continue our speeches. (Interruptions).

MR. CHAIRMAN: I am informed, Nirmalda, that all the leaders of various parties have agreed that the Finance Minister will give his reply at 4.30. That is what they have agreed and that is what I am informed.

SHRI NIRMAL KANTI CHATTERJEE: That could be. I submit to you, Sir, the Government has been able to...

MR. CHAIRMAN: I will only request you that a number of Members and some very senior Members want to speak.

SHRI NIRMAL KANTI CHATTERJEE: I know George will speak.

MR. CHAIRMAN: I can only request you to be brief.

SHRI NIRMAL KANTI CHATTERJEE: Okay, I will try to be as brief as possible.

SHRI HARISH NARAYAN PRABHU ZANTYE (PANAJI): Sir, the hon. speaker has promised that he will allow as many Members as possible to speak on the Finance Bill. That is what was promised by the hon. Speaker. So, that promise has to be kept.

SHRI ANBARASU ERA (Madras Central): Instead of at Four 0' Clock, we can request the hon. Finance Minister to make it at Five 0' Clock.

SHRI HARISH NARAYAN PRABHU ZANTYA: Not Five 0' Clock, it should be Six 0' Clock. We are prepared to sit.

SHRI ERA ANBARASU: We are prepared to sit.

MR. CHAIRMAN: The House is supreme. Whatever the House wants, it can be done.

SHRI ERA ANBARASU: There are many speakers in the list, Sir,

(Interruptions)

MR. CHAIRMAN: But even, so, I would request the speakers now to take 10 minutes each so that everybody can speak.

SHRI ANBARASU ERA: Sir, whoever is being called at the earlier hour, they are all given half-an-hour or 45 minutes or 50 minutes. But when we are given chance at the last hour, our time is curtailed to 5 minutes or 10 minutes. It is injustice, Sir.

SHRI NIRMAL KANIT CHATTERJEE: Should I continue, Sir?

SHRI HARISH NARAYAN PRABHU ZANTYE: He should be allowed to speak.

SHRI ANBARASU ERA: He should be allowed to speak at least for 15 minutes.

SHRI NIRMAL KANTI CHATTERJEE: I would like to continue, Sir, instead of spending time like this.

Sir, let me indicate before the House some of the very interesting measures. About the expenditure tax, what are the proposals? There are two proposals. One is that because the voters in Bombay have voted in favour of Congress (I), the expenditure tax on air-conditioned restaurants has been withdrawn. Now, I started with this question asking them: Who are the rich in our country? The answer has to come: Who visits these air-conditioned restaurants? Not even those 10 per cent. It is the top one per cent. They have to give an answer. Whom are they giving concessions to? For hotels, there was another expenditure tax, that this in any hotel where the room rent is more than Rs. 400/-, they will have to pay tax. Since inflation has

taken place, in a very contradictory mood, Dr. Monmohan Singh has proposed that in place of Rs. 400/- room rent, the room rent should only be above Rs. 200/-. If he concedes this argument, what prevents him from conceding to the BJP argument that almost there should be no income tax or the income tax exemption limit should be at a very high level? How does he oppose that argument? Who goes to a hotel which has a room rent of Rs. 400/-. This is the in built bias running through the Finance Bill.

Now, let us look at the excise duty. Firstly, I have said that in terms of import duties, when the task was just to mobilise resources, they have given concessions by making import difficult through convertibility. That is one question which he has to answer. Why did he throw away his resources and affected import's through convertibility? This is the approach in terms of his tax proposals. Even in terms of excise duties, can you imagine any person in his senses who is concerned about the poorest section of the population to propose excise duty on cement, but reduce the excise duty on white cement? Can you imagine that? Who uses white cement and who uses cement? Are the consumers of white cement poorer than the consumers of ordinary cement? This is what he has done in respect of cement. It is not the only example. I can run through many examples, but let me mention one or two only.

Sir, now the Finance Minister is honoring us with his presence.

MR. CHAIRMAN: Please do not start *de novo* because the Finance Minister has just come.

SHRI NIRMAL KANTI CHATTERJEE: I will not do that, because in any case, I am racing against time.

Now, for iron rods, bars etc. the excise duty has been increased, but for stainless steel, it has been reduced. Who uses stainless steel and who uses ordinary iron bars etc.? I can mention another item also. Geejaji had already mentioned about staple

fibre and polyester fibre. Only nylon is the one item, which I was told long ago by Prof. Mahalonobis, which can really be developed and best utilised by the poor and not the polyester. He has reduced the tax on polyester filament and increased on the staple fibre product. So, these are some of the examples.

Then, is the Finance Minister bereft of ideas about watches? He says that he has increased the tax on watches. Now, Titan, HMT and other ornamental watches are there. But, why should there be a uniform tax on them? There are watches worth Rs. 40/- or Rs. 50/- in plastic. Why can you not have one kind of rate of rate for them? Then, there is the fashionable watches which have a peculiar name. They should be taxed much more than other watches. But, the Finance Minister does not distinguish. Everything is blurred before his eyes, partly because of the pressure. Kindly come to some fudging of figures.

While calculating his estimate, which is traditional in paragraph 61, his tax relief is Rs. 1500 crores. He has a non-traditional way of estimating which eliminates that reduction. Again in paragraph 77, when he talks about losses in customs duty, he uses the same expression that on the basis of traditional estimate, there is a loss of Rs. 1700 crores. But he has a non-traditional way of estimating that. But look at the estimate in the mean time. Here are the figures.

On excise, despite that negative collection through the Finance Bill, he is collecting as much as possible via the wrong kind of excise duties. When you say, you will collect approximately Rs. 2305 crores of additional excise duty that is reflected in the difference between 1992-93 and the revised estimate of 1991-92, this figure is very interesting. The point is, collection from excise duty is no more than the additional import that is making any reduction in excise duty. Can I suggest that the assumption, therefore, is that there will be no industrial growth in the economy this year. These two figures tally. Apart from the short-term target of mobilising

resources, short-term target of trying to balance the imports and exports, trying to reduce the level of prices—I have no time to go into all those — and employment, he postulates as long-term feature, there will be no industrial growth in the year 1992-93. But this is not enough!

While this is realistic because of his Budget policies, at the same time, the madness in the rest of the figures is evident in the other figures of collection for 1992-93. Here is the net loss in customs duty that he has said is traditionally accounted. What is the estimate for collection in 1992-93? You will be surprised to know, despite the experience of the year 1991-92, it is an additional Rs. 5,000 crores from the revised rates. He reduced the duty. And then, he says that you will import so much more, that in addition to not having a reduction of some Rs. 1500 crores, he will have a surplus of Rs. 5,000 crores, compared to the revised estimates! What does it mean? That instead of controlling our balance of trade position, he is indicating his wish — may be under pressure — to liberalise the imports further and distorting our balance of payment position. Then again, on the direct taxes, there has been relief in the traditional way.

MR. CHAIRMAN: You have taken about half-an-hour. Kindly wind up. The time supposed to have given is only 10 minutes.

Hon. Members from here want to speak.
Hon Members from there want to speak.

SHRI RAM NAIK (Bombay North): If the House sits beyond 8 O' Clock, then we are ready. Otherwise, one hon. member cannot go on speaking like that.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): I will make a few more points.

MR. CHAIRMAN: There is other Business listed for today.

SHRI NIRMAL KANTI CHATTERJEE: I will make a few more points.

PROF. PREM DHUMAL: (Hamirpur): If this hon. Member takes one hour, others will not be allowed.

MR. CHAIRMAN: Therefore, I request you to kindly wind up.

SHRI NIRMAL KANTI CHATTERJEE: They are suggesting that.

MR. CHAIRMAN: They are suggesting that they should also be given half-an-hour.

SHRI NIRMAL KANTI CHATTERJEE: Look at the income-tax collections also. When actually income-tax reliefs have been given, the assumption is that they will be able to mobilise another Rs. 400 crores or Rs. 500 crores in individual income-tax and Rs. 500 crores in corporation tax. The assumption is non-traditional compliance. Because of low rate, no empirical study up to now has proved that lowering the income-tax generates more revenue. I am making this assertion and yet in that non-traditional manner of calculation, he is making this kind of an assumption.

Since you are insisting that I conclude, let me on the basis of these statements of mine, assert that the total figures of the deficit are faulty and fudged. The figures of collection are fudged. The estimates—I have already said that you should withdraw, you were not there, that this book must be withdrawn because this gives totally wrong figures compared to this. All the figures are wrong almost.

Therefore, this will not be employment-oriented. This will not be growth-oriented as assumed in the excise duty collections. This will be import incentive indicated in the import duty collection, and customs duty collection. They have not produced any plan. There is no target of plan employment, plan expansion of output and as far as anything can be gleaned from these figures, this is anti-employment, price rising and anti-growth Finance Bill which no one in his senses but oppose it.

SHRI HARISH NARAYAN PRABHU ZAN IYE (Panaji): Sir, thank you for giving me this opportunity. I welcome the hon. Minister for his innovative measure. However, I would like to make some suggestions. I hope that I will be given due attention.

My first suggestion is about grant given to Goa.

Goa is in great difficulties. The grants which were given for the last so many years suddenly have gone down to 23.53 or 24 per cent. For the last so many years, Goa is given substantial grants — I am not talking about Union Territory, at that time it was 100 per cent, but after becoming State also, the approved plan for 1987-88 was Rs. 79.75 crores and some was Central assistance.

From 1988-89, it was Rs. 92 crores, and Rs. 86 crores was Central assistance.

For 1989-90, Rs. 110 crores and Rs. 100 crores was Central assistance.

For 1990-91, it was Rs. 130 crores approved plan and only Rs. 110 crores Central assistance.

For 1991-92 it was Rs. 170 crores approved plan and Rs. 42 crores was Central assistance.

During 1992-93, Rs. 150 crores is the approved plan and Rs. 49 crores is the Central assistance. Sir, I am surprised how it was reduced from 100 per cent to 25 per cent at the stroke of the pen. Suddenly, a new formula has been formulated and during the last two years, the assistance has been brought down to 25 per cent.

Goa is a new developing State. It has got independence in 1961. It has missed two Five-Year Plans. It is giving a lot of money to the Central Exchequer. I would like to bring to the notice of the hon. Minister that it is giving more than Rs. 300 crores by way of Excise, Customs, Income-tax, Wealth-Tax, Gift-Tax and Export Duty. It has deposits in

nationalised banks, postal savings, UTI, LIC which are more than Rs. 1500 crores. It is giving Foreign Exchange to the tune of Rs. 500 crores by way of export of minerals cashew nuts, prawns etc. Moreover, it is giving Foreign Exchange of more than Rs. 500 crores by way of tourism. So, to have this Foreign Exchange, to have the export-earning, to give this taxation income to the Central Exchequer, naturally the infrastructure is very much necessary. Infrastructures like water, roads are very much necessary. Electricity is necessary. So, all these things cannot come without spending huge money. Therefore, I would request the hon. Minister that if you give help to the State, it will give better returns. I would like to say that if at all you want to curtail the grant, if at all you want to use some formula, then you have to go gradually.

I would like to bring to the notice of the hon. Finance Minister one thing,

[Translation]

It is just like the hen who lays golden eggs. The more you feed her the more golden eggs will she lay. Don't kill her. She will grow of her own. Such hens which lay golden eggs are rare. Goa is one of such hens.

[English]

I should stand on its own legs. So, I think, our hon. Minister must be convinced of the injustice which has been done in this regard. You cannot apply the same formula to all the States. If at all you want to do any reduction, you do it slowly and gradually. Maybe, you can reduce Rs. 10 crores per year after 5-10 years. say after the Eighth Five Year Plan. So, you have your formula gradually — whatever formula you may like to apply. That is our request. I hope our hon. Finance Minister will keep this thing, in mind

Secondly, today there is a great anomaly in respect of education. The rich people are becoming richer and the poor are becoming poorer. This is because of the education which we give. The benefits of education are not reaching the poorer classes. The cities are getting much more share of education

than the rural areas. The benefits of education are reaching the affluent classes of society and not reaching the power classes of rural areas. This difference has to be tackled. Today, talent is very much necessary to get admission in the Navodaya Vidhyalayas. Talent is necessary to go and get admission and reach up to the level of Degree Courses. Talent in the villages and in the rural areas is not available because they do not have that environment. They do not get the opportunities. Today in the affluent classes, the Government employees, the bank employees and businessmen bring up their children nicely. Talent is cultivated in the children and they get all the opportunities. (Interruptions)

MR. CHAIRMAN : Please wind up.

SHRI HARISH NARAYAN PRABHU ZANTYE: I have not even started. I have got a lot of points.

MR. CHAIRMAN: You have spoken very well.

SHRI HARISH NARAYAN PRABHU ZANTYE: But there are lot of things left. Just give me more time. I am speaking after a long time.

MR. CHAIRMAN: *Sone ki murgi* has conveyed everything in one sentence.

(Interruptions)

SHRI HARISH NARAYAN PRABHU ZANTYE: Let me talk about the poor people. The root cause of all that is happening today is because of lack of education. The foundation is very weak today. We have to build the foundation. It cannot come unless the education reaches the poor class. Seventy-five per cent people live in the villages. (Interruptions) Since you have rung the bell, I will make my speech short. The hon. Minister may say that education is a State Subject. But the finance is your subject. Unless you give finance, residential schools cannot come. And only with the residential schools, poor people will get a chance to get the best education. You can take the help of the World Bank for this. (Interruptions)

MR. CHAIRMAN: Your ten minutes are over. Please wind up in two minutes.

(Interruptions)

SHRI HARISH NARAYAN PRABHU ZANTYE: Finally, I can say that you can tax alcohol and so many luxury items like costly shoes and so on. And let that benefit go to the poor people.

The third thing is about films. I would like to tell the hon. Minister that today the whole business of films — production, exhibition and distribution — is in great trouble. You yourself have said that they need help. Our Minister for Information and Broadcasting has said, "if we want to stop piracy, if we want to stand in competition with the cable TV, STAR TV the only way is to have the films released simultaneously all over the country." This can be done only if the prints are available at reasonable costs. If you reduce the taxation on films, that is on raw stock, these prints can be available in large numbers. Today, one film costs Rs. 60,000 and out of that Rs. 30,000 goes in taxation. I would like to bring to the notice of the hon. Minister the fact that if films are made available at Rs. 30,000 then you can release them simultaneously everywhere and the additional revenue which you will get by releasing them simultaneously will not be less than Rs. 200 crores. If it is not done, the exhibition sector will be closed. *(Interruptions)*

MR. CHAIRMAN: Please wind up.

SHRI HARISH NARAYAN PRABHU ZANTYE: I do not know myself to wind it up. You are giving change to the opposition Members. I would just like to mention points. *(Interruptions)* Today the Hindustan Photo Films is there really to help the industry... *(Interruptions)*

But that has become a parasite. It is sucking the blood of the producers and the film industry. Please look into it.

I have got so many things to say about what is happening in the Hindustan Photo Films. The Chairman has been there for the

last eleven years but he is not doing anything. Whatever benefits you are giving to the Hindustan Photo Films, you give the same benefits to the producers so that the film industry can survive. And believe me, today, they are giving you Rs. 1200 crores by way of entertainment tax. But if this is done, they will give at least Rs. 200 crores more 10 lakh families are dependent upon the film industry and not only 10 lakhs, there are so many other people who are dependent on this film industry. So, please save this industry.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): Mr. Chairman, Sir, it has been decided that we would have the reply of the Finance Minister around 4.30 p.m. and we do the voting, so that we can complete it today. That was the understanding between all the parties. Therefore, I would request that in any event, at the latest, we may have the Finance Minister's reply by 5 o'clock at best, and not later than that. *(Interruptions)* There is no possibility of extending it. Otherwise, you will have to stretch it. That is the maximum limit and that was the understanding.

MR. CHAIRMAN: The hon. Minister of State for Parliamentary Affairs has said that although the reply of the Finance Minister was due at 4.30 p.m., it will now be done at 5 o'clock. If that is all right, then we can go ahead.

SHRI GEORGE FERNANDES (Muzaffarpur): Sir, let the Finance Minister reply at 6.30 p.m. There are several members who are yet to speak.

SHRI RANGARAJAN KUMARAMANGALAM: For passing the Finance Bill, we need at least three hours. And that is the amount of time allotted for it. Also there are many amendments and it will not end today. *(Interruptions)*

SHRI YAIMA SINGH YUMNAN (Inner Manipur): Why the party with a single Member

is not given any chance? Is it as per the rule or is it the discretion of the Parliamentary Affairs Ministry? (*Interruptions*)

MR. CHAIRMAN: It is agreed that the Finance Minister will reply at 5 o'clock now. Now, Shri R.G. Williams to speak. Shri Williams, kindly make it brief.

SHRI R.G. WILLIAMS (Nominated Anglo-Indian): Mr. Chairman, Sir, I rise to support the Finance Bill 1992-93, presented by Dr. Manmohan Singh, the hon. Finance Minister on 30th April, 1992.

Sir, in his speech while presenting the Central Government's Budget for 1992-93, delivered on 29th February, 1992, the hon. Finance Minister has stated in para 59 of his speech and I quote:

"With the reduction in tax rates, a number of tax exemptions which confer large large benefits on higher income-tax payers are no longer justified."

This sentiment is no doubt laudable. But in actual fact, the new direct tax measures projected by the hon. Finance Minister along with the amendments now proposed do not seriously affect the higher income-tax payers originally proposed, but have descended with full fiscal fury upon the lower income group tax payers and hopless pensioners who are already under acute financial stress.

Sir, as I had highlighted earlier during this Session the hon. Finance Minister has been pleased to raise the minimum taxation limit from Rs. 22,000 to Rs. 8,000. A tax relief of Rs. 6,000 which is very welcome. However, with the withdrawal of Section 80L, the existing tax concessions totalling to Rs. 13,000 were withdrawn. In his recent amendment, the hon. Finance Minister has partially restored Section 80L to the tune of Rs. 7,000 only. Sir, with one hand, he has given the tax relief of Rs. 6,000 and with the other, he has taken away the existing tax benefits amounting to Rs. 6,000. In so far as the middle income group tax payer is concerned, you have given him nothing and

left him financially stranded in the midst of escalating prices and increasing family responsibilities, especially at the fag end of his service.

Sir, in addition to the restoration of the general deduction of Rs. 7,000 under section 80L in respect of interest and dividend income, I would humbly request you to reconsider the restoration of additional deductions of Rs. 6,000 which consist of Rs. 3,000 in respect of income from unit of the Unit Trust of India, Mutual Funds and interests from certain public companies. The remaining further deductions of Rs. 3,000 is in respect of income from dividends on shares and the interest on deposits under National Deposit Scheme.

Sir, for several years, the middle income group tax payer had been encouraged by many and much publicised attractive incentives to invest his hard earned and meager savings in the afore-mentioned National Saving Schemes. But, now, suddenly, without giving any convincing reasons and in a somewhat haphazard manner, these tax concessional benefits have been withdrawn. And the lower income group tax payer is now being encouraged to invest his hard earned money in stocks and share which at the present moment, is the most hazardous venture especially in the case of the naive and uninitiated.

Sir, you have apparently shown no consideration to my earlier suggestion regarding the financial difficulties encountered by senior citizens. Your proposal to give such citizens a tax rebate of ten per cent on the net tax payable by persons who have completed 65 years of age and whose gross total income is below Rs. 50,000 is in my opinion unfair and discriminatory. Apart from making invidious distinction between one senior citizen and another, the tax rebate proposal also denies senior citizens of taking full advantage of existing tax concessions, in qualifying for this tax rebate.

Sir, many years ago, in 1975 to be precise, the Government had introduced Compulsory Deposit Schemes whereby all

[SH. R.G. Williams

Income tax payers were required to deposit a percentage of their taxable incomes with Government for a period of three to eight years. Even in this case, complete exemption from the scheme was given to senior citizens whose age was 70 years and above. There was no distinction made on the basis of gross total income, but was equally applicable to all persons of 70 years and above.

I would earnestly request the hon. Finance Minister to emulate this earlier generous gesture and make the proposed tax rebate applicable to all senior citizens of 65 years or 70 years and above regardless of what their gross total income is.

Finally, I would once again request you to consider reinstatement of section 54 (E) which over the past many years has been a major factor in the financial planning of the middle income group tax-payer, especially at the fag end of his career when his family commitments are at a maximum and he is faced with the problems of rehabilitating himself in a new life. Under the protection of this section, he is able to invest much of his life savings without having to pay unduly heavy income tax rates.

You have been pleased to sanction wide sweeping and generous tax concessions in respect of wealth-tax payer which are applicable exclusively to the higher income-tax payers and the wealthy classes of society. Whilst I fully welcome and support these tax proposals, I would earnestly request that some more sympathetic consideration be given to alleviate the tax burden of the hard-pressed middle income group and pensioners.

I conclude by supporting fully the Finance Bill for 1992-93 as introduced by the hon. Finance Minister.

[Translation]

SHRI BHAGWAN SHANKAR RAWAT (Agra): Sir, the Finance Bill is before us and now it is in its final stage and the Hon.

Minister will reply all the points raised in the House. When Shri Rajiv Gandhi was the Prime Minister of this country and Shri V.P. Singh was the Finance Minister, there were loud announcements that a new National Taxation Policy would be evolved and there won't be fluctuations every year so that the people, more especially the tax-payers, do not feel that there is an atmosphere of uncertainty and they can plan their savings. But what has been observed is entirely different. Every Prime Minister bring about new changes every year. As a result of it a situation of uncertainty is created among the people. So, I would like to point out that Raja Chellaiah Committee was also set up for the same purpose but the recommendations of this Committee also found their way into the Waste paper basket and we are unable to identify any constant approach in this policy.

I would like to say that there should be a systematic way of taxation. We should maintain a national consensus that there is unanimity in this matter and there won't be any changes. Because of frequent changes, people are not able to manage their finances properly.

Since, there is paucity of time, I would submit a few words in brief. Firstly, the recommendations of Raja Chellaiah Committee about H.U.F. have not accepted. HUF is playing a vital role in the economy of this country, therefore my suggestion is that HUF should also be treated at par with individual in the matter of income.

Secondly, income tax limit should be raised to Rs. 48,000, because of prices have increased and the purchasing power of rupee has decreased. After the independence of our country, the value of rupee is reduced to even less than one paise, even if it is taken as 1 paise, under such situation of price-rise, the raising of income tax limit upto Rs. 48,000 is very essential.

Besides, the allowances paid to the employees should not be treated as income for tax purposes, because allowances are not included in income. Alongwith this, the Chellaiah Committee has recommended that

the rates of tax should be reduced but the rates of tax are not being reduced according to the recommendations. Besides, the framework of Excise and Customs duty has been formed in such a way as it provides relief to the foreign companies and imports, but the people associated with indigenous production have to face tough competition because of the system. They can't bear such a big blow. The economy of the entire country will be doomed. The Hon. Finance Minister would be pleased to see that he will be getting a lot of foreign exchange from the Non-Resident Indians but we are getting this money in the form of loans. We should try to increase our indigenous production.

According to the figures that I have received this year, our industrial production has declined. Same is the case with agricultural production. Because of drought the uncertainty has increased. Under such a situation we have to see whether we can provide protection to our labour oriented and export oriented industries.

I would like to Government to provide protection to the industries which produce consumers' goods in the country. In this connection I would like to submit that there has been a decline of about 50 per cent in the leather products during the last year. If this trend continues, the condition of lakhs of workers and traders associated with leather industry who are already on the verge of starvation, would further deteriorate and the economy of the country would collapse. Carpets are also woven by the craftsmen. Carpet industry also provides means of livelihood to lakhs of people, similar is the work of craftsmen. I was going through the figures and found that the export of the jewels shaped by the craftsmen was much more than the export of industrial products. The Government have not given any consideration so far, to those labour oriented industries which export their goods.

I would like to suggest that labour oriented industries should not only be given exemption from excise duty but the old policy of giving incentives may also be adopted. The hon. Minister of Finance has announced

to decrease the export of leather production from 10 per cent to 5 per cent and thus tried to win the acclaim of the people. My submission is that it is quite insignificant, it is just to add insult to injury. Hence this proposal should be completely withdrawn and incentives should be given to them.

Positive and firm steps will have to be taken to check the generation of black money. In this connection, I had given a suggestion to the hon. Minister of Finance last year also. This time too I would do the same. Black money is generated by evading sales tax. Therefore, the Government should take the initiative; they should either convert the sales tax into other tax or use their influence to bring uniformity in sales tax in various states, so that the generation of black money stops. The vicious circle of black money forms due to the evasion of income tax, sales tax and excise duty jointly. Therefore, positive steps are necessary to be taken to break this vicious circle. The steps taken so far, by the Government have not brought the desirable success. I am conscious of the bell. Therefore, while thanking you for the opportunity you gave me to speak I would like to submit that the hon. Minister of Finance has proposed to increase the tax net, but the tax net would increase only when the production increases, when the production increases, people will prosper, their earnings would increase thus resulting in the increase of the tax net. Therefore, the Government should adopt a policy which would bring prosperity to the people and increase the production in the country.

[English]

SHRI ANBARASU ERA (Madras Central): Mr. Chairman Sir, I welcome the new Economic Policies announced by the hon. Finance Minister and the new measures to improve the lot of the country men will definitely help. But it takes some time to reap the fruits of this new policy.

Sir, much has been talked about income tax, and raising the level of income tax reductions; much has been talked about gold bonds; much has been talked about

[Sh. Anbarasu Era]

wealth tax and so on and so forth. But Sir, of late, we have forgotten the fate of the common man and there is no plan or scheme to improve the lot of the common man in the street.

I recall the clarion call given by Mahatma Gandhi, the Father of the National, who used to say that whenever we think of a plan, we should always think of the poorest of the poor. I do not know how many of our planners think of the poor man. Sir, more than 50 per cent of the population of this country is living below the poverty line. How many of our people are living in slums without even a square meal a day? In my Madras Central parliamentary constituency alone, there are about 14,000 slum colonies. Whether it is Bombay or Calcutta or any other city in India, more than 50 per cent of our people are living in Jhuggis and Jhompis. But I do not find any scheme to improve the standard of life of the poor masses of this country. There is nobody to talk about the man who has no wealth and there is nobody to talk about the man who has no income. Let us concentrate more on improving the life of the common man in this country.

16.47 hrs

[MR. SPEAKER *in the Chair*]

Since the Demands for Grants relating to the Ministry of Social Welfare were guillotined and could not be discussed, I would like to take this opportunity to speak a few words about the Mandal Commission. The moment one mentions the Mandal Commission's Report, it gives rise to suspicion. This is because of the fact that the report was much publicised unnecessarily without any correct perspective. Sir, the report of the Mandal Commission was narrowly perceived and used with political motives by the then Prime Minister, who became the Prime Minister just by accident.

Here I would like to point out that the present Prime Minister is the real champion

of the backward classes. When he was the Chief Minister of Andhra Pradesh, he had implemented a number of schemes for the benefit of the backward classes. He has implemented the policy of reservation of seats in elections to Scheduled Castes and Scheduled Tribes. Therefore, I urge the hon. Prime Minister to implement this report. If not the Mandal Commission's report, I request that Article 16 of the Constitution should at least be amended, because this will provide for the inclusion of economic criterion. I again request that the policy of reservation in jobs for backward classes should be implemented immediately.

Sir, now I would like to point out certain frauds committed by the banks. These frauds amount to crores and crores of rupees. I can get hold of certain figures. In just six months' time, the amount comes to nearly Rs. 600 crore. Please see the Reserve Bank's report on Trade and Progress of Banking in India, 1990-91. I will only mention four or five banks. The Bank of India Rs. 56 crore; Canara Bank—Rs. 71 crore; Syndicate Bank—44 crores of rupees; and the Indian Overseas Bank—Rs. 31 crore. If only we can stop these frauds committed by the Banks and if only proper steps are taken to realise the amount, I am sure, we could have met the budgetary deficit. I want to have a proper check over the functioning of these nationalised banks.

Sir, we have resource in our country. We have brains in our country. And we also have the money in our country. The only thing is that all these are not utilised properly. The nationalisation of banks was brought in by Shrimati Gandhi with a view to help the poor and down-trodden. I still remember, the then Finance Minister, Shri Janardhan Poojari brought the mass loan scheme for the poor and down-trodden. Lakhs of people were benefited by it but at that time the bank officials made a hue and cry that the loans advanced to the poor people will not be recovered. But what about these frauds? I would like to say that the banking institutions should help the poor and down-trodden. They should make schemes for the poor people.

The other thing which is causing concern in the banking sector is that the executives themselves organise FCNR loans in order to get commission. They keep the money in a Fixed Deposit for six months or one year and after they get the commission within one or two months the deposit disappears. An inquiry against such deposits should be held.

To avoid the bank frauds I would urge upon the Finance Minister the following things, Accountability should be fixed on the executive for the advances going bad.

Audit and vigilance of the banks should be given to an independent authority directly under the control of Government or banks should be brought under the purview of Public Accounts Committee or their accounts should be audited by CAG.

Banks executives from Scale 4 and above should be transferred from one bank to another at least once in three years. No executive should be kept for more than three years in a particular bank.

Loss making branches should be closed or merged, especially the foreign branches which are invariably incurring losses should be immediately closed.

Large-scale advances to the non-priority sector should be investigated. Here officials should not only be punished but also their properties should be attached for any bad advances. The Law Minister is sitting here. I would urge upon the Law Minister to bring an amendment to the Criminal Law and Indian Penal Code Deterrent punishment should be given to those bank executives who are committing frauds. I would say that even punishment like beating them in the corners of the streets should be brought in because they are the people who are eating into the vitals of the economy. So, I would suggest that a suitable amendment to the Criminal Procedure Code as well as to the Indian Penal Code should be brought in.

Recently the Supreme Court gave judgement regarding the reservation for

promotional posts up to statutory level of 15 per cent and seven and half per cent to Scheduled Caste and Scheduled Tribes candidates in Scale I to VII in the banks. But only one bank as carried out the orders passed by the Supreme Court. The Syndicate Bank and other banks have refused to provide opportunities to the Scheduled Caste and Scheduled Tribe Candidates I urge upon the hon. Finance Minister to give suitable directions to these bank executives to implement the orders of the Supreme Court.

About the customer services the report of Goiporia Committee is very clear. It is available with us. I request that this report regarding the customer services should be implemented.

I would like to point out to the Finance Minister that the office bearers of INTUC affiliated unions of bank employees and officers have been invariably victimised in many of the banks. All the bank executives are against Congress (I) and against INTUC. They only encourage CPI and CPI (M)** to indulge in strike and other things. (*Interruptions*)

SHRI LOKANATH CHOUDHURY (Jagatsinghpur): Sir, I object to it. (*Interruptions*)

SHRI LOKANATH CHOUDHURY (Jagatsinghpur): Sir, that should be removed from the records.

MR. SPEAKER: That will be removed from the records.

SHRI ANBARASU ERA: That will be removed from the records.

SHRI ANBARASU Era: I never called the hon. Members who are present here as.... I never called them. I have only called those persons who are outside this hon. House, the CPI and CPI (M).... who are indulging in strike under threat. They have even gone to the extent of beating the bank officials.

*Expunged as ordered by the Chair.

SHRILOKANATHCHOUDHURY: That should be removed from the records.

MR. SPEAKER: That will be removed from the records.

(Interruptions)

SHRI ANBARASU ERA: I didn't call the hon. Members as I only called who are outside this House — the party I once again say party and not the hon. Members.

Therefore, Sir, I would request the hon. Finance Minister to give suitable instructions to recognise the INTUC affiliated unions Office Bearers and to call them for negotiations whenever necessary.

SHRI BHOGENDRA JHA (Madhubani): If you permit him like this, it would be very difficult for the House to function. We have been repeatedly called. *(Interruptions)*

SHRI ANBARASU ERA: Sir, Mr. Godbole is allowed to be in the Board of S.B.I. for more than fourteen years. How was he allowed? Mr. Godbole was allowed to continue as an Officer Director for more than fourteen years.

SHRILOKANATHCHOUDHURY: Sir, I am on a point of order. My point of order is this. No Member should talk in such a language which would reflect on others. Here, we have many political parties. If you allow a Member to call the other Parties who are present in the House and who are representing in the House as..... *(Interruptions)*

SHRI ANBARASU ERA: I never called you...

SHRI LAKANATH CHOUDHURY: Yes, you have said that CPI and CPI (M) are... I object to this. You can say CPI and CPI (M) people are dominating or doing such things. He has the right to use such language and he should not be allowed to use derogatory language in the House. That is my point of order.

I want your ruling. It should not find place in the proceedings.

MR. SPEAKER: I uphold your point of order. What he has said will not form part of the record. I will suggest that you should please use such language which will not be objected to. Now, you can continue.

SHRI ANBARASU ERA: I want to impress upon the hon. Finance Minister to issue suitable instructions to the banking executives and call the Office Bearers of the INTUC affiliated unions for negotiations. Whenever it is warranted, they simply ignore. I have called on the hon. Finance Minister many times, and I have made representations for calling the representatives of the INTUC Banking Union. Though our hon. Minister was kind enough to instruct the executives of the banks but they did not follow his instructions. The bureaucracy is an unavoidable evil. It is spoiling the administration of the banks.

Therefore, Sir, I would request our hon. Banking Minister, Mr. Dalbir Singh to be more assertive and take action against the bank officials. He should do streamlining of our banking system.

Another thing I would like to say is this. Mr. R. Godbole is allowed to be in the Board of SBI for more than fourteen years violating all the laws and banking regulations. Why? What made you to continue with him for such long years, though there is no provision for a person to continue in that office for more than three years? This is also against the Banking Regulations.

Therefore, I would request the Banking Minister to take immediate steps to remove him from the Board of Directors and nominate a person according to law, by following proper procedures.

Then, I want to say something about the action recently taken by our Hon. Information and Broadcasting Minister regarding cancellation of the serials. Some serials were selected by the Selection Committee.

A number of allegations were made. Some charges regarding fraud, corruption and so on were reported against the selection of the serials. He rightly cancelled the selection of those serials and ordered for a CBI probe. But, Sir, I understand, that there is pressure from the bureaucrats on the Minister to withdraw the CBI probe.

I would request the hon. Minister for Information and Broadcasting not to budge or succumb to the pressure and investigate this fraud. You should allow the CBI to continue the investigation and the guilty should be punished.

Sir, lastly, before winding up, I would mention an unfortunate incident.

Shri Rajiv Gandhi was killed in a bomb blast. His P.S.O. Shri Pradeep Kumar Gupta also died in the same bomb blast. After his death, some assurance was given that his wife would be given employment and some compensation and his family would also be allowed to reside in the same house.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): You give an amendment to the Finance Bill.

SHRI ANBARASU ERA: The Demands for Grants of the Ministry of Home Affairs they were not discussed; they were guillotined. Therefore, I want to point this out here in the House. Despite the assurance given, I found that a news item appeared yesterday in the paper that she was served with a notice to vacate the house; and she was also not given any employment. Therefore, I want to insist here that the memory of the people is very short. The great leader died in the bomb blast; and the person who was guarding his life was also dead in that bomb blast. Therefore, we should do something for the family.

Shri Ram Naik was telling the other day that Rs. 2 crores should be given for each parliamentary constituency every year to meet the demands of the people, to provide them basic amenities. And in the Press it

was reported that MPs wanted Rs. 2 crores as perks. We never wanted that; no MP wanted Rs. 2 crores as perks; we only wanted Rs. 2 crores per year to meet the basic needs of the people of our constituency. It is a very good suggestion.

Last week, when I went around my constituency, people met me with petitions saying no light, no water, mosquitos everything. These are the common Problems of the people everywhere. So, to meet these demands, funds should be made available either in the Corporation or in the Municipality. But the sanctioning authority, the identifying authority should be the MP of that constituency. Therefore, I request the hon. Finance Minister to make a provision for allotting Rs. 2 crores for each parliamentary constituency every year to meet the basic needs of the people of the constituency.

When I went around my constituency, one of the members of the Tamil Nadu Assembly, who is now the Law Minister in the Tamilnadu Government, spoke in the Assembly and objected that I should not go around my parliamentary constituency without taking his permission. (Interruptions) He openly spoke in the Tamilnadu Assembly that I should not go around the constituency without his permission. Unfortunately, I am harassed whenever I go around my constituency I want to bring to the notice of the Central Government this fact and suggest that proper guidelines should be issued to the State Government and the code of conduct that should be observed by the State Governemnt whenever an MP tours his constituency, whenever the Assembly Members go around the constituency. What is the code of conduct? What is the protocol?

Why I am pointing out this is because we are not the ruling party in Tamilnadu and we are given such treatment.

The hon. Minister Mr. P Chidambaram was also beaten up by some people. That is the attitude.

MR. SPEAKER: Please conclude now.

SHRI ANBARASU ERA: With these words, I thank the hon. Speaker and I conclude my speech.

[Translation]

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Speaker, Sir, I rise to oppose the Finance Bill, and the reasons for opposing are confined not only to the proposals made by the hon. Minister in this Budget, though some amendments have been made in regard to the taxation and we know that the taxes imposed this time would have a direct effect on the poor people of the country. By withdrawing or reducing the customs duty the Government has helped the foreign establishments to come to India, and thus it is not at all possible for us to support such a Budget. I would not go into the discussion as to where the allocations should be reduced and to what an extent. That will be discussed during clause by clause consideration discussion on proposals as a whole and the proposals separately would also be discussed in the House. However, today some of the congress Members referred to the Leader of the Congress Party and the former Prime Minister Shri Rajiv Gandhi. A few years ago Shri Rajiv Gandhi had made a statement that only 15 per cent of the total amount of capital invested for the development of the country reaches the people and the remaining 85 per cent of the amount is grabbed by middle men working from the highest level to the lowest level, they may be politicians, bureaucrats or contractors. I regret to say that the Government and the hon. Minister of Finance in particular, have given no consideration to the statement of their own leader whom they have been referring again and again, in the two Budgets presented so far. Rather preference was given to suggest the ways to convert black money into white and to give respect to those engaged in such practices.

Mr. Speaker, Sir, this Budget is based primarily on such motives and thus we strongly oppose it. I would like to put before you a few more similar points.

One of those subjects concerns the

matter being discussed for the last several days inside as well as outside the House, rather it has still been going on; and that is the matter related to Stock Exchange and also to various Banks such as State Bank of India, United Commercial Bank; the foreign banks such as city Bank, Grindlays Bank; or National Banks as Vaishya Bank, Andhra Bank etc. The Government have so far not given any clarification in regard to the relation of these banks to the stock exchange nor have they proposed to take any measures in this regard. But Mr. Speaker, Sir, before I take matter, I would like to put before you and the House some more points.

For instance I have already sought your permission, I mean I have given a notice to you and a letter to the concerned Minister. Today, in the morning, when some matters were being discussed during the Zero Hour, Shri Manoranjan Bhakta referred to a matter. He said that Shri P.K. Thungon is sitting here and thus he should given clarification in regard to the questions about Maruti Company raised by several Members. However, his submission was taken lightly. But the matter of Maruti Company should not be taken lightly. I would like to refer to two points in the House.

The manner in which this company is being assisted is not good; from the very beginning false assurance was given that the company has been proving a source of earning foreign exchange. However, Mr. Speaker, Sir, Maruti Udyog instead of earning foreign exchange for the country is responsible for the outflow of foreign exchange worth Rs. 1,536 crore to Japan, from where it is importing spares for the production of Maruti cars, over the last 9 years, I am quoting from the company's balance sheet. It has earned a foreign exchange of only Rs. 143 crore that includes the amount earned through Counter Trade with Hungary, Yugoslavia and other countries of East Europe. Sir, since the inception of Maruti Udyog 9 years ago, the company is now working on the fourth model to be rolled out soon. A sum of Rs. 800 crore will be spent on the YE-2 model. This sum could be cut down by Rs. 50-60 crore but even then it is

a huge amount. One of the reasons is convertibility of Rupee into Yen or Dollar. For rolling out a car we have gone with a begging be to the Asian Development Bank and before that amount is released in the meeting of the Bank at Hong Kong arrangements are being worked out to transmit the money to Japan and thereby ruin the economy of the country. Mr. Speaker, Sir, all this cannot be allowed to go on.

Suzuki company is dictating the term. Not a single model remains in production for more than two years. After every two years there is a new model and now the stage is being set for the launching of YE-2, the fourth model. In nine years four models have hit the road and the precious foreign exchange of the poor country like India is being squandered away on a luxurious item. We cannot allow all this to go on. Therefore, we oppose this Bill which primarily aims at this.

Mr. Speaker, Sir, secondly I would like to elaborate on the issue raised in the morning about two types of charges levelled against the officers of the company. These charges are of serious nature and have not been simply levelled by an hon. Member in the House or levelled by the Press.

Mr. Speaker, Sir, in a land deal Rs. 3-5 crore was shelled out by the company to buy a piece of 100 acre land in Haryana. Instead of approaching the Haryana Urban Development Authority. The Company went in for the deal with the mediation of a contractor of Delhi named Anil Bhalla, and there was a 'Sajish' (conspiracy) with the top officers of the company. 'Sajish' word is not mine but I am quoting what the Vigilance Department, of Harayana has said. The department inquired into the entire deal and also charge sheeted a few. An I.A.S. Officer and also lower ranking officers of the State are under suspension for the last two years. Criminal cases are pending against these officers of the company. On a number of occasion permission was sought from the Ministry of Industry to arrest and prosecute these officers under Section 420 and 120 of the Indian Penal Code. However, the Hon. Prime Minister and the hon. Minister of

Industry are not able to decide between them. I do not understand what all is going on because the Hon. Prime Minister on the one hand give green signal for the prosecution of these officers and on the other hand in the capacity as the Minister in charge of Industry withdraws the same?

SHRI DATTA MEGHE (Nagpur): How do you know all this?

SHRI GEORGE FERNANDES: I have all the relevant facts, documents and reports with me. I have all the documents including the reports of CBI and the Vigilance Department. Sir, the land deal is just not the only scandalous deal but there is a number of other scandals besides this. If I start enumerating them and name the persons involved therein, the hon. Members sitting on the treasury benches would get agitated and upset. Therefore, I won't name those persons because some of them are well known personalities. These persons have been engaged in the export-import trade for the last 15 years and are based in Delhi. They have lot of political connections too.

The CBI named them in the charge sheet but even then no action is being taken against them. Therefore, I would like to urge the Government to immediately take action against the persons named in the charge sheet—Chairman and Managing Director of MUL, Shri R.P. Bhargava, Shri S. Mukherjee, Shri S.K. Agrawal, Shri S.M. Sehgal, Shri R.S. Naidu and Shri S. Naatrajan.

[English]

— bracketed as conspirators with Anil Bhalla.

[Translation]

I am prepared to give a second thought to the Bill if the Government announces on the floor of the House that permission will be accorded for the arrest and the initiation of proceedings against the guilty.

I would like to raise one more issue connected with a Public Undertaking —

[Sh. George Fernandes]

Rashtriya Chemicals and Fertilisers. RCF issue is much more serious than the issue of MUL which I raised. In RCF a CMD was appointed in 1988 and was suspended in May, 1990. The CBI has registered six cases against him. FIR was also lodged. He is guilty of squandering away crores of rupees of the company on a number of items. Instead of directly depositing the money in CAN BANK- the financial corporation of Canara Bank he got it deposited through a broker and there by siphoned off Rs. 20 lakhs. The point contract for Rs. 1.20 crore was placed at Rs. 3.50 crores. Fax machine priced at Rs. 80,000 was bought for Rs. 1.20 lakh. Not one fax machine but instead 20 such machines were bought and most of them were not to be used. The money was squandered away through all possible means by him and that was why he was suspended in May 1990. However, in March with despite vehement opposition by employees who even sat on dharna outside the gates the present Government gave orders for his reinstatement and put him back in the chair. On the other hand, issues pertaining to the borrowings from the World Bank, checking recurring losses of the Public Sector and mobilising resources are frequently raised in the House.

Just a while ago an hon. Member of Parliament dwelt on the type of trade union leaders who belong to the Marxist and the opposition parties. However, I am happy to note that all the groups of trade union whether it was INTUC, AITUC, CITU, HMS and other organisations unitedly participated in the agitation to remove corruption from RCF. The hon. Minister of Finance reduced the subsidy companies in this field were running in loss. Issue price of wheat and rice through the Public Distribution system was revised because the procurement prices of these items were increased by the Government. The official of RCF who was guilty of embezzlement of crores of rupees has been reinstated with all dignity and honour. The hon. Minister of Defence is present in the House and must be aware of the on going agitation as it is being spearheaded by

persons belonging to his party also. You are a member of the Council of Ministers and even then no attempt is being made by you in this regard.. On 12th October under police protection he was reinstated.... (Interruptions) Apparently the hon. Minister seems to be happy with the decision but he must be upset at heart because he is aware of the on going agitation led also by his party colleagues. This is an issue concerning a Public Sector Undertaking.

The new policies of the Government have opened gates for the multinational companies. I would also like to raise the issue concerning two multinational companies. This issue was raised on an earlier occasion also by us so as to initiate debate on it. Mr. Speaker, Sir, I do not know whether it has been your references or not, for you have been our experience during the last 8-10 months that no further decision is taken on the issues raised in the House. In 1988, when Pepsi Cola was granted license, the entire project investment was estimated at Rs. 22 crore. However, in 1989, i.e. within one year, the investment rose to Rs. 80 crore. I placed evidence before the House. Several hon. Members asked questions in this regard and the Ministerial response was that the matter is being looked into. Just to bring the machinery into the country, they over-invoiced US \$ 2.5 million, which as per the current exchange rates is equivalent to Rs. 7 crore 7.5 crore. This does not include the bunglings within the Country. While the Government's investigations are going, on the Pepsi Cola Company is acting in an arbitrary manner. This felling has gone into their need that if they could invite the Chinese President, then India is too insignificant to be noticed. This anongance has gone into their load.

Now, the Government has opened the doors to coca cola. Through whom is it being brought to India? I know that the entry of coca cola is being backed by very influential people in the Government. I would like to mention here that I have in possession, the Charge sheet and the F.I.R. lodged by the C.B.I. against the person who is bringing coca cola into this country, that he has swindled money to the tune of Rs. 7 crore.

However, I won't mention his name here. Thus, the man behind the coco cola in India has been chargesheeted by the C.B.I. Indian Overseas Bank and Rajan Pillai are the two parties, who along with their associates (*Interruptions*) I can produce before the House the original documents signed by C.B.I. officials. The F.I.R. was lodged in August, 1990, at 6.15 p.m. that Rs. 7 crore have been siphoned off from the Indian Overseas Bank.

[*English*]

"Under section 420 and 120, read with certain sections of the Anti-Corruption Act, because the Chairman and Managing Director of the Indian Overseas Bank are also involved. They are also among the accused."

[*Translation*]

With every decision signals are being sent. We are not able to understand as to what message does the Government want to convey by allowing those person to bring coco cola into this country. We would like to Government to make some dear announcements as to what kind of signals are being sent to the Americans, to the people within the country, to the Bank officials. If such a clarification is possible today, please oblige. Hon. Members both from the opposition and the Ruling Party have been raising this issue for a long time now, but the Government underplayed it, by treating it lightly. I would like to know the steps the Government proposes to take in this regard. How does it plan to punish the guilty?

Lastly, I am coming to the point, which I raised initially i.e. of stock Exchange. I had a talk with the hon. Minister of Finance, couple of days back. While initiating of Finance, a couple of days back. While initiating this discussion here, I had said that Bombay's most notorious smuggler, who now a days is ...

(*Interruptions*)

AN. HON. MEMBER: Burra Sand
(*Interruptions*)

SHRI GEORGE FERNANDES: Burra Saand is that broker. When I translate the word into Hindi, people drown upon it. They ask me as to why I am using that terms? Now except for the term 'Burra Saand', can you translate the word Big Bull into Hindi in any other way?

[*English*]

Bulls and bears keep dancing and keep playing. The word used is 'play'. Bulls and bears play on the stock market.

[*Translation*]

Some people find the word 'Burra Saand' uncomfortable. Day before yesterday, after coming out of the House, many at my friends told me that I should not use that word. Well, the hon. Minister of Finance asked me the name of the person, I was referring to, but I won't mention his name. I shall disclose the name once this Bill is passed, because the said person is not only the most notorious criminal of Bombay, but is also among the world's top most smugglers. At present, he resides in an Arab Country. He conducts his correspondence and business from there. The Government is aware that his money is operating in the Bombay Stock Exchange. Now, for a second, if we think that there is a link between this notorious smuggler and the Big Bull, it is under —standable, but what is one relizes that there is link between him and nationalised banks like, the State Bank of India, UCO Bank, Andhra Bank, Vysya Bank etc, what misdeeds have they left out?

That day the hon. Minister said that the money has been returned, Rs. 614 crore have been received back. Has the Government tried to find out as to how and from where this money has come back? We are not able to discuss anything in the House. Did you inquire into it? If the money has been taken on securities, then one can get only 25% on them. If Rs. 2,000 crore is deposited, then the interest will be Rs. 500 crore. I would like to know as to wherefrom that person got this much money. That man became bankrupt twice, between 1982 and 1988. He declared himself bankrupt and even then he plays in the stock Market. Hon.

[Sh. George Fernandes]

[Translation]

Minister, Sir, you also know that I have the highest regard for you. Now, when this question was put before you, north within and outside the House, you said that you are unaware about the inner functioning of Stock Markets. I agreed that you have no knowledge about it, for it is a very difficult thing to understand all about it. But then you say that such things are common all over the world. Now, this is the current issue of weekly 'The Economist'. The Editor of this daily is responsible for the drafting of World Bank's annual report on development. Now, this person has authored a booklet 'Economist-Economic'. There is a small paragraph on Page No. 52 of this booklet, which explains in detail the manner in which manipulations take place in Stock Markets. Please go through it. This book written by the Editor of the London Economist and the author of World Bank's annual report explains the reasons as to why honest people should not trade this hard-earned money in Stock Markets. Please make it a point to go through the 52nd page of that booklet, I am sure that you are in possession of that booklet. Anyway, I have brought that booklet to place some evidence before the House.

[English]

It is in the Economic and Financial Indicators of the World forces' In the last one year the total variation in one year, of the world stock markets was -4.7 per cent

[Translation]

While in India, it went up by 400 per cent in one year.

[English]

The world stock markets moved by — 4.7 per cent. U.S.A moved by 4.1 per cent; U.K. by 4.9 per cent; Switzerland by 11.1 per cent; Germany by 9.4 per cent; France by 11.1 per cent; Canada by —3.5 per cent; Australia by 5.1 per cent. And the World market moved by — 4.7 per cent.

Now, this variation goes up in just few months. Yet Mr. Finance Minister, Sir, the Government is the least prepared to ponder over it. If the Government absent pay any attention to it, then who will pay attention? What will happen to those poor-common talk who invested their savings in the Stock market and have been taken for a ride? Now, I have with me— Mr. Speaker, Sir, I thought that you won't allow me to speak, So I misplaced the papers.... (Interruptions) Mr. Speaker, Sir, I would like to say something with regard to the Big Bull. In an interview to the 'Economic-political Daily' he himself says that the Stock market is thriving today not because of the value or strength of the shares, but because people have developed a craze for it.

[English]

There is craze and we are playing on that.

[Translation]

The big bull himself says that we are be fooling the people. A play is going on. All of us are being dragged into that play. Hon. Finance Minister, Sir, if it is not your responsibility, it is not the responsibility of the Government then whose is it that today crores of people have lost their money in this. What will the people think? Mr. Speaker, Sir, in a very small village—Anpara, which is 175 kms from Mirzapur and a tribal area, people asked me why I had exposed all that and shouted a lot in the Parliament about it and as a result the market has nosedived. As if we have committed a sin. We should make the people understand that they should not invest money into this. If they have to invest money it should be done in Government departments and in the shares of Government companies. We should beware them not to play in the stock exchange. Telling the people that it is not the responsibility of the Government and when these speculators and big brokers befool the people is not worth appreciating. Does the Government

have no responsibility in this?

Mr. Speaker, Sir, I have two or three demands. The drama which has unfolded before us in the last few days should be investigated thoroughly and the transaction of foreign banks should be examined immediately especially those banks who worked in collusion with these speculators. I shall straightaway name these banks and when I name citi-bank I would like to tell you this as well that one of the companies of B.B. Desai and Co., the oldest stock broker in Bombay, has been bought by Citi Bank itself for indulging in speculation in stock market. Citi Bank is not the biggest Bank of America but the biggest Bank of the world and it is involved in this work in our country. Thus it is engaged in running and shattering our economy. I want the transaction of Citi Bank, Bank of America and Grindlays Bank in the stock market to be examined.

[English]

But forged banker's receipts have been issued. I make a categorical charge in this House that forged banker's receipts have been issued for colossal amounts of money by some of these banks. They have been forged, they have been sold, they have been used and on the basis of these forged banker's receipts a lot of money has been generated by these operators.

[Translation]

I therefore urge that the transactions of UCO Bank, Andhra bank and Vyasa bank should be examined and if there is any other bank, because I have been told that there are seven banks involved in this but I have not got all the names.....(Interruptions).....

SHRI SOMNATH CHATTERJEE: Even the National Housing Bank is involved.

SHRIGEORGE FERNANDES: Yes, the involvement of National Housing Bank is a very important matter which has been published in today's newspapers. This Bank was set-up for providing houses to the poor. People were told to deposit their black money

and promised that it would be made white now instead of making it white, balck money has doubled and in fact that money has been turned into black money 400 times over. This is a crime on the part of the National Housing Bank.

Mr. Speaker, Sir, all these things should be investigated and I am not ready to get it investigated by the RBI. It is a very responsible organisation there should be no blot on it but the RBI has not discharged its duty with responsibility. I therefore request that a CBI probe should be ordered into it. All the big bulls should be stopped from doing business and bring them within the purview of investigation.

[English]

You stop them from operating on the stock market, you stop them from playing on the stock market.

[Translation]

Mr. Speaker Sir, you may not be aware.

[English]

That only seven stocks account for 70 per cent of the index, and these fellows manipulate them: They manipulate and create an aura that the prices are booming, the economy is booming and the ordinary man, the middle class man, the employees of this Secretariat, ho are of the Lok Sabha Secretariat, have spoken to me. They have gone and put their money there. They have borrowed it from the Provident Fund. They asked me, 'you please find out, Sir.' I am not joking, I am not saying this in a lighter vein, Sir. They have borrowed money from the Provident Fund in this office, and having invested it in the stock market.

[Translation]

What will happen to these small investors? I would like the Government to discharge its responsibility honestly. I would only like to take another name today - the State Bank of India did not have relationship

[Sh. George Fernandes]

with only one big bull. Another name which has never appeared before is - L.K. Pandey - he is laughing, he knows about it. Rs. 200 crore were given by the State Bank of India to that broker. How was it given and why was it given, nobody seems to know. (Interruptions) Is there no value of hundreds of crores. I would like that all these matters should be investigated by the C.B.I. These big players should not be allowed to operate and whatever is desirable for this should be done.

I would like that section should be taken against all the Banks that are involved in this scam. The failures and lapses on the part of R.B.T. should be rectified. Honourable Finance Minister, nothing is hidden from you and you know everything. I fail to understand why you are cowed down. I know that these bulls have formed links with the Cabinet Ministers.....(Interruptions).

SHRI DATTA MEGHE: Sir, he is charging the Cabinet. What proof does he have that whatever he is saying is incorrect. (Interruptions).

SHRI GEROME FERNANDES: This is not wrong. Your Ministers have told us that. They came to us and we told them to go back.

Mr. Speaker Sir an effort is being made to create problems for securities section-4 of Security and Exchange Board of India and this is unfair. Don't let their work stop. The Security and Exchange Board of India should be supported in every way. We have here with us a fax message. (Interruptions). Raghbir Singh, has sent his copy to me. He says how a broker made him lose Rs. 20 lakhs in this bargain. You must have received the original, I have received only a copy. I therefore urge that the SEBI should be given all powers.

While concluding, I would request the Government to liberate itself of the policies which America is imposing to throttle us and destroy us. The group of 77, the countries of

the South, the secretary general of the South Commission should be made aware of it. America is looting and destroying us in every sphere. Not only India but all the poor countries of the world. India should take initiative in this regard. If the hon. Minister supports the proposals which I have suggested here, I am ready to think about that Bill afresh, otherwise I will oppose that Bill and I would appeal to all of you, to oppose this Bill.

[English]

SHRI INDER JIT (Darjeeling): Mr. Speaker, Sir, I want to raise once again a matter of grave and basic importance to the functioning of our Parliament and the future of our democracy. On the evening of Wednesday, April 30, the Lok Sabha largely abdicated its principal responsibility of keeping a close and purposeful watch over the Treasury, namely, the Government spending.

In one fell stroke of the guillotine, we voted without any discussion over Rs. 2.3 lakh crores of the people's money relating to 80 Ministries and Departments for expenditure during the current financial year. In the process, the Lok Sabha made history. But this, Sir, was history of which no Parliamentary democracy can be proud. In fact, if I may candidly say so, we made a mockery of parliamentary democracy once again.

Parliament's greatest strength and utility lies in its power over the Treasury. Not many today remember that the first major battle of democracy was fought in Britain in the question of the right of a King to impose taxes at will.

Happily, the people of Britain won at the end of a long and hard struggle. Our world then saw the birth of a fundamental canon of democracy; no taxation without representation. The American war of Independence was also fought on the same basic issue; the right to impose taxes.

The principle is strictly enforced in all parliamentary democracies. In fact, Britain

and other democracies have over the past many years even taken new initiatives to strengthen Parliament's control over the purse. In sharp and distressing contrast, our Parliament's control over the national Budget has slipped, step by step, year by year.

Who is to blame? All of us I know, Mr. Speaker, you yourself have been most keen to see the House get on with its business. I also know that the Prime Minister as well as the Ministers of Parliamentary Affairs have been keen to get as many Ministries and Departments discussed. Nothing can suit any government better than to have its demands voted without any debate. Happily, some of the Leader of the Opposition too have favoured completion of the business before this House. Alas, however, this has not happened. A great deal of the time of the House has been taken up during the Session by extraneous matters. I am told that we have already spend some 60 hours on some of these issues. We could have easily discussed at least ten Ministries and Departments in these 60 hours.

But, Mr. Speaker, Sir, this by itself will not be enough. A question which we must ask ourselves is: Can something be done to mend matters and ensure that the Lok Sabha, in all conscience, discharges its responsibility of keeping a close watch over Government spending. The answer is a positive yes. We can have a solution over the long haul as also in the short term. Over the long haul, Sir, we should take a page out of the British experience. We should seriously consider the question of switching over to the committee system. Specially, I plead that our Parliament should take a fresh look at its procedures and adopt them to changing demands, as was wisely done by Britain in 1976. I further propose that the Hon'ble speaker should, as was done by the House of Commons, set up a Select Committee on Procedure to make recommendations for the more effective performance of its functions.

Today, in Britain, parliamentary control over the Treasury and Government as a whole is presently exercised through 14

committees in addition to eleven earlier committee such as the Public Accounts Committee.

Happily, Shri Rajiv Gandhi as the Prime Minister showed the required enlightenment and initiative. In mid-1989, three Standing Committees on Agriculture, on Environment and Forests and on Science and Technology were set up at his direction. All of us were delighted at the major reform introduced in Parliament at long last.

The last Lok Sabha took to the three Committees equally enthusiastically. In fact, I opted for the membership of the Rules Committee in the last Lok Sabha in a bid to enlarge the Committee system. The appointment of merely three Committees was just not enough for me. Eventually, we succeeded in getting the Rules Committee to decide on the establishment of seven other standing committees, including one on Home, a second on Defence and a third on Foreign Affairs.

But, before long, the powers that be reacted and reacted unfortunately. Amendments were moved by several Ministries opposing the establishment of the new Committees. Outwardly the reason advanced was the need to first see how the three Committees worked and the extent to which they served the best national interest. Inwardly, however, few among the Ministers were prepared to decentralise authority and share power. Some of us, thereupon, readied ourselves for a battle royal. But, before this could happen, the Ninth Lok Sabha itself came to be dissolved.

Now that can we in India do in the short term, namely immediately, to deal with the guillotined Ministries? Briefly we can adopt what I would describe as the Nehru model. India's first Prime Minister and Leader of the House, Pandit Jawaharlal Nehru was greatly upset when a few Departments, including the Department of Atomic Energy that was under him, could not be discussed and the guillotine had to be applied. Nehru then proposed that all the guillotined Ministries and Departments be discussed by *ad hoc*

[Sh. Inderjit]

committees of the House on the basis of their annual reports presented to the House.

Mr. Speaker, Sir, you will kindly recall that I took up this matter with you last year. I also presented to you an appeal signed by some 50 prominent Members of the Lok Sabha suggesting that the adoption of the Nehru model in one form or the other. It was finally agreed that the annual reports of the various Ministries which had been guillotined would be discussed by the Informal Consultative Committees. A notice was also issued informing members that they were free to attend any of the Informal consultative Committee meetings in which they were interested.

Many Members were happy that we had made at least some advance towards the Committee system. But last year, we ran into one practical difficulty. Many Members were prevented from attending even the meetings of the Informal Consultative Committees of which they were Members. What was the reason? The Members were informed that they would not be paid TA or DA for attending these meetings. I do think this is not fair. I, therefore, suggest that the rules be amended to pay members attending these meetings both TA and DA. I am sure, this will turn out to be no more than a very very small fraction of the colossal amount of moneys we have voted without discussion. The hon. Speaker could finalise the modalities in the best interest of the Lok Sabha and the country at large in consultation with the Minister of Parliamentary Affairs and the Opposition leaders.

In fact, we should go one step further and implement another healthy innovation introduced by Nehru for strengthening ways and means of ensuring Parliamentary surveillance over the Executive. In 1956, the Business Advisory Committee decided to set up ad hoc Parliamentary Committees to scrutinise the Five Year Plan documents. Accordingly, these Committees were set up for consideration of the draft Second, Third, Fourth and Fifth Plans. Unfortunately and regrettably, these Committees were given

up thereafter. We could surely think of reviving them and involving Members actively in planning.

I would also request you to go into the larger issue of taking a fresh look at the present practice and procedures of our House and of Parliament and, for this purpose, set up a Select Committee on Procedures as was done in the United Kingdom to make recommendations for the effective performance of its functions. In this connection, I may add that there are various other procedural problems area such as the Zero Hour, Scutiny of Bills, Questions, Expunctions, powers of the Speaker and the need to ensure his uncontested election which also need to be looked at afresh.

I would like to say in conclusion that the House of Commons continues to grow even after 300 years. Let us not stop growing at 40. Let us not make a mockery of Parliamentary democracy.

SHRI E. AHAMED (Manjeri): Sir, due to paucity of time, I do not want to take much of the valuable time of the House. But I would like to stress only on two points. One is, in the matter of distribution of Central investment.

MR. SPEAKER: I have not called your name. The reply was to start at 4.30 PM. Now it is about to be 6 O'Clock.

SHRI E. AHAMED: I will take only three minutes. I have to make only these two points.

In the Central investment for the setting up of the industries, the Government of India have set apart Rs. 1,29,713 crores out of which four southern States have been given only Rs. 11,702.32 crores. Tamil Nadu was given Rs. 7,139 i.e., 5.5 per cent. Pondicherry was given only Rs. 17.35 crores. Karnataka, was given Rs. 2,693.24 crores i.e., 2.08 per cent Kerala was given Rs. 1,852.69 crores i.e., 1.43 per cent.

Therefore, may I say that out of Rs. 1,29,713.09 crores, all these four Southern States have been given only 8.52 per cent.

This is, according to me, imbalance in the distribution of the Central investment. The Government should rectify it.

As on 31.3.91, this is the figure given by the hon. Minister on the floor of this House this morning.

Another point which I would like to make is in the matter of the public undertakings, the Government had been formulating the policy. May I ask the hon. Minister in the Government what is the representation to the weaker sections and minorities?

MR. SPEAKER: Please conclude. There is not new point.

SHRI E. AHAMED: Government may please make provision to give due consideration to the proper representation for all sections of the people in the public undertakings. Thank you.

MR. SPEAKER: Shri Yaima Singh Yumnam, I have called you three times.

SHRI YAIMA SINGH YUMNAM (Inner Manipur): Sir, I was always prepared for a full-dress debate and participation but always I was given two or three minutes in this House.

MR. SPEAKER: Why do not you ask for the time in the beginning itself?

SHRI YAIMA SINGH YUMNAM: Now I shall take only three minutes. I shall cooperate with you. So, I have to leave all the points. I will concentrate on the points relating to my home State.

I am suggesting to the hon. Finance Minister that more funds be provided for smaller States so that regional imbalance can be made up. By smaller States, I mean the States like Manipur, Nagaland, Meghalaya, Mizoram, Tripura, Arunachal Pradesh, Sikkim and some other territories in the country. The Government and the Finance Ministry must have a special outlook for these smaller States. Funds must be provided under a statutory provisions so that

the States may not come to the Central Government as beggars. Now, they are demanding here as beggars. They are at the mercy of the Centre because they are not viable. They depend on the Centre for getting the alms. They have become a liability to the country. So, I would like to suggest and this is also our demand that there must be a separate Budget for this category of States like we have our Railway Budget.

Sir, you know these smaller States have got meagre resources. It is not that they do not have any resource. They do have their resources. But there has to be funds to provide for harnessing and exploiting the forest water and other resources, for harnessing the tourist resources etc. If funds are provided for harnessing and exploiting those resources, then income will come. Where domestic income is there, it is very natural that they will be able to stand on their own legs. But as per the present arrangement, they will always continue to be a liability; they will remain so for all the times to come. That is not acceptable.

MR. SPEAKER: You please conclude now. You wanted only three minutes.

SHRI YAIMA SINGH YUMNAM: I will take only two more minutes. The Ministry of Tourism has presented a National Action Plan for Tourism. But it does not include the tourist potential of the State of Manipur and the other States of the North-Eastern Region which demand this type of special attention. In Manipur, there is scenic beauty. It has many places of tourist attraction. Every year, hundreds of Japanese visit Manipur because it is a place of pilgrimage for them since hundreds of thousands of Japanese laid down their lives in the last world war.

MR. SPEAKER: Now, you conclude.

SHRI YAIMA SINGH YUMNAM: I stop here. I conclude.

SHRI M.V.V.S. MURTHY (Visakapatnam): Mr. Speaker, Sir, I will take only two minutes. I thank you very much for giving me this opportunity. There are only a

[Sh. M.V.V.S. Murthy]

few points. All the elders have spoken about several things. But I would like to make only one or two points. By summing up things, I may attract the attention of the hon. Finance Minister.

Sir, on the small business people, he has imposed a tax which is called the presumptive tax. I think it is going to harm the small business community. Already, there are a lot of checks and counter-checks about them. If this is going to be a regular feature, definitely the business community will suffer. I request the hon. Finance Minister to have look at it.

Also, many scandals have come out. The people of India have spoken about the Banking Sector and all these things. I would like to suggest to the hon. Finance Minister that the Headquarters of the Reserve Bank of India should be shifted to Delhi and it should not remain in Bombay. It is not that I am favouring Delhi or any place. But if it is in Delhi, at least, the Finance Minister will be having a greater control on it. When all the other Headquarter are in Delhi, why is the Headquarters of the Reserve Bank of India situated in Bombay? Also, the SEBI Headquarters has been situated in Bombay. I therefore request the Finance Minister to have a look at this.

Lastly, I come to the Exit policy. There is this Exit policy. This has to be considered again. Otherwise, a lot of people will be losing their jobs. You are only depending upon the NRI funds. The Finance Minister is thinking that all the industries have to be governed by the the NRI people only. At least, the Finance Minister should have a fresh look at it so that the Exit policy will not harm the country's interests. Also, there is a lot of regional imbalance in the allocation. Andhra Pradesh has been totally neglected in these matters. I request the Finance Minister to include the Pollavaram multi-purpose project at least in the Eighth Five Year Plan. This is my request.

MR. SPEAKER: Shri Bhogendra Jha to speak.

You are always embarrassing us by giving the hit at the last moment.

SHRI BHOGENDRA JHA (Madhubani): Sir, I want to mention only two points on the similar lines.

In this House, I had mentioned during my speech that I have got receipts of more than 23 persons whose loans were cancelled, but, who have never taken a single paise loan in the Darbhanga District of Bihar in the Jalia block and the Saharpur grampanchayat. But no action has yet been taken.

Similarly, in Madhubani District, the State Bank branch at Khajoli did not pay a single paise to about forty Scheduled Caste persons, the poorest persons belonging to the weaker sections of society. And when I complained about it to Shri Dalbir Singh, someone had gone from here and with their help a bogus affidavit was shown in the court without the presence of those persons. I simply wish that the Finance Minister take some strong measures. On the one side, not single paise was paid and on the other hand, loans were cancelled of those persons who had never received the loans. I have got the receipts of that. I have produced the receipts also.

With regard to Exit Policy or any other thing, I would like to ask the Finance Minister whether they are going to ensure that whosoever is forced to leave the job is given resources and means for productive self-employment so that instead of labourers they become masters today or tomorrow. This is what I would like to say.

SHRI P.C. THOMAS (Muvattupuzha): Sir, I would like just mention two or three points which are not mentioned.

One is with regard to tax on coco. With regard to coco there has been increase in tax. I would suggest that the agricultural produces are getting a very low prices. Now the cost of production has increased so much that this may be considered. This is a matter which concerns the EXIM Policy because in the Import negative list coco has not been included. I request that this may be favourably considered.

Second point is with regard to the supply of food through the ration shops in Kerala. As you know, the State of Kerala is not a position to incur any further amount. It is incurring Rs. 18C crores per year for subsidising the rice supplied through the ration shops which is of utmost necessity because the price of rationed rice has increased due to the cut in subsidy. I request that this may be favourably considered.

My last point is with regard to interest on agricultural loans which are being given by banks. The Finance Minister has given the detailed account in his answer. I do not want to go deep into it. Though the NABARD is paying a very low interest of 6.5 per cent for amounts up to Rs. 10,000 and 7.5 per cent up to the amount of Rs. 50,000 and 10.5 per cent up to Rs. 2,00 lakhs and also 4.5 per cent above Rs. 2.00 lakhs, yet the interests which are being charged by some of the banks are not proportionate to this. There are specific norms which have been fixed and given in detail by the Finance Ministry. But this is not adhered to by many of the banks. I had brought it to the notice of the Finance Minister with regard to one bank and the Finance Minister was pleased to take immediate action. I have got the information that they have changed their stand. I request that this may be taken into account.

17.59 hrs.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, I thank all the hon. Members who have taken part in the debate on the Finance Bill. Although the Finance Bill deals with tax proposals as part of the Budget, this debate has also provided an opportunity to go over once again over the wider character relating to the gamut of economic policies and Budgetary policies as a whole.

18.00 hrs.

I have covered that ground before and, therefore, I can be very brief. The basic philosophy of this Budget can be described very simply. The first and foremost task before our country is that of fiscal stabilisation

and fiscal consolidation. I say so in all sincerity because, although, we are all committed that we must work towards a steady progress of the economy, we must reduce the regional disparities, we must help the North-Eastern States and other backward States like Bihar and also there are regions and classes in our country which have not derived adequate benefit from the processes of development, but, I must submit to this hon. House that all these tasks cannot be accomplished on the basis of a bankrupt treasury. If you finance all these justifiable expenditures on the basis of a Nasik Printing Press, then I think you would have unleashed in our country an uncontrollable inflation and that would be a great national tragedy.

Therefore, I respectfully submit to this august House that in the situation in which our economy is placed today, reduction of fiscal deficits, of revenue deficits and Budget deficits, as narrowly defined, is of utmost national concern and national priority. And that, if you succeed, as we have made considerable progress in the course of last ten months, if we persist with that path, I think, in a year's time, we will be able to resume the normal process of growth. If we do not do that, I think, there is a great danger that hyperinflation will become a fact of life, as it had become a fact of life in large parts of Latin America and in large parts of Africa.

The second thing that I do want to say is that together with fiscal stabilisation, it is absolutely essential that we must deal with the fundamental causes of low productivity of our economy. I agree with most hon. Members, who said that there are no international solutions to the problems of our country. Neither foreign aid nor foreign investment can solve the basic problems of our country. Today, we need some help but this can at best provide a palliative. The fundamental solutions to the problems of development are to deal with these basic causes of low productivity of our economy. We, in our country, save about 20-23 per cent of our national income. But with that much of savings, the output that we get is far lower than most other countries manage to do. And that obviously is an indication of

[Sh. Manmohan Singh]

gross inefficiency in the use of resources. And this is true of the public sector; it is also true in the private sector. Therefore, the task of structural reform in our country is to deal with these fundamental causes of low productivity of our economy. That is why we need reforms of industrial policy. There should be more competition; that people should make profits not by manipulating the licensing system, not by manipulating the import policy but on the basis of productivity and efficiency. That is why, there should be more competition in the economy. That is the logic of the industrial policy reform. We need reforms of the trade policy because we need to enlarge the incentives of exports.

Several hon. Members have said that we should not rely on foreigners. I fully agree with them. But if you want to sustain this economy, if you truly want to become self-reliant, then this tremendous import and export gap that has developed in our economy, that has to be bridged. And today, I think, it is exceedingly difficult to reduce India's imports. There may be scope at the margin but may big reduction in imports, is not simply a feasible proposition.

This year, for example, we are planning for export of about 20 billion dollars roughly. And of that, about 6 billion dollars are going to be taken by the import of oil products alone. Our petroleum consumption is increasing at a rate of 8-10 per cent per annum. Unless and until the export economy of this country acquires a greater momentum, there is no way of self-reliance. We have been talking of self-reliance for the last many years. But, until and unless the export economy of this country is given greater dynamism, greater momentum, I think, the progress will be halting as has been the case thus far in the past and therefore the need for trade policy reforms.

In the same way, we need reforms of the financial system. I think, Shri George Fernandes has brought up the issue of the banking systems, the stock markets. I do agree with the hon. Members that we need

to have a fresh look at the functioning of our financial system. We need to move towards greater transparency; we need to move towards a system where there would be greater productivity of the banking system.

As far as the various issues that have emerged in the background of what has happened in the stock market are concerned. I will explain the position at length in this House. All that I can do is that I have set up a high-powered inquiry committee which will look into the role of all the banks and other institutions involved in this scam and to fix the responsibility; I will take effective and credible action against all those who are found guilty. That assurance I give.

SHRI INDER JIT (Darjeeling): What about the time-frame? How long will you take?

SHRI MANMOHAN SINGH: Now, I come to some other issues. With regard to the role of the Centre-State financial relations, several hon. Members have referred to the need for a re-look at the Centre-State financial relations. Centre-State financial relations do require a look in the light of changing circumstances. But, let me be very candid with you. If thereby, you are going to come to the conclusion that large amount of resources are going to be released from the Centre to the States, you are sadly mistaken. Today, the Central Government has a revenue deficit of about Rs. 14,000 crores in the Budget of 1992-93. If you look at the discretionary transfers from the Centre to the States in the course of this year, they added to over Rs. 22,000 crores. With a revenue deficit of this magnitude, the only way the Central Government can adjust is to cut down on transfers to the States. But, the would not be serving any purpose. So, I respectfully submit that in the State sector also, there is need to pay greater attention to the causes of low productivity of investments. I think Shri Chandrakar, Shri Mohan Singh and several other hon. Members also mentioned about the functioning of the State Electricity Boards, of the State Road Transport Corporations, the mal-functioning of Irrigation Department, the wasteful use of resources. If this trend

persists, merely restructuring the Centre-State relations is not going to produce the resources which we need, if we have to tackle the problems of backwardness, the problems of poverty and the problems of under-development.

With these words, I come to various issues of tax policies. Now, we do need tax reform as an integral part of the basic structural reforms. I think, it was Shri Jaswant Singh who said that we need a rationale, just and humane tax. I agree with him that we do need a tax system inspired by these ideals. We have taken the first steps. The personal income tax system has been reformed. We will come before this House with regard to the reforms of the corporate tax system. Some steps have also been taken with regard to the system of customs. Similarly, some steps have been taken with regard to the reform of the excise system. This is a three to five years programme. It is my hope that at the end of it, we will have, I think, a tax system, which gives the right incentive for savings, for investments; and at the same time, it is equitable and progressive.

Shri Jaswant Singh also brought up this issue of having a nation-wide value-added tax. I do agree with him that a time has come when we ought to be thinking in these terms all over the world. In Europe, the national frontiers are becoming meaningless; the tariffs are being reduced to zero; have been reduced to zero. There is free movement of capital, free movement of labour. You have Western Europe of 350 million people and there is no tax. Now, India is to compete against that part of the world environment, a United Western Europe, tariff-free Europe. There are common markets coming up in Asia; there are common markets coming up in Latin America. We cannot do so on the basis of a fragmented economy. Therefore, this old thinking of not taking great advantage of India being a common market, this fragmented indirect system of taxation, that has developed in our country, does require a relook. But this requires a major effort and rethinking about Centre-State financial relations. We have to prepare a ground for it.

But that is long-term direction in which we have to move.

Now I come to specific points which have been made with regard to various tax proposals. Some Members of this House, particularly those on the Opposition, have said that the personal income-tax exemption limit ought to be raised to Rs. 48,000. I have already gone some way in meeting the demands of people in lower income groups. I sympathise with people in lower income groups, and the people in middle class income groups because inflation hurts them. But in all this, I would respectfully submit to the House we need a sense of balance and a sense of proportion. Taxation is only one side of the equation. There is also the inescapable need for essential expenditure. I have calculated that every Rs. 1,000 increase in exemption limit reduces the tax resources by Rs. 85 crore. Therefore, if we raise the exemption limit to Rs. 48,000 crore, there would be a loss of revenue. The bulk of it - 85 per cent of it - will be loss of revenue of the States. The total loss will be Rs. 1,700 crore.

[Translation]

SHRI MADAN LAL KHURANA (South Delhi): You should have thought about all these things before incorporating them in the manifesto.....(Interruptions)

[English]

SHRI MANMOHAN SINGH: At a time when we complain that in our country, the people do not get their basic needs, when we have not universalised elementary education, when infant mortality rate in our country is as high as 100, when there are all these pressing needs, how can you meet these pressing needs but for adequate resources being available to the State Governments? Therefore, those who argue for raising to exemption limit, I would respectfully submit to them that they should also look at the consequences of the loss Rs. 1,700 crore of revenues. What would happen to the States? What would happen to the anti-poverty programme? I find that the BJP friends have suddenly discovered the virtues of *Antodaya*.

[Sh. Manmohan Singh]

Now if they really think about Antodaya scheme, then they ought to look at the consequences of raising the exemption limit in terms of what it will do to the welfare of the poorest of the poor people in our country. *(Interruptions)*

I now come to the concessions with regard to sections 80-L and 80 CCA. As I stated earlier, as a concession to the sentiments expressed in this House, I have also restored the incentive under 80-L to the extent of Rs. 7,000. I would have liked to do more. But the same considerations, which weighed with me not to further raise the exemption limit, have compelled me to limit this concession to Rs. 7,000 crore.

Similarly, with regard to 80-CCA and others, what I have done by way of raising the ceiling on investments in eligible assets for section 88 to Rs. 60,000, I think, takes care of the needs of a large number of people who were hurt by the withdraw of the these concessions.

Some other points have been raised in the debate. Shrimati Geeta Mukherjee and some other honourable Members criticised the reduction in customs duties. I do not make any apology for having reduced the customs duties. If you look at the customs tariff of our country, it is among the highest in the world. I have said that before in this House that when we sit in international forums, when people find that our tariff rates are as high as 300 per cent to 400 per cent, we look as men from Mars. Tariff rates are going down all over the world. If we want India to become an internationally competitive economy, if we want our industry to modernise and to be come as efficient as industries elsewhere, then we must have a gradual programme of reducing the customs duty. It is my intention in the next three years to reduce the custom tariff rate of an average of about 25 per cent to 30 per cent because that will provide powerful incentive for modernising our industry. At the same time, I assure this House that we will not do so in any way which will hurt the Indian industry; we will provide all

facilities to the Indian industry to modernise itself. We will also ensure that any worker affected by any rationalisation, in reduction of customs duty will be provided adequate support and I do affirm - the firm Prime Minister has stated and I repeat it - that any worker who is affected by the structural adjustment programme and if anybody who is willing to work and wants to work, I think, it will be our obligation to see that he is not denied that opportunity. In the course of these years, for the first time in the Indian history, we will have roughly Rs. 2000 crores for the National Renewal Fund. I think if this Fund is used properly, we would have launched a powerful movement, for modernising out training institutions, for launching programmes, for retraining the work force and redeployment of surplus labour. We will, therefore, be able to modernise without tears. Therefore, on that point, there should be no fear that this is an anti-labour policy.

Now, some criticism was made about the excise duty concessions. I have said this before and I repeat it that the excise duty changes that have been made have taken particular care that the burden of additional excise is not put on articles of mass consumption. For example, in increasing the special excise duties, I have totally exempted things like tea, sugar, kerosene and matches. Some Members referred to handloom weavers. I would like to tell those hon. Members that as far as hank yarn is concerned, it is totally free of excise duty in any way and it will remain free of excise duty levy.

I think Shrimati Geet Mukherjee accused me of not having replied last year to her point with regard to rapid expansion of civil aviation and domestic airlines. It is true that civil aviation does use scarce petroleum products. But it is my honest belief that the solution of the problems of oil crisis in our country is to increase production of petroleum products domestically and to launch a massive movement for conservation. What is happening in our oil industry, in this context, is that our oil production, instead of increasing, is going down and that is a cause of serious

concern. I also submit to this House that the structure of relative prices in this country is such that it is a barrier to rational use of scarce petroleum products for various reasons into which I do not want to do into like political factors, populist concern, etc. As far as pricing of kerosene today in this country is concerned, in the name of poor persons, we are today creating a black income in our system of not less than Rs. 1500 crores per annum. Poor people in the villages do not get kerosene and in their name, all kerosene is being sold in the black market. If a rational pricing system did exist, the Oil and Natural Gas Commission would have Rs. 1500 crores as additional amount and that money would have been used to further expand our oil industry. I, therefore, respectfully submit to this House that the time has come to look at the whole problem of oil development, oil conservation and rational system of pricing of oil products. If we do not take care in this matter, then the balance of payments of the Eighth Five Year Plan will face a bleak prospect. If any single factor could wreck the Eighth Plan, then it will be the oil sector. So, the present trend needs to be reversed, if we take the cause of self-reliance seriously.

Some hon. Members criticised reduction in gold duty as an incentive to smuggling.

I respectfully submit that it is precisely the other way round. What I have done is to reduce the incentive for smuggling. This, together with the partial convertibility of rupee, has dealt a powerful blow to the havala market and to the black-marketers. So, I think I do not accept the view that what I have done with regard to gold is something which helps smugglers. It is precisely the other way round.

But I do agree with the Members that the basic reasons for the generation of blackmoney have to be tackled at their source. What are those reasons? I think those reasons are firstly a licence permit system which is not capable of being administered and which is a source of generation of blackmoney across the board; a trade policy regime which in the past generated a large

amount of black money; and exchange control system which was not implemented and which encouraged large scale havala transactions; and a tax system which gave incentive for people to avoid taxes. We have begun a process of dealing with these basic causes for generation of blackmoney. Over a period of time, if we persevere with what we have started, I am sure, we would have reduced the incentive for generation of blackmoney very substantially.

SHRI SOMNATH CHATTERJEE: What is your assessment of the amount of blackmoney?

SHRI MANMOHAN SINGH: I am sorry, I don't believe that anybody knows it.

Some hon. Members have brought up the issue of manmade fibres, automobiles and some other sectors. I do recognise that these sectors are faced with difficult problems. We will remain alert to their needs. We will study their problems and if anything further needs to be done, we will take appropriate action. Although automobile industry may be a luxury industry, as George Fernandes has been reminding me, it is a question of employment and, therefore, we cannot be insensitive to it. We will remain alert to the needs of these sectors.

Shri Mohan Singh mentioned the problems of excessive litigation. I do agree with him that there is too much litigation in our country. In the Commissioner's meeting earlier this week, I raised precisely this point that excessive litigation does not help. We must help to reduce the tax arrears.

I think Shri K.P. Singh Deo referred to the problems of ex-servicemen. He knows that this is an issue very dear to our Government. Under the leadership of the Defence Minister our Government has found what we promised, i.e. an innovative solution to the problem of one rank-one pension. It was a difficult decision. But it is out of our regard and as a token of our appreciation of the services rendered by them that we have taken this decision. (*Interruptions*)

AN HON. MEMBER: Only words and no deeds!

SHRI MANMOHAN SINGH: We will always be sensitive - I repeat, we will always be sensitive to the needs of our ex-servicemen. We can never repay in adequate measure the debt of gratitude this nation owes to all those who laid down their lives in defending our frontiers.

Several Members have raised the problems facing the small scale industries. Let me assure them that our Government takes, very seriously, the task of helping the small scale industry in every possible way. But I respectfully submit that my analysis of the tax system of our country shows me that whatever problems that the small scale industry may face, these problems do not lie in the area of taxes. There are large scale exemptions available to the small scale industry. Shri Jaswant Singh brought a particular notification to my notice, which caused some problems. I promise him that would be looked into. That can be looked into even after the Finance Bill is passed.

The basic problems of the small scale industry, in my view, are the problems of marketing, problems of technology upgradation and too many inspectors roaming around the small scale industry establishments. In all these areas, we need to work out innovative solutions. But taxation is not a problem. Although it is true that 30 to 40 per cent of industrial production is accounted for by the small scale industry, as per the calculation that I did, their contribution to the overall tax system probably does not exceed Rs. 800 crore. I respectfully submit that the solutions of the problems of the small scale industry are not to be found in the area of taxation, but in those areas which I have mentioned just now.

SHRI SOMNATH CHATTERJEE: Not SIDBI. SIDBI is not really helping. Please look into it.

SHRI MANMOHAN SINGH: Sir, I think, I have covered most of the points that have been made.

One final point with regard to the reform of FERA which Shri Jaswant Singh has mentioned. An exercise is under way and we are going to come forward with a legislation to reform FERA.

Finally to conclude, I would like to mention about SEBI. I have made a statement in this House. There was a Calling Attention Motion. I have covered various issues that have arisen at that time. I can assure the House once again that we will give every support to SEBI to discharge its responsibility of investors' protection. Whosoever is guilty of malpractices in the working of the small scale sector, we will take effective action.

With these few words, I thank all the hon. Members and I commend this Bill to the House.

SHRIMATI GEETA MUKHERJEE: What about taxation on rural rich?

MR. SPEAKER: The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1992-93, be taken into consideration."

The motion was adopted

MR. SPEAKER: The House will now take up Clause-by-Clause consideration of the Bill. There are amendments to Clause 2. Shri Moreshwar Save. Are you moving?

Clause 2 - Income Tax

SHRI MORESHWAR SAVE
(Aurangabad): I beg to move:

Page 3, line 16,—

for "twenty-eight thousand rupees"
substitute—

"thirty-nine thousand rupees" (1)

Page 3, lines 38 and 39, —

for "twenty-eight thousand rupees"

substitute

"thirty-nine thousand rupees" (2)

MR. SPEAKER: I shall now put the amendment Nos. 1 and 2 moved by Shri Moreshwar Save to the vote of the House.

Amendment Nos 1 and 2 were put and negatived

MR. SPEAKER: Mr. P.C. Thomas. Are you moving?

SHRI P.C. THOMAS: No, Sir.

MR. SPEAKER: Prof. Rasa Singh Rawat, are you moving your Amendments?

[Translation]

PROF. RASA SINGH RAWAT (Ajmer): Mr. Speaker, Sir, I beg to move —

" Page 3, line 16,

for "twenty-eight thousand rupees:"

substitute "forty eight thousand rupees" (130)

Page 3, lines 38 and 39, —

for "twenty eight thousand rupees"

Substitute "forty eight thousand rupees" (131)

[English]

MR. SPEAKER: The question is:

"That Amendment Nos. 130 and 131 moved by Prof. Rasa Singh Rawat be adopted".

Those in favour will please say 'Aye'.

SEVERAL HON. MEMBERS: 'Aye'

MR. SPEAKER: Those against will please say 'No'.

*Wrongly voted for Ayes.

SEVERAL HON. MEMBERS: 'No'.

MR. SPEAKER: I think the 'Ayes' have it. The 'Ayes' have it.

SOME HON. MEMBERS: The 'Noes' have it.

SHRI LAL K. ADVANI (Gandhinagar): Sir, these Amendments are regarding raising the exemption limit of Income Tax from Rs. 28,000 to Rs. 48,000.

MR. SPEAKER: Let the Lobbies be cleared.....

MR. SPEAKER: Now I put amendments Nos 130 and 131 to the vote. The question is:

Page 3, line 16, —

for "twenty-eight thousand rupees"

substitute "forty-eight thousand rupees" (130)

Page 3 lines 38 and 39, —

for "twenty-eight thousand rupees"

substitute "forty-eight thousand rupees: (131)

The Lok Sabha divided:

818.35 hrs.

Division, No. 17

AYES

Abedya Nath, Mahant

Advani, Shri Lal K.

Agnihotri, Shri Rajendra

Ahamed, Shri E.

Balayogi, Shri G.M.C.	Joshi, Shri Dau Dayal
Baliyan, Shri N.K.	Kalka Das, Shri
Bandaru, Shri Dattatraya (Secunderabad)	Kamal, Shri Shyam Lal
Berwa, Shri Ram Narain	Kanaujia Dr. G.L.
Bhargava, Shri Girdhari Lal	Kanodia, Shri Mahesh
Chauhan, Shri Chetan P.S.	Kapse, Shri Ram
Chavda, Shri Harisinh	Kashwan, Shri Ram Singh
Chhatwal, Shri Sartaj Singh	Katheria, Shri Prabhu Dayal
Chhotey Lal, Shri	Khandelwal, Shri Tara Chand
Chikhlia, Shrimati Bhavna	Khanduri, Shri Bhuwan Chandra
Choudhary, Shri Ram Tahal	Khanoria, Shri D.D.
Chowdhary, Shri Pankaj	Khurana, Shri Madan Lal
Das, Shri Dwaraka Nath	Kori, Shri Gaya Prasad
Deshmukh, Shri Chandubhai	Krishnendra Kaur (Deepa), Shrimati
Dhumal, Prof. Prem	Kumar, Shri V. Dhananjaya
Dikshit, Shri Shreesh Chandra	Lodha, Shri Guman Mal
Drona, Shri Jagat Vir Singh	Mahajan, Shrimati Sumitra
Fundkar., Shri Pandurang Pundlik	Mahendra Kumari, Shrimati
Gangwar, Dr. P. R.	Mallikarjunaiah, Shri S.
Gangwar, Shri Santosh Kumar	Maurya, Shri Anand Ratna
Gautam, Shrimati Sheela	Mishra, Shri Janardan
Gohil, Dr. Mahavirsinh Harisinhji	Misra, Shri Shyam Bihari
Gowda, Prof. K. Venkatagiri	Munda, Shri Kariya
Jaswant Singh, Shri	Naik, Shri Ram
Jeswani, Dr. K.D.	Pandeya, Dr. Laxminarayan
Joshi, Shri Anna	Passi, Shri Balraj
	Patel, Dr. Amrit Lal Kalidas

Patel, Shri Chandresh
 Patel, Shri Haribhai
 Patel, Shri Somabhai
 Pathak, Shri Harin
Prem, Shri B.L. Sharma
 Purkayastha, Shri Kabindra
 Raje, Shrimati Vasundhara
 Ramdew Ram, Shri
 Rana, Shri Kashiram
 Rawal, Dr. Lal Bahadur
 Rawat, Shri Bhagwan Shankar
 Rawat, Prof. Rasa Singh
 Sanghani, Shri Dileep Bhai
 Saraswati, Shri Yoganand
 Sarode, Dr. Gunvant Rambhau
 Save, Shri Moreshwar
 Scindia, Shrimati Vijayaraje
 Shah, Shri Manabendra
 Shakya, Dr. Mahadeepak Singh
 Sharma, Shri Jeewan
 Sharma, Shri Rajendra Kumar
 Shastri, Acharya Vishwanath Das
 Shukla, Shri Astbhuja Prasad
 Singh, Dr. Chattrapal
 Singh, Shri Rajveer
 Singh, Shri Ram
 Singh, Shri Rampal

Singh, Shri Satya Deo
 Tandel, Shri D. J.
 Thakore, Shri Gabhaji Mangaji
 Tomar, Dr. Ramesh Chand
Topiwala, Shrimati Dipika H.
 Tripathi, Shri Lakshmi Narain Mani
 Tripathi, Shri Prakash Narain
 Trivedi, Shri Arvind
 Veghela, Shri Shankersinh
 Vajpayee, Shri Atal Bihari
 Varma, Shri Ratilal
 Veerappa, Shri Ramchandra
 Vekaria, Shri Shivlal Nagjibhai
 Verma, Shri Sushil Chandra

NOES

Adaikalaraj, Shri L.
Ahmed, Shri Kamaluddin
 Aiyar, Shri Mani Shankar
 Akber Pasha, Shri B.
 Anbarasu Era, Shri
 Anthony, Shri Frank
 Antulay, Shri A.R.
 Arunachalam Shri M.
 Asokaraj, Shri A.
 Athithan, Shri R. Dhanuskodi
 Banerjee, Kumari Mamata
 Bansal, Shri Pawan Kumar

Bhadana, Shri Avtar Singh
 Bhagey Gobardhan, Shri
 Bhakta, Shri Manoranjan
 Bhandari, Shrimati Dil Kumari
 Bhatia, Shri Raghunandan Lal
 Bhattacharaya, Shrimati Malini
 Bhoi, Dr. Krupasindhu
 Bhonele, Shri Prataprao B.
 Bhonele, Shri Tejsingh Rao
 Bhuria, Shri Dileep Singh
 Birbal, Shri
 Buta Singh Shri
 Chacko, Shri P. C.
 Chaliha, Shri Kirip
 Chandrakar, Shri Chandulal
 Chandrasekhar, Shrimati
 Maragatham
 Charles, Shri A.
 Chaudhary, Shri Kamal
 Chaudhary, Shri Ram Prakash
 Chaudhri, Shri Narain Singh
 Chaure, Shri Bapu Hari
 Chavan, Shri Prithviraj D.
 Chavda, Shri Ishwarbhai Khodabhai
 Chidambaram, Shri P.
 Chowdary, Dr. K.V.R.
 Chowdhary, Shrimati Santosh

Dadahoor, Shri Gurcharan Singh
 Damor, Shri Somjibhai
 Deka, Shri Probin
 Dennis, Shri N.
 Deora, Shri Murlidhar
 Deshmukh, Shri Anantrao
 Deshmukh, Shri Ashok Anandrao
 Dev, Shri Sontosh Mohan
 Devarajan, Shri B.
 Devi, Shrimati Bibhu Kumari
 Dighe, Shri Sharad
 Digvijaya Singh, Shri
 Dutt, Shri Sunil
 Faleiro, Shri Eduardo
 Farrook, Shri M.O.K.
 Fernandes, Shri Oscar
 Gaikwad, Shri Udaysing Rao
 Gajapathi, Shri Gopi Nath
 Galib, Shri Gurcharan Singh
 Gamit, Shri Chhitubhai
 Gavli, Shri Manikrao Hodiya
 Gehlot, Shri Ashok
 Ghatowar, Shri Paban Singh
 Giriappa, Shri C.P. Mudala
 Gogol, Shri Tarun
 Gomango, Shri Giridhar
 Gudadinni, Shri B.K.

Gundewar, Shri Vilasrao Nagnathrao
 Handique, Shri Bijoy Krishna
 Harchand Singh, Shri
 Hooda, Shri Bhupinder Singh
 Inder Jit, Shri
 Islam, Shri Nurul
 Jaffer Sharief, Shri C.K.
 Jagmeet Singh, Shri
 Janarthanan, Shri M.R. Kadambur
 Jangde, Shri Khelan Ram
 Jatav, Shri Bare Lal
 Jawali, Dr. B.G.
 Jayamohan, Shri A.
 Jeevarathinam, Shri R.
 Jhikram, Shri Mohanlal
 Kahandole, Shri Z.M.
 Kairon, Shri Surinder Singh
 Kale, Shri Shankarrao D.
 Kaliaperumal, Shri P.P.
 Kamal Nath, Shri
 Kamat, Shri Gurudas
 Kamble, Shri Arvind Tulshiram
 Kamson, Prof. M.
 Kanithi, Dr. Viswanatham
 Karreddula, Shrimati Kamala Kumari
 Kasu, Shri Venkata Krishna Reddy
 Kaul, Shrimati Sheila

Kaur, Shrimati Sukhbans
 Kewal Singh, Shri
 Khan, Shri Aslam Sher
 Khan, Shri Ayub
 Khurshheed, Shri Salman
 Konathala, Shri Rama Krishna
 Krishan Kumar, Shri S.
 Krishnaswamy, Shri M.
 Kshirsagar, Shrimati Kesharbai Sonaji
 Kudumula, Kumari Padamasree
 Kuli, Shri Balin
 Kumaramangalam, Shri Rangrajan
 Kuppuswamy, Shri C.K.
 Kurien, Prof. P.J.
 Lakshmanan, Prof. Savithri
 Malik, Dharampal Singh
 Mallikarjun, Shri
 Mallu, Dr. R.
 Marbaniang, Shri Peter G.
 Mathew, Shri Pala K.M.
 Meena, Shri Bheru Lal
 Meghe, Shri Datta
 Mirdha, Shri Nathu Ram
 Mirdha, Shri Ram Niwas
 Muniyappa, Shri K.H.
 Murthy, Shri M.V. Chandrashekara
 Murugesan, Dr. N.

Muttemwar, Shri Vilas

Narayanan, Shri K.R.

Narayanan, Shri P. G.

Nawale, Shri Vidura Vithoba

Nayak, Shri Mrutyunjaya

Nayak, Shri Subash Chandra

Netam, Shri Arvind

Nikam, Shri Govindrao

Nyamagouda, Shri S.B.

Odeyar, Shri Channaiah

Pal, Dr. Debi Prosad

Palacholla, Shri Venkata Rangayya
Naidu

Panigrahi, Shri Sriballav

Pate, Shri Harilal Nanji

Patel, Shri Praful

Patel, Shri Shravan Kumar

Patel, Shri Uttambhai Harjibhai

patil, Shri Prakash V.

Patil, Shrimati Pratibha Devisingh

Patil, Shrimati Surya Kanta

Patil, Shri Uttamrao Dcorao

Patil, Shri Vijay Naval

Patil, Shri Yashwantrao

Patra, Dr. Kartikeswar

Pattanayak, Shri Sarat Chandra

Pawar, Shri Sharad

Pawar, Dr. Vasant Niwritti

Peruman, Dr. P. Vallal

Pilot, Shri Rajesh

Poosapati, Shri Anandgajapati Raju

Pötdukhe, Shri Shantaram

Prabhu, Shri R.

Prabhu Zantye, Shri Harish Narayan

Pradhani, Shri K.

Rahi, Shri Ram Lal

Rai, Shri Kalp Nath

Rajaravivarma, Shri B.

Rajendra Kumar, Shri S.S.R.

Rajeswari, Shrimati Basava

Raju, Shri Bh. Vijayakumar

Rajulu, Dr. R.K.G.

Ram Babu, Shri A.G.S.

Ram Singh, Rao

Ramchandran, Shri Mullappally

Ramamurthy, Shri K.

Ramasamy, Shri Rajagopal Naidu

Rao, Shri J. Chokka

Rao, Shri P.V. Narasimha

Rao, Shri V. Krishna

Rath, Shri Rama Chandra

Rawat, Shri Prabhu Lal

Reddaiah Yadav, Shri K.P.

Reddy, Shri A. Indrakaran

Reddy, Shri G. Ganga

Reddy, Shri M.G.

Reddy, Shri Magunta Subbarama

Reddy, Shri R. Surender

Reddy, Shri K. Vijaya Bhaskara

Sadul, Shri Dharmanna Mondayya

Sai, Shri A. Pratap

Sahi, Shrimati Krishna

Sait, Shri Ebrahim Sulaiman

Sajjan Kumar, Shri

Sangma, Shri Purno A.

Sanipalli, Shri Gangadhara

Sawant, Shri Sudhir

Sayeed, Shri P. M.

Scindia, Shri Madhavrao

Selja, Kumari

Shankaranand, Shri B.

Sharma, Shri Chiranji Lal

Sharma, Shri Satish Kumar

Shivappa, Shri Kodakani Gowdana

Shukla, Shri Vidyacharan

Silvera, Dr. C.

Singh, Shri Arjun

Singh, Shri Dalbir

Singh, Shri Devi Bux

Singh, Shri Khelsai

Singh, Shri Manphool

Singh, Shri Motilal

Singh, Shri S. B.

Singh Deo Shri K. P

Singla, Shri Sant Ram

Sodi, Shri Manku Ram

Solanki, Shri Surajbhanu

Soundaram, Dr. (Shrimati) K.S.

Sridharan, Dr. Rajagopalan

Sreenivasan, Shri

Sukh Ram, Shri

Sultanpuri, Shri Krishan Dutt

Sundararaj, Shri N.

Suresh, Shri Kodikkunil

* Swami, Shri Sureshanand

Swamy, Shri G. Venkat

Tara Singh, Shri

Thakur, Shri Mahendra Kumar Singh

Thaugkabal, Shri K.V.

Tharadevi Siddhartha, Shrimati D. K.

Thomas, Prof. K.V.

Thomas, Shri P.C.

Thorat, Shri Sandipan Bhagwan

Thungon, Shri P.K.

Tindivanam, Shri K. Ramamurthee

Tope, Shri Ankushrao Raosaheb

Topno, Kumari Frida

Tytler, Shri Jagdish

Umbrey, Shri Laeta

Page 6, —

Upadhyay, Shri Swarup

omit lines 39 to 43 (8)

Urs, Shrimati Chandra Prabha

Amendments made:

Verma, Shri Bhawari Lal

Page 6, for line 27, *substitute*—

Verma, Kumari Vimla

" Exchange Board of India or the Reserve Bank of India" shall be inserted; (48)

Vijayaraghavan, Shri V.S.

Vyas, Dr. Girija

Page 6, in line 31, for "Ordinance", *substitute* "Act".

Wasnik, Shri Mukul Baikrishna

Williams, Shri R. G.

(Shri Manmohan Singh)

Yashpal, Shri

MR. SPEAKER: Prof. Rana Singh Rawat — not present.

MR. SPEAKER: Subject to correction, the result of the division is:

Ayes : 98

Noes : 235

The Amendment Nos. 130 and 131 were negatived

MR. SPEAKER: The question is:

"That Clause 2 stand part of the Bill".

*The motion was adopted.**Clause-2 was added to the Bill.*

MR. SPEAKER: The question is:

"That clause 3 stand part of the Bill".

*The motion was adopted**Clause 3 was added to the Bill.**Clause 4 — Amendment of Section 10*

SHRI GIRDHARI LAL BHARGAVA

(Jaipur): I beg to move:

MR. SPEAKER: I now put Amendment No. 8 moved by Shri Girdhari Lal Bhargava to the vote of the House.

Amendment No. 8 was put and negatived.

MR. SPEAKER: The question is:

" That Clause 4, as amended, stand part of the Bill."

*The motion was adopted.**Clause 4, as amended, was added to the Bill.*

MR. SPEAKER: The question is:

"That clauses 5 and 6 stand part of the Bill"

*The motion was adopted**Clauses 5 and 6 were added to the Bill.*

MR. SPEAKER: Clause 7. There are amendments No. 3 by Shri Moreshwar Save and No. 9 by Shri Girdhari Lal Bhargava.

*Clause 7— Amendment of Section 16***Wrongly voted for Noes.*

SHRI MORESHWAR SAVE
(Aurangabad): I beg to move —

Page 7, —

for clause 7, *Substitute*—

7. In section 16 of the Income-tax Act, for clause (i) the following shall be substituted with effect from the 1st day of April, 1993, namely:—

(i) a deduction of a sum equal to forty per centce of the salary or fifteen thousand rupees, whichever is less." (3)

SHRI GIRDHARI LAL BHARGAVA : I beg to move—

Page 7, lines 5 and 6,—

omit " being a woman, whose total income before making any deduction under this clause does not exceed seventy-five thousand rupees." (9)

MR. SPEAKER: I shall now put Amendment No. 3 to the vote of the House.

Amendment No. 3 was put and negatived.

MR. SPEAKER: I shall now put Amendment No. 9 to the vote of the House.

Amendment No. 9 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 7 stand part of the Bill".

The motion was adopted

Clause 7 was added to the Bill.

MR. SPEAKER: The question:

"That clauses 8 and 9 stand part of the Bill

The motion was adopted.

Clauses 8 and 9 were added to the Bill.

MR. SPEAKER: For clause 10 there are amendments by Shri Girdhari Lal Bhargava and Shri Ram Kapse.

Clause 10 - Amendment of Section 24

SHRI GIRIDHARI LALO BHARGAVA: I beg to move—

Page 7,—

after line 32, insert—

'(2) in sub-section (2), in the proviso, for the words "five thousand rupees", the words "twenty-five thousand rupees" shall be substituted.' (10)

SHRI RAM KAPSE (Thane); I beg to move —

Page 7,—

after line 32, insert—

"(2) in sub-section (2), in the proviso for the words "five thousand rupees", the words "ten thousand rupees" shall be substituted." (127)

MR. SPEAKER: I shall now put Amendment No. 10 to the vote of the House.

Amendment No. 10 was put and negatived

MR. SPEAKER: I shall now put Amendment No. 127 to the vote of the House.

Amendment No. 127 was put and negatived

MR. SPEAKER: The question is:

"That Clause 10 stand part of the Bill".

The motion was adopted

Clause 10 was added to the Bill.

[Translation]

MR. SPEAKER: Clause 11, Shri Manmohan Singh.

SHRI GIRDHARI LAL BHARGAVA: I beg to move—

Clause 11 — Amendment of Section 28

Page 7, line 48 — for "two-third" Substitute "ninety per cent". (23)

Amendment made:

[English]

Page 7, for line 36, substitute—

PROF. RASA SINGH RAWAT (Ajmer): I beg to move—

"received by, a partner of a firm from such firm:

Page 7, line 48,—

Provided that where any interest, salary, bonus, commission or remuneration, by whatever name called, or any part thereof has not been allowed to be deducted under clause (b) of section 40, the income under this clause shall be adjusted to the extent of the amount not so allowed to be deducted". (50)

for "two-third"

Substitute "eighty per cent". (133)

MR. SPEAKER: Now I will put amendment no. 23 to Clause 13 to the vote of the House.

Amendment No. 23 was put and negatived

(Shri Manmohan Singh)

MR. SPEAKER: Now, I will put amendment no. 133 to Clause 13 to the vote of the House.

Mr. SPEAKER: The question is:

Amendment No. 133 was put and negatived

"That Clause 11, as amended, stand part of the Bill".

MR. SPEAKER: The question is:

The motion was adopted.

"That Clause 13 stand part of the Bill".

Clause 11, as amended, was added to the Bill.

The motion was adopted

MR. SPEAKER: The question is:

Clause 13 was added to the Bill

"That clause 12 stand part of the Bill".

MR. SPEAKER: The question is:

The motion was adopted.

"That clauses 14 and 15 stand parts of the Bill".

Clause 12 was added to the Bill.

The motion was adopted

Clause 13 — In section of new Section 34
A

Clauses 14 and 15 were added to the Bill.

Clause 16 — Amendment of Section 40.

* Amendment made

Page 9, for lines 1 to 7, substitute—

- | | | |
|------------------------------------|---|--|
| (a) | on the first Rs. 1,00,000 of the | Rs. 50,000 or at the rate of 90 per book-profit or in case of a loss. cent. of the book-profit, whichever is more; |
| (b) | on the next Rs. 1,00,000 of the book-profit. | at the rate of 60 per cent; |
| (c) | on the balance of the book-profit. | at the rate of 40 per cent; |
| (2) In the case of any other firm— | | |
| (a) | on the first Rs. 75,000 of the book-profit, or in case of a loss. | Rs. 50,000 or at the rate of 90 per cent of the book-profit, whichever is more; |
| (b) | on the next Rs. 75,000 of the book-profit, | at the rate of 60 per cent; |
| (c) | on the balance of the book-profit. | at the rate of 40 per cent. |

Provided that in relation to any payment under this clause to the partner during the previous year relevant to the assessment year commencing on the 1st day of April, 1993, the terms of the partnership deed may, at any time during the said previous year, provide for such payment." (51)

"working partner" means an individual who is actively engaged in conducting the affairs of the business or profession of the firm of which he is a partner", (52)

(Shri Manmohan Singh)

Page 9, for lines 20 to 23, substitute—

'Explanation 3.—For the purposes of this clause, "book-profit" means the net profit, as shown in the profit and loss account for the relevant previous year, computed in the manner laid down in Chapter IV-D as increased by the aggregate amount of the remuneration paid or payable to all the partners of the firm if such amount has been deducted while computing the net profit.

'Explanation 4.—For the purposes of this clause,

MR. SPEAKER: The question is:

"That Clause 16, as amended, stand part of the Bill".

The motion was adopted

Clause 16, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 17 to 23 stand part of the Bill".

The motion was adopted

Clauses 17 to 23 were added to the Bill.

Clause 24 — Substitution of new section for section 48

capital asset being buildings or lands appurtenant thereto and being a residential house, the income of which is chargeable under the head 'Income from house property' the capital gain upto two hundred thousand rupees arising from such transfer shall not be charged under section 45". (24)

Amendment made

Page 10, in line 54, for "asset is sold"

Substitute "asset is transferred". (53)

Page 10, in line 58, for "asset is sold".

Substitute "asset is transferred:.. (54)

[English]

MR. SPEAKER: Now, I will put amendment no. 24 to Clause 26 to the vote of the House.

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

Amendment No. 24 was put and negated.

"That Clause 24, as amended, stand part of the Bill".

MR. SPEAKER: The question is:

The motion was adopted.

"That Clause 26 stand part of the Bill."

Clause 24, as amended, was added to the Bill.

The motion was adopted.

MR. SPEAKER: The question is:

Clause 26 was added to the Bill.

"That clause 25 stand part of the Bill".

MR. SPEAKER: The question is:

The motion was adopted

"That clause 27 to 29 stand part of the Bill".

Clause 25 was added to the Bill.

The motion was adopted.

Clause 26— Omission of section-53

Clauses 27 to 29 were added to the Bill.-

[Translation]

Clause 30— Amendment of section 54E

SHRI GIRDHARI LAL BHARGAVA: I beg to move—

Amendments made

Page 11, —

Page 11, for line 14, substitute,—

26, for section 53 of Income Tax Act, the following section shall be substituted with effect from 1st day of April, 1993 namely:

"30. In section 54E of the Income tax Act,- (i) in sub-section (1), -"

Page 11, after line 18, insert,—

"53 notwithstanding anything contained in section 45, where in the case of an assessee being an individual the capital gains arises from the transfer of a long term

'(ii) after sub-section (1B), the following sub-section shall be inserted, namely:-

" (1C) Notwithstanding anything contained in sub-section (1), where

the capital gain arises from the transfer of the original asset, made after the 31st day of March, 1992, in respect of which the assessee had received any amount by way of advance on or before the 29th day of February, 1992 and had invested or deposited the whole or any part of such amount in the new asset on or before the later date, then, the provisions of clauses (a) and of sub-section (1) shall apply in the case of such investment or deposit as they apply in the case of investment or deposit under that sub-section." (56)

(Shri Manmohan Singh)

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.

[Translation]

Clause 31—Amendment of section 54F

SHRI GIRDHARI LAL BHARGARA: I beg to move:

Page 11, —

for clause 31, Substitute—

31. In the explanation to Sub section (4) of section

54F of the Income Tax Act, for the words

"Fifteen thousand rupees" the words

"Thirty thousand rupees" shall be substituted". (25)

[English]

MR. SPEAKER: Now, I put amendment No. 25 to Clause 31 to the vote of the House.

Amendment No. 25 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 31 stand part of the Bill".

The motion was adopted.

Clause 31 was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 32 and 33 stand part of the Bill".

The motion was adopted.

Clause 32 and 33 were added to the Bill.

Clause 34—Amendment of section 55

Amendment made

Page 11, for line 27, *Substitute—*

'(ii) the words "and the fair market value of the asset on that day is taken as the cost of acquisition at the option of the assessee," shall be omitted". (57)

Page 11, for lines 28 to 35, *substitute—*

'(b) in sub-section (2), in clause (b), for the figures "1974", wherever they occur, the figures "1981" shall be substituted". (58)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 34, as amended, stand part of the Bill".

The motion was adopted.

Clause 34, as amended, was added to the Bill

Clause 35 — Amendment of section
64

[Translation]

SHRI GIRDHARI LAL BHARGAVA : I beg to move—

Page 12,—

omit lines 25 to 42 (26)

[English]

SHRI JASWANT SINGH (Chittorgarh): I beg to move—

Page 11, —

(i) omit line 45

(ii) omit lines 48 to 50 (34)

Page 12,—

Omit line 42 (35)

SHRI MANMOHAN SINGH: This particular matter is now before the Tax Reforms Committee. Several Members have suggested that I reconsider this matter. I, therefore, propose to omit/Clause 59 of the Finance Bill, 1992.

[Translation]

SHRIMATI SUMITRA MAHAJAN (Indore): I beg to move—

Page 12,—

Omit lines 36 to 42 (142)

[English]

MR. SPEAKER: Now, I put amendment No. 26 to Clause 35 to the vote of the House.

Amendment No. 26 was put and negatived.

MR. SPEAKER: Now, I put amendments Nos. 34 and 35 to Clause 35 to the vote of the

House.

Amendment Nos. 34 and 35 were put and negatived.

MR. SPEAKER: Now, I put amendment No. 142 to Clause 35 to the vote of the House.

Amendment No. 142 was put and negatived.

Amendment made

Page 11, for lines 39 to 45 *Substitute* —

"(ii) clause (iii) and (v) shall be omitted." (59)

Page 11, in line 46 for "(iv)", *substitute* "(iii)". (60)

Page 11, in line 48, for "(v)", *substitute* (iv)". (61)

Page 11, in line 49, for "(vi)", *substitute* "(v)". (62)

Page 11, in line 50, for "(vii)", *substitute* "(vi)". (63)

Page 11, in line 51, for "(viii)", *substitute* "(vii)". (64)

Page 12, in line 8, for "(ix)", *substitute* "(viii)". (65)

Page 12 in line 9, for "(x)", *substitute* "(ix)". (66)

Page 12, for line 31, *substitute*—

"(b) activity involving application of his skill, talent or specialised knowledge and experience". (67)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That clause 35, as amended, stand part of the Bill".

The motion was adopted.

the Bill".

Clause 35, as amended, was added to the Bill.

The motion was adopted.

MR. SPEAKER: The question is:

Clauses 36 to 38 were added to the Bill.

"That clauses 36 to 38 stand part of

Clause 39— Omission of sections 75, 76 and 77.

Amendment made:

Page 12, for clause 39, substitute—

Substitution of new section for section 75, 76 and 77. '39. For sections 75, and 77 of the Income-tax Act, the following section shall be substituted, with effect from the 1st day of April, 1993, namely:-

Losses of registered firms. "75. Where the assessee is a firm, any loss in relation to the assessment year commencing on or before the 1st day of April, 1992, which could not be set off against any other income of the firm and which had been apportioned to a partner of the firm but could not be set off by such partner prior to the assessment year commencing on the 1st day off April, 1993, then, such loss shall be allowed to be set of against the income of the firm subject to the condition that the partner continues in the said firm and to be carried forward for set off under sections 70, 71, 72, 73, 74 and 74A". (68)

(Shri Manmohan Singh)

MR SPEAKER: The question is:

Singh Ji, are you moving your amendment?

"That clause 39, as amended, stand part of the Bill".

SHRI JASWANT SINGH: Shri since, the substance of my amendment is conceded by the hon. Minister, I am not moving it.

The motion was adopted

Clause 39, as amended, as added to the Bill.

MR. SPEAKER: Shri Rajendra Kumar Sharma.

MR. SPEAKER: The question is:

SHRI RAJENDRA KUMAR SHARMA: I am not moving, Sir.

"That clauses 40 and 41 stand part of the Bill".

MR. SPEAKER: The question is:

The motion was adopted.

"That clause 42 stand part of the Bill".

Clauses 40 and 41 were added to the Bill.

The motion was adopted

MR. SPEAKER: New Clause 42, Jaswant

Clause 42 was added to the Bill.

MR. SPEAKER: Clause 43 Shri Jaswant Singh.

SHRI JASWANT SINGH: Here also, Sir, since the substance of my amendment has been conceded, I am not moving my amendment.

MR. SPEAKER: The question is:

"That clause 43 stand part of the Bill".

The motion was adopted.

Clause 43 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 80 HHC

SHRI ANNA JOSHI (Pune): Sir, I beg to move:

Page 13, line 46,—

add at the end—

'and after the existing proviso, the following proviso shall be inserted namely:—

"Provided further that where the export out of India is of goods of merchandise manufactured by the assessee or of trading goods and is in respect of projects completed abroad, deduction equal to hundred per cent of the profit derived by the assessee shall be allowed".(128)

MR. SPEAKER: I now put amendment No. 128 moved by Shri Anna Joshi to the vote of the House.

Amendment No. 128 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 46 stand part of the Bill".

The motion was adopted

Clause 46 was added to the Bill.

MR. SPEAKER: The question is:

"That clause 47 stand part of the Bill".

The motion was adopted

Clause 47 added to the Bill.

Clause 48 — Omission of section 80L

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): I beg to move:

"Page 13—

for clause 48, substitute—

40: for section 80L of the Income Tax Act, the following section shall be substituted with effect from the 1st day of April, 1993, namely:—

'80L. Where the assessee is in receipt of income from interest on certain securities and dividend as notified by the Government he shall be allowed upto an amount of Rs. thirteen thousand rupees a tax rebate of twenty per cent, in addition to what is provided for in section 88". (4)

MR. SPEAKER: Sir, a similar amendment is there by Dr. Manmohan Singh. (*Interruptions*)

MR. SPEAKER: You had enough time to speak. You spoke yesterday. You spoke on the amendments also.

SHRI NIRMAL KANTI CHATTERJEE:
Sir, this is a matter of technicality.

MR. SPEAKER: No. This is really very very incorrect.

(Interruptions)

MR. SPEAKER: Please resume your seat.

SHRI NIRMAL KANTI CHATTERJEE:
What is the meaning of these amendments?
(Interruptions) In section 88, Rs. 13,000 which was allowed to be income....

MR. SPEAKER: You had the opportunity of explain your amendment yesterday.

(Interruptions)

SHRI SOMNATH
CHATTERJEE(Bolpur): Why do you not allow him to explain?

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: It was his argument that this concession was.....
(Interruptions) He has just now said that Rs. 7,000 is given. His argument is that this concession was rejected because a person having a taxable income of 40 per cent, he will get a benefit of Rs. 5,200. But a person at the level of 20 per cent will get a tax benefit of Rs. 2,600. Despite this argument he has introduced the amendment that in place of Rs. 13,000 it should be Rs. 7,000 and making it regressive all the same. My proposal is that instead of keeping it regressive let the amount of Rs. 13,000 be allowed. But in terms of Section 88 a person having an income above tax will get the benefit of only Rs. 2,600 and a person having income of Rs. 3,000 will also get the benefit of Rs. 2,600. *(Interruptions)*

MR. SPEAKER: Why did you not explain all this yesterday? You spoke for a pretty long time.

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE:

I request the hon. Finance Minister to accept my amendment, instead of his own amendment. I request him.

MR. SPEAKER: Shri Giridharilal Bhargava, re you moving your amendment?

SHRI GIRIDHARI LAL
BHARGAVA(Jaipur): No sir.

MR. SPEAKER: Shri Jaswant Singh, are you moving your amendment?

SHRI JASWANT SINGH (Chittorgarh):
Sir, I will take a minute. My earlier amendment related to Sections 80-CCA and 80-CCB. This is about Section 88-L. The hon. Finance Minister had very rightly held a consultation with my senior leaders, Shri Atal Bihari Vajpayee, Shri Lal K. Advani and I and the substance of this having been conceded by the Government, which relates to small scale savings, I not moving my amendment.

Amendment made:

Page 13, for clause 48, substitute-

Amendment of section 80L

- '48. In section 80L of the Income-tax Act, the first and second provisos to sub-section (1) shall be omitted with effect from the 1st day of April, 1993". (69)

(Shri Manmohan Singh)

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE:
You explain why you are not accepting my amendment. You are giving Rs. 2,800 to somebody earning Rs. 1,00,000....
(Interruptions)

MR. SPEAKER: Please resume your seat. It is very cooperative of you.

Now I must Amendment No. 4 to Clause. 48 to the vote of the House.

Amendment No. 4 was put and negatived

19.00 hrs

MR. SPEAKER: The question is:

"That clause 48, as amended, stand part of the Bill".

The motion was adopted.

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

MR. SPEAKER: The question is:

"That clauses 49 and 50 stand part of the Bill".

The motion was adopted.

Clauses 49 and 50 were added to the Bill.

Clause 51 — Amendment of section 88

Amendments made:

Page 14, in line 20, omit "with effect from the 1st day of April, 1993," (70)

Page 14, in line 21, after "shall be inserted.",

insert "with effect from the 1st day of April 1993." (71)

Page 14, in line 29, after "shall be substituted", insert

"with effect from the 1st day of April, 1993." (72)

Page 14, in line 31, after "shall be inserted", insert

"with effect from the 1st day of April, 1993," (73)

Page 14, in line 32, after "shall be inserted," insert

"with effect from the 1st day of April, 1993," (74)

Page 14, in line 35, after "as

subscription", insert

"not exceeding ten thousand rupees." (75)

Page 14, for line 43, substitute—

"as a contribution to any such pension fund set up by." shall be inserted with effect from the 1st day of April, 1993;

(e) in clause (xv), in sub-clause (c), in item (7), after the words "a local authority", the words "or a cooperative society "shall be inserted;" (76)

Page 14, for lines 44 to 48, substitute—

"(iii) in sub-section (6), with effect from the 1st day of April, 1993,—

(a) in clause (i), for the words and brackets "being an author, playwright, artist, musician, actor or sportsman (including an athlete), fourteen thousand", the words and brackets "whose income derived from the exercise of his profession as an author, play-write, artist, musician, actor or sportsman (including an athlete), is twenty-five per cent, or more of his total income, seventeen thousand five hundred" shall be substituted;

(b) in clause (ii), for the words "ten thousand", the words "twelve thousand" shall be substituted." (77)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That clause 51, as amended, stand part of the Bill."

The motion was adopted.

Clause 51, as amended, was added to the Bill.

Clause 52 — Insertion of new section 88B.

SHRI GIRIDHARI LAL BHARGAVA: I beg to move:

Page 14, lines 52 and 53—

for "fifty thousand rupees",

Substitute "one lakh rupees." (28)

MR. SPEAKER: I shall now put the amendment moved by Shri Giridhari Lal Bhargava to the vote of the House.

Amendment No. 28 was put and negatived.

MR. SPEAKER: The question is:

"That clause 52 stand part of the Bill".

The motion was adopted.

Clause 52 was added to the Bill.

Clause 52A (New)

SHRI RUPCHAND PAL: Sir, I beg to move:

Page 14, —

after line 57, insert—

"527. In section 80GGA, of Income-Tax Act, in sub-section (2), in clause (b), after sub-clause (ii), the following sub-clause shall be inserted namely:-

"(iii) to Zilla Parishads, Municipalities and such local bodies: (143)

In half-a-minute I shall finish. (Interruptions)

I believe, Sir, that when I finish, the whole House will support me. It is about deduction in respect of certain donations for scientific research or for rural development. Such a deduction is allowed in respect of

associations and Institutions. My proposal in my amendment is that Zila Parishads and municipal bodies should also be incorporated because you are supporting Panchayati system, zila parishads are engaged in a big way in rural development and municipalities are also training their own men in scientific research and associated activities. Why such deduction will not be allowed, Sir? My amendment is for the purpose. (Interruptions)

MR. SPEAKER: Nirmal Kantiji, as usual you will help me by keeping quiete.

(Interruptions)

MR. SPEAKER: I shall now put the Amendment No. 143 moved by Shri Rupchand Pal to the vote of the House.

Amendment No. 143 was put and negatived.

Insertion Clause 53 — Insertion of new section 112

Amendments made

Page 15, in line 14, omit "firm, association of persons or body of individuals." (78)

Page 15, after line 18, insert—

'Provided that in relation to long term capital gains arising to a venture capital company from the transfer of equity shares of venture capital undertakings, the provisions of sub-clause (ii) shall have effect as if for the words "forty per cent", the words "twenty per cent" had been substituted;' (79)

Page 15, after line 23, insert—

'Explanation. — For the purposes of this sub-section—

- (a) "venture capital company" means such company as is engaged in providing finance to venture capital undertakings mainly by way of acquiring equity shares of such

undertakings or, if the circumstances so require, by way of advancing loans to such undertakings, and is approved by the Central Government in this behalf;

(b) "venture capital undertaking" means such company as the prescribed authority may, having regard to the following factors, approve for the purposes of this sub-section, namely;—

(1) the total investment in the company does not exceed ten crore rupees or such other higher amount as may be prescribed;

(2) the company does not have adequate financial Resources to undertake projects for which it is otherwise professionally or technically equipped; and

(3) the company seeks to employ any technology which will result in significant improvement over the existing technology in Indian in any field and the investment in such technology involves high risk. (80)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 53, as amended, stand part of the Bill."

The motion was adopted

Clause 53, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 54 and 55 stand part of the Bill".

The motion was adopted.

Clauses 54 and 55 were added to the Bill.

Clause 56— Insection of new section 115 AC

Amendments made

Page 15, for lines 49 to 51, substitute—

'(a) income by way of interest or dividends, on bonds or shares of an Indian company issued in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf and purchased by him in foreign currency; or'. (81)

Page 16, for line 5, substitute—

'total income been reduced by the amount of income referred to in clause (a) and clause (b).'; (82)

Page 16, after line 16, insert,—

'(4) It shall not be necessary for a non-resident to furnish under sub-section (1) of section 139 a return of his income if—

(a) his total income in respect of which he is assessable under this Act during the previous year consisted only of income referred to in clause (a) of sub-section (1); and

(b) the tax deductible at source under the provisions of Chapter XVII-B has been deducted from such income.'; (83)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 56, as amended, stand part of the Bill."

The motion was adopted

Clause 56, as amended, was added to the Bill

MR. SPEAKER: The question is:

"That clause 57 stand part of the Bill".

The motion was adopted

Clause 57 was added to the Bill

Clause 58 — Insetion of new chapter XII-C

SHRIGIRDHARILAL BHARGAVA: Sir, I beg to move:

Page 16,—

for lines 39 and 40, substitute—

- "(c) such person does not have any income chargeable to tax from any source falling under any head of income exceeding five thousand rupees other than the income from the business of retail trade during the relevant previous year. (12)

SHRI E. AHAMED (Manjeri): Sir, in view of the explanation given by the Finance Minister, I am not moving my Amendment.

SHRIGIRDHARILAL BHARGAVA: Sir, I beg to move:

Page 16, line 30,—

for "seven per cent,"

substitute "for per cent," (29)

Amendments made

Page 16, in line 25, *for "IN CERTAIN CASES", substitute "ETC."*

Page 16, *for line 28 to 31, substitute,—*

"case of any person, to whom this section applies, carrying on —

- (a) the business of retail trade in any goods or merchandise and who submits a statement in accordance

with the provisions of sub-section (3), a sum equal to seven per cent of the amount specified in sub-section (4) shall be deemed to be the profits and gains of such person from the business of retail trade;

- (b) the business of running an eating place or engaged in any vocation and who submits a statement in accordance with the provisions of sub-section (3), a sum of thirty-five thousand rupees shall be deemed to be the profits and gains of such person from such business or vocation." (85)

Page 16, *for lines 36 to 48, substitute—*

"(b) in the case of person referred to in—

- (i) clause (a) of sub-section (1), his turnover from the business of retail trade during the relevant previous year does not exceed five lakh rupees and his income from such business during that year does not exceed thirty-five thousand rupees;

- (ii) clause (b) of sub-section (1), his income from the business of running the eating place or the vocation during the relevant previous year does not exceed thirty-five thousand rupees; and

- (c) such person does not have any income, in excess of five thousand rupees in the aggregate, chargeable to tax from any source falling under any head of income other than the income from the business of retail trade or from the business of running the eating place or from the vocation during the relevant previous year.

- (3) Any person to whom this section applies shall be liable to pay tax at the rate specified in the Finance Act of the relevant year for computing advance tax on the income deemed

[Sh. Girdhari Lal Bhargava]

under sub-section (1) and the other income referred to in clause (c) of sub-section (2).

(4) Every statement referred to in sub-section (1) shall—

(a) be in the prescribed form, contain the name of such person, his address, nature of business or vocation and a declaration by him that,—

(i) where he is carrying on the business of retail trade, his turnover from such trade during the relevant previous year does not exceed five lakh rupees and his income from such trade during that year does not exceed thirty-five thousand rupees;

(ii) where he is carrying on the business of running the eating place or is engaged in the vocation, his income during the relevant previous year from such business or vocation does not exceed thirty-five thousand rupees; and such statement shall also be verified in the prescribed manner:

(b) be submitted on or before the 31st day of March of the relevant previous year along with the proof of payment of the amount of tax referred to in sub-section (3).

(5) In the case of a person who has submitted a statement under clause (a) of sub-section (1), an annual" (86)

Page 16, in line 51, for "(5)", substitute" (6)" (87)

Page 16, after line 52, insert—

'Explanation.— For the purposes of this section

"vocation" includes tailoring, hair-cutting, clothes' washing, typing, photo-copying, repair work of any kind and other services of a similar nature.' (88)

(Shri Manmohan Singh)

Page 17, in line 1, after "Chapter VI-A", insert " (except section 80L)". (89)

(Shri Manmohan Singh)

MR. SPEAKER: I shall now put the Amendment Nos. 12 and 29 moved by Shri Girdhari Lal Bhargava to the vote of the House.

Amendment Nos. 12 and 29 were put and negatived.

MR. SPEAKER: The question is:

"That Clause 58, as amended, stand part of the Bill".

The motion was adopted.

Clause 58, as amended, was added to the Bill.

SHRI MANMOHAN SINGH: Clause 59 Sir, I suggest that this Clause be withdrawn.

SHRI SOMNATH CHATTERJEE (Bolpur): Sir, why is the Finance Minister not pressing for a Clause in the Finance Bill ? This is very unusual. (*Interruptions*)

SHRI MANMOHAN SINGH: Sir, clause 59 of the Finance Bill seeks to amend Section 132 of the Income-tax Act relating to certain searches. The Tax Reforms Committee have pointed out that this matter has been considered in all its ramifications by that committee. Pending the report of that committee, in the light of representations

from several hon. Members, I am withdrawing this clause.

SHRI SOMNATH CHATTERJEE: He cannot withdraw it.

SHRI LAL K. ADVANI: It cannot be withdrawn unless the whole House agrees. Therefore, they have negatived it themselves.

MR. SPEAKER: I am again putting this clause to vote.

SHRI SOMNATH CHATTERJEE: What is the effect of a clause of the Finance Bill being defeated? How can the Government continue? What is the effect of the Financial Bill clause being defeated in the House?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): It is well established. There is a precedent. Clause 49 of the Finance Bill was put to the vote earlier. A portion was negatived. The Government does not fall, much as you would like to it. The Government does not fall if you vote down the Bill. There is a precedent.

SHRI SOMNATH CHATTERJEE: He is delivering a judgment as if he is the Supreme Court.

SHRI P. CHIDAMBARAM: I am talking about the precedent in this House.

MR. SPEAKER: I thank Mr. Somnathji as well as Mr. Chidambaramji for clearing the doubts.

SHRI SOMNATH CHATTERJEE: Let them consider it before they take any action. It is self-condemnation.

MR. SPEAKER: I am again putting it.

The question is:

"That clause 59 stand part of the Bill".

The motion was negatived.

Clause 60 - Amendment of section 139

MR. SPEAKER: Shri Girdhari Lal Bhargava.

[Translation]

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

Page 17,—

for clause 60, substitute—

'60. For sub-section (1A) of section 139, of the Income Tax Act, the following sub-section shall be substituted, with effect from 1st day of April, 1993, namely:—

(1A). Notwithstanding anything contained in sub-section (1) no person need furnish under that sub-section a return of his income, if his income during the previous year consisted only of income chargeable under the head 'Salaries;.

[English]

MR. SPEAKER: I shall put amendment No. 30 to the vote of the House.

The Amendment was put and negatived.

MR. SPEAKER: The question is:

"That clause 60 stand part of the Bill."

The motion was adopted

Clause 60 was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 61 and 62 stand part of the Bill".

The motion was adopted.

Clauses 61 and 62 were added to the Bill.

Clause 63— Amendment of section 155

Amendment made:

Page 17, for clause 63, substitute—

63. In section 155 of the Income-tax Act, with effect from the 1st day of April, 1992,—
- (a) in sub-section (1), in the opening paragraph, for the words "Where in respect of any completed assessment of a partner in a firm", the words, figures and letters "Where, in respect of any completed assessment of a partner in a firm for the assessment year commencing on the 1st day of April, 1992, or any earlier assessment year," shall be substituted;
- (b) after sub-section (1), the following sub-section shall be inserted, namely:—
- " (1A) Where in respect of any completed assessment of a firm it is found—
- (a) On the assessment or reassessment of the firm, or
- (b) on any reduction or enhancement made in the income of the firm under this section, section 154, section 250, section 254, section 260, section 262, section 263 or section 264, or
- (c) on any order passed under sub-section (4) of section 245D on the application made by the firm, that any remuneration to any partner is not deductible under clause (b) of section 40, the Assessing Officer may amend the order of assessment of the partner with a

view to adjusting the income of the partner of the extent of the amount not so deductible; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that Section being reckoned from the end of the financial year in which the final year was passed in the case of the firm." (90).

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That clause 63, as amended, stand part of the Bill."

The motion was adopted.

Clause 63, as amended, was added to the Bill.

MR. SPEAKER: Now clause 64, The question is:

"That Clause 64 stand part of the Bill."

The motion was adopted

Clause 64 was added to the Bill.

Clause 65— Substitution of sub-heading in Chapter XV

[Translation]

SHRIGIRDHARILAL BHARGAVA: Sir, I beg to move:

Page 17,—

for line 44, substitute—

"the rates specified in the First Schedule as applicable to individuals" (31)

SHRI RAJINDER KUMAR SHARMA
(Rampur): Sir, I beg to move:

Page 17, line 44,—

for " the maximum marginal rate"
substitute—

"the following rate—

- (1) Where the total income does not exceed Rs. 50,000.
 - (2) Where the total income exceeds Rs. 15,000 plus 40 per cent of the Rs. 50,000.
- amount by which the total income exceeds Rs. 50,000/-" (140)

[English]

MR. SPEAKER: I put amendment No. 31 moved by Shri Girdhari Lal Bhargavan to the vote of the House.

Amendment No. 31 was put and negatived.

MR. SPEAKER: I put amendment No. 148 moved by Shri Rajendra Kumar Sharma to the vote of the House.

Amendment No. 148 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 65 stand part of the Bill."

The motion was adopted

Clause 65 was added to the Bill.

MR. SPEAKER: The question is:

"That clause 6 stand part of the Bill".

The motion was adopted

Clause 66 was added to the Bill".

Clause 67 — Substitution of new sections 184, 185 and 186

Amendment made:

Page 18, omit lines 14 and 15 (91)

Page 18, in line 16, for "(4)" substitute "(3)" (92)

Page 18, in line 20 for "(5)", substitute "(4)" (93)

Page 18, in line 23, for "(6)", substitute "(5)". (94)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 67, as amended, stand of the Bill."

The motion was adopted.

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

Clause 68 to 71 were added to the Bill.

MR. SPEAKER: The question is:

"That clauses 68 to 71 stand part of the Bill".

The motion was adopted.

Clauses 68 to 71 were added to the Bill".

Clause 72— Amendment of section 194 A.

Amendment made:

Page 18, for lines 48 to 50, substitute—

- "(c) in sub-section (3), for clauses (vii) and (viia), the following clause shall be substituted, namely:—; (95)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 72, as amended, stand 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 stand part of the Bill".

The motion was adopted

Clause 73 was added to the Bill

SHRI MANMOHAN SINGH: Clause 74 of the Finance Bill seeks to insert a new Section under 194 DD in the Income-tax Act to provide for deduction of tax at source from interest and salary paid to its partners of a firm. It has been pointed out to me that the proposed revision will increase when workload of the firm and create practical difficulties. It is, therefore, proposed that this Clause may be negated.

MR. SPEAKER: The question is:

"That Clause 74 stand part of the Bill".

The motion was negated.

Clauses 75 to 77

MR. SPEAKER: The question is:

"That Clauses 75 to 77 stand part of the Bill".

The motion was adopted

Clauses 75 to 77 were added to the Bill.

Clause 78 — Amendment of section 197

Amendment made:

Page 20, in line 15, omit "19DD" (96)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 78, as amended, stand part of the Bill".

The motion on was adopted

Clause 78, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clause 79 stand part of the

The motion was adopted

Clause 79 was added to the Bill.

Clause 80— Amendment of section 198 to 200, 202 to 203A and 205.

Amendment made:

Page 20, for line 29 to 33, substitute—

'of June 1992, for the words, figures and letter "and section 196 B " the words, figures and letters " section 196B and section 196C" shall be substituted.'; (97)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

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

The motion was adopted.

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

Clause 81— Amendment of section 206C.

substitute "five hundred rupees". (32)

Amendment made:

Page 20, for lines 59 to 60, substitute,—

'goods but does not include,—

- (i) a public sector company,
- (ii) a buyer in the further sale of such goods obtained in pursuance of such sale, or
- (iii) a buyer where the goods are not obtained by him by way of auction and where the sale price of such goods to be sold by the buyer is fixed by or under any State Act; (98).

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 81, as amended, stand part of the Bill."

The motion was adopted

Clause 81, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 82 to 86 stand part of the Bill".

The motion was adopted

Clauses 82 to 86 were added to the Bill

[Translation]

Clause 87— Amendment of section 253

SHRIGIRDHARI LAL BHARGAVA: Mr. Speaker, Sir, I beg to move:

Page 21, line 33,—

for "one thousand and five hundred rupees."

It is my submission that the right to appeal is Rs. 250 up to Rs. 100,000. It is injustice to pay tax of Rs. 1500 on it. Therefore, I have given an amendment to it that it should be Rs. 500 instead of Rs. 1500.

[English]

MR. SPEAKER: I shall now put the amendment No. 32, moved by Shri Girdhari Lal Bhargava to the vote of the House.

Amendment No. 32 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 87 stand part of the Bill."

The motion was adopted

Clause 87 was added to the Bill.

MR. SPEAKER: The question is:

"That Clause 88 and 89 stand part of the Bill".

The motion was adopted.

Clauses 88 and 89 were added to the Bill.

Clause 89 A (New)

SHRIRUPCHAND PAL (Hooghly): Sir, I beg to move:

"Page 21,—

after line 41, insert—

"89A. Section 291 of the Income-tax Act shall be omitted." (144)

Sir, the reason behind my amendment is that by this amendment, I want to delete Section 291 of the Income-tax Act. This is the most obnoxious Section in the Income-tax Act. The offender who has evaded the Income-tax is given immunity from prosecution.

MR. SPEAKER: Now, you do not have to speak. This is not correct. You will take a very long time. If everybody wants to speak, it will take a very long time.

SHRI RUPCHAND PAL: The hon. Minister has spoken so many things about black money. When the person who is involved in evasion of tax, at the time of search also he is caught red-handed, he is given immunity from prosecution. That is the provision in Section 291. I want that this should be deleted from the Income-tax Act.

MR. SPEAKER: I now put the amendment No. 144 moved by Shri Rupchand Pal to the vote of the House.

Amendment No. 144 was put and negatived.

Clause 90— consequential Amendments

Amendment made:

Page 22, omit lines 29 and 30. (99)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 90, as amended, stand part of the Bill."

The motion was adopted

Clause 90, as amended, was added to the Bill.

Clause 91

[Translation]

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

Page 23,—

for line 4 substitute—

"(b) "urban land" means land situate in any area which is not agricultural

land". (13)

I would like to say that the land must not be taxable.

[English]

Page 22,—

Omit lines 34 and 35 (45)

SHRI JASWANT SINGH (Chittorgarh):
I beg to move:

Page 23,—

after line 13, insert—

"Provided that item (i) of clause (are) shall not apply to one residential house which is self-occupied." (41)

Page 23,—

after line 13, insert—

"Provided that where more than one buildings are in occupation of a Ruler, the provisions of item (1) of clause (ea) shall not apply to one such building which the Ruler may at his option specify in this behalf." (42)

All that I am seeking is that one residential property if it is self-occupied be exempt from wealth tax and the other part of this amendment is self-explanatory because it is an assurance given to the Parliament by an earlier Government.

Amendment made:

Page 22, in line 48, for "hire", substitute "hire or as stock-in-trade". (100)

Page 22, for line 49, substitute,—

"(iii) Jewellery, bullion and furniture, utensils or any other article made wholly or partly of gold, silver, platinum or any other precious metal

or any alloy containing one or more of such precious metals:

Provided that where any of the said assets is used by the assessee as stock-in-trade, such asset shall be deemed as excluded from the assets specified in this sub-clause;" (101)

Page 22, in clause 59, omit "set in any furniture, utensils of other article or" (102)

Page 23, for line 13, substitute,—

"other relevant considerations, specify in this behalf by notification in the Official Gazette,

"but does not include land on which construction of a building is not permissible under any law for the time being in force in the area in which such land is situated or the land occupied by any building which has been constructed with the approval of the appropriate authority or any unused land held by the assessee for industrial purposes for a period of two years from the date of its acquisition by him;" (103)

Page 23, in line 16, for "which are secured on, or which have been incurred in relations to," substitute "which have been incurred in relation to". (104)

(Shri Manmohan Singh)

PROF. RASA SINGH RAWAT (Ajmer):
I beg to move:

Page 23, for line 4, —

Substitute (b) "urban land" means the land which is not agricultural land or pasture land in public use, situate (135)

SHRI RAJENDRA KUMAR SHARMA (Rampur): I beg to move:

Page 22,—

for line 39 to 46, substitute—

"(i) any guest house;" (149)

Page 22, —

Omit lines 47 and 48. (150)

MR. SPEAKER: Now I put amendment numbers 13 and 45 to Clause 91 to the vote of the House.

Amendment Nos. 13 and 45 were put and negatived

MR. SPEAKER: Now I put amendment numbers 41 and 42 to Clause 91 to the vote of the House.

Amendment Nos. 41 and 42 were put and negatived

MR. SPEAKER: Now I put amendment number 135 to Clause 91 to the vote of the House.

Amendment No. 135 was put and negatived

MR. SPEAKER: Now I put amendment numbers 149 and 150 to Clause 91 to the vote of the House.

Amendment Nos. 149 and 150 were put and negatived

MR. SPEAKER: The question is:

"That Clause 91, as amended, stands part of the Bill."

The motion was adopted

Clause 91, as amended, was added to the Bill

Clause 92 — Amendment of section 3

SHRI RAM NAIK (Bombay North): I beg to move:

Page 23, lines 26 and 27,—

for "every individual, Hindu undivided family and company"

substitute " every individual, Hindu undivided family" (46)

I am not speaking with the hope that they will accept it.

MR. SPEAKER: Now I put amendment number 46 to Clause 92 to the vote of the House.

Amendment No. 46 was put and negatived

MR. SPEAKER: The question is:

"That Clause 92 stands part of the Bill."

The motion was adopted

Clause 92 was added to the Bill

Clause 93— Amendment of section 4

Amendment made:

Page 23, for line 55, *substitute*,—

'(ii) in clause (b),—

- (1) in the opening portion, for the words "interest in the firm", the words "interest in the assets of the firm" shall be substituted;
- (2) for the proviso, the following proviso shall be substituted, namely:—' (105)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That clause 93, as amended, stand part of the Bill."

The motion was adopted

Clause 93, as amended, was added to the Bill.

Clause 94— Amendment of section 5

Amendment made:

Page 24, clause 94, *substitute*—

'94. In section 5 of the Wealth-tax Act, with effect from the 1st day of April, 1993,—

(a) in sub-section (1),—

- (i) the brackets, figures, words and letter "(1) Subject to the provisions of sub-section (1A)," occurring in the opening portion, shall be omitted;
- (ii) clauses (xiv) and (xxxiii) shall be re-numbered as clauses (iv) and (v) and the existing clauses (iv) to (xiii), clauses (xv) to (xxxii) and clause (xxxiv) shall be omitted;

(b) sub-sections (1A) to (4) shall be omitted.' (106)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 94, as amended, stand part of the Bill".

The motion was adopted

Clause 94, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 95 to 100 stand part of the Bill".

The motion was adopted

Clauses 95 to 100 were added to the Bill.

SHRI MANMOHAN SINGH: Clause 101. Sir, the Tax Reforms Committee has pointed

out that it is considering the entire matter regarding the continued presence of the persons, whose premises are being searched. A final report of the Committee will contain a recommendation on this issue. This will also be considered in the light of that report.

In view of above, it is proposed to negative Clause 101 of the Finance Bill 1992.

MR. SPEAKER: The question is:

"That Clause 101 stand part of the Bill."

The motion was negated

Clause 102— Amendment of section 45

Amendment made:

Page 25, in line 14, for "(f)", substitute "(e)" (107)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 102, as amended, stand part of the Bill."

The motion was adopted.

Clause 102, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 103 to 106 stand part of the Bill."

The motion was adopted

Clauses 103 to 106 were added to the Bill

Clause 107 — Amendment of section 5.

[Translation]

SHRI GIRDHARI LAL BHARGAVA : I beg to move:

Page 25, line 39' —

After "carrying on the business of banking" *insert*

"or to provide loan facilities to members" (14)

[English]

MR. SPEAKER: Now I will put amendment No. 14 to Clause 107 to the vote of the House.

Amendment No. 14 was put and negated.

MR. SPEAKER: The question is:

"That Clause 107 stand part of the Bill."

The motion was adopted

Clause 107 was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 108 and 109 stand part of the Bill"

The motion was adopted

Clauses 108 and 109 were added to the Bill.

Clause 110— Amendment of section 5.

Amendment made:

Page 25, in line 52, for "before the 1st day of June, 1992," substitute "before the 1st day of October, 1992." (108)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 110, as amended, stand part of their Bill."

The motion was adopted

Clause 110, as amended, was added to the Bill.

The motion was adopted

Clauses 111 to 120 were added to the Bill.

MR. SPEAKER: The question is:

"That clauses 111 to 120 stand part of the Bill."

MR. SPEAKER: Now, the House shall take up the Schedules. There are amendments to the schedule.

First Schedule

SHRI MORESHWAR SAVE (Aurangabad): I beg to move:

Page 32,—

for lines 30 to 32 substitute—

- | | | |
|-----|---|---|
| (1) | Where the total income does not exceed Rs. 39,000 | Nil; |
| (2) | Where total income exceeds Rs. 39000 but does not exceed Rs. 5000 | 20 per cent of the amount by which the total income exceeds Rs. 39,000" (5) |

PROF. PREM DHUMAL (Hamirpur): I beg to move:

Page 32,—

for lines 30 to 36 substitute—

- | | | |
|-----|---|---|
| (1) | Where the total income does not exceed Rs. 48,000 | Nil |
| (2) | Where the total income exceed Rs. 48,000 but does not exceeds Rs. 75,000 | 20 per cent of the amount by which the total income exceeds Rs. 48,000 |
| (3) | Where the total income exceed Rs. 75,000 but does not exceed Rs. 100,000. | Rs. 5400 plus 30 percent of the total income exceeds Rs. 75,000 |
| (4) | Where the total income exceeds Rs. 100,000 | Rs. 12,900 plus 40 per cent of the total amount by which the total income exceeds Rs. 100,000 |
-

SHRI MADAN LAL KHURANA (South Delhi): I beg to move:

Page 32,—

for line 30 to 36 substitute—

- | | | |
|------|--|---|
| “(1) | Where the total income does not exceeds Rs. 48,000 | —— Nil. |
| (2) | Where the total income- exceeds Rs. 48,000 but does not exceeds Rs. 100,000 | 20 percent of the amount by which the total income exceeds Rs. 48,000. |
| (3) | Where the total income exceeds Rs. 100,000 but does not exceed Rs. 2,00,000. | Rs. 10, 400 plus 30 percent of the amount by which the total income exceeds Rs. 100,000. |
| (4) | Where the total income exceeds Rs. 200,000. | Rs. 40,000 plus 40 percent of the amount by which the total income exceeds Rs. 200,000” (7) |

SHRI GIRDHARI LAL BHARGAVA: I beg to move:

Page 32—

for lines 30 to 36 substitute—

- | | | |
|------|---|--|
| “(1) | Where the total income does not exceed Rs. 48,000 | Nil. |
| (2) | Where the total income exceeds Rs. 48,000 but does not exceed Rs. 100,000 | 20 per cent of the amount by which total income exceeds Rs. 48,000 |
| (3) | Where the total income exceeds Rs. 100,000 | Rs. 10,400 plus 30 per cent of the the amount by which the total income exceeds Rs. 1,00,000” (15) |

Page 32, —

insert after line 46,—

“Provided further that surcharge on income tax shall be computed on additional income tax payable on total income exceeding Rs. 100,000. (16)

Page 32 and 33, —

omit lines 47 to 55 and 1 to 6 respectively. (17)

Page 33,—

Omit lines 19 to 26 (18)

Page 33,—

for lines 41 and 42 substitute—

- "(2) Where the company is not a company in which the public are substantially interested—
- | | |
|--|--|
| (a) Where the total income does not exceed Rs. 50,000 | 20 per cent of the total income. |
| (b) Where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 10,000 plus 30 per cent of the amount by which the total income exceed Rs. 50,000. |
| (c) Where the total income exceeds Rs. 1,00,000 | Rs. 25,000 plus 50 per cent of the amount by which the total income exceeds Rs. 100,000" |

Page 29,—

for lines 5 to 13 substitute—

"Paragraph C

In the case of every firm,—

Rates of income tax—

- | | |
|--|---|
| (1) Where the total income does not exceed Rs. 50,000 | 6 percent of the total amount |
| (2) Where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 3000 plus 12 per cent of the amount by which the total income exceeds Rs. 50,000. |
| (3) Where to total income exceeds Rs. 1,00,000 | Rs.9000 plus 22 per cent of the amount by which the total income exceeds Rs. 1,00,000" (33) |
-

[English]

SHRI JASWANT SINGH: Sir, I beg to move:

Page 33,—

for lines 21 and 22, substitute—

**Rates of income-tax*

(1)	Where the total income does not exceed Rs. 48,000	Nil;
(2)	Where the total income exceeds Rs. 48,000 but does not exceed Rs. 75,000	20 per cent of the amount by which the total income exceeds, Rs. 48,000;
(3)	Where the total income exceeds Rs. 75,000 but does not exceed Rs. 1,00,000	Rs. 5,400 plus 30 per cent of the amount by which the total income exceeds Rs. 75,000;
(4)	Where the total income exceeds Rs. 1,00,000	Rs. 12,900 plus 40 per cent of the amount by which the total income exceeds Rs. 1,00,000". (44)

Amendment made:

Page 33, — after line 6 insert—

Page 34, for lines 12 to 14 substitute—

Substitute—

"The amount of income-tax computed in accordance with the provisions of this Paragraph or section 112 shall, in the case of every domestic company having a total income exceeding seventy-five thousand rupees, be increased by a surcharge, calculated at the rate of fifteen per cent of such income tax". (109)

"Provide further that surcharge on income tax shall be computed on income tax payable on total income exceeding on Rs. 100,000". (137)

Page 32,—

Omit lines 47 to 55 (138)

Page 33,

Omit lines 1 to 6 (139)

(Shri Manmohan Singh)

SHRI P.C. THOMAS — Not moving.

[English]

[Translation]

PROF. RASA SING RAWAT(Ajmer): I beg to move:

MR. SPEAKER: Now, I will put amendment no. 5 to the First Schedule, moved by Shri Moreswar Save to the vote of the House.

Amendment No. 5 was put and negatived

MR. SPEAKER: Now, I will put amendment no. 6 to the First Schedule, moved by Prof. Prem Dhumal to the vote of the House.

Amendment No. 6 was put and negatived.

MR. SPEAKER: Now, I will put amendment no. 7 to the First Schedule, moved by Shri Madan Lal Khurana to the vote of the House.

Amendment No. 7 was put and negatived.

MR. SPEAKER: I will put amendments nos. 15, 16, 17, 18, 19, and 33 to the First Schedule, moved by Shri Girdhari Lal Bhargava to the vote of the House.

Amendment Nos. 15 to 19 and 33

MR. SPEAKER: Now, I will put amendment Nos 44 to the First Schedule, moved by Shri Jaswant Singh to the vote of the House.

Amendment No. 44 was put and negatived.

MR. SPEAKER: Now, I will put amendments no. 137, 138 and 139 to the First Schedule moved by Prof. Rasa Singh Rawat to the vote of the House.

Amendment Nos. 137, 138 and 139 were put and negatived.

MR. SPEAKER: The question is:

"That the First Schedule, as amended, stand part of the Bill.

The motion was adopted

The First Schedule as amended was added to the Bill.

Second Schedule

Amendment made

Page 37, line 17, after "0802.12", insert "0802.90, 0804.10," (110)

Page 37, for lines 18 and 19, substitute—

- (ii) in sub-heading Nos. 0802.11, 0802.12 and 0806.20, for the entries in column (4) and column (5) occurring against each of them, the entries "65% plus Rs. 50 per Kg." and "55% plus Rs. 50 per Kg." shall respectively be substituted;
- (iii) in sub-heading No. 0802.90, for the entries in column (4) and column (5), the entries "65% plus Rs. 20 per Kg." and "55% plus Rs. 20 per Kg." shall respectively be substituted.
- (iv) in sub-heading No. 0804.10 for the entries in column (4) and column (5), the entries "65% plus Rs. 25 per Kg." and "55% plus Rs. 25 per Kg." shall respectively be substituted;
- (v) in sub-heading Nos. 0806.10, for the entries in column (4) and column (5), the entries "110%" and "100%" shall respectively be substituted; (111)

Page 37, for lines 28 and 29, substitute—

- (v) in sub-heading Nos. 0906.10 and 0906, for the entries in column (4) and column (5) occurring against of them, the entries "65% plus Rs. 50 per Kg." and "57.5% plus Rs. 50 per Kg." shall respectively be substituted;
- (vi) In sub-heading No. 0907.00, for the entries in column (4) and column (5), the entries "65% plus Rs. 75 per Kg." and "57.5% plus Rs. 75 per Kg." shall respectively be substituted.

(vii) in sub-heading No. 0908.10 for the entries in column (4) and column (5), the entries "65% and "57.5%, shall respectively be substituted;" (112)

Page 37, line 30, for (vi) substitute" (viii) (113)

Page 37, line 31, for "(vii)" substitute "(ix)" (114)

Page 37, line 33, for "(viii)" substitute "(x)" (115)

Page 41, lines 16 and 17, omit "8482.10, 8482.20, 8482.30, 8482.40, 8482.50, 8482.80, 8482.91, 8482.99, (116)

Page 41, after line 18, insert:

(iv) in sub-heading Nos. 8482.10, 8482.20, 8482.30, 8482.40, 8482.50 and 8482.80, for the entry in column (4), the entry "110% plus Rs. 300 per bearing" shall be substituted;

(v) in sub-heading Nos. 8482.91 and 8482.99 for the entry in column (4), the entry "110% plus Rs. 300 per piece" shall be substituted;" (117)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

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

The motion was adopted.

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

Third Schedule

Amendment made:

Page 44, for lines 13 to 44, substitute—

(b) for the entry in column (4) occurring against all the sub-heading Nos., the entry "15% plus Rs. 3,000 per tonne" shall be substituted;" (118)

Page 44, for lines 46 to 52 substitute—

(a) in sub-heading Nos. 7301.10, 7301.20, 7302.10, 7302.20, 7303.00, 7304.10, 7304.90, 7305.10, 7305.90, 7306.10, and 7306.90, for the entry in column (4), the entry "15% plus Rs. 3,000 per tonne" shall be substituted;

(b) in sub-heading No. 7308.40, for the entry in column (3), the following entry shall be substituted, namely:—

" Equipment for scaffolding, shuttering, propping or pit propping";

(c) in sub-heading Nos. 7325.10, 7325.20, 7325.30, 7325.90 and 7327.00, for the entry in column (4), the entry "15% plus Rs. 3,000 per tonne" shall be substituted;" (119)

Page 45, omit lines 1 to 7, (120)

Page 45, line 11, for "15%", substitute

"15% plus Rs. 10,000 per tonne" (121)

Page 45, line 14, for "15%", substitute

"15% plus Rs. 10,000 per tonne" (122)

Page 45, line 20, for "15%", substitute

"15% plus Rs. 5,000 per tonne" (123)

Page 45, line 24, for "15%", substitute

"15% plus Rs. 8,000 per tonne."

(Shri Manmohan Singh)

on division.

MR. SPEAKER: The question is:

The Lok Sabha divided

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

19.50 hrs.

The Motion was adopted.

DIVISION IS

AYES

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

Adaikalaraj, Shri L.

MR. SPEAKER: The question is:

Ahamed, Shri E.

"That clause 1, the Enacting Formula and the Long Title stand part of the Bill".

Ahmed, Shri Kamaluddin

The motion was adopted

Aiyar, Shri Mani Shankar

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

Akber Pasha, Shri B.

MR. SPEAKER: The Minister may now please move that the Bill, as amended, be passed.

Anbarasu Era, Shri

Anthony, Shri Frank

SHRI MANMOHAN SINGH: Sir, I beg to move:

Antulay, Shri A.R.

Arunachalam, Shri M.

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

Asokaraj, Shri A.

(Interruptions)

Athithan, Shri R. Dhanuskodi

Benerjee, Kumari Mamata

MR. SPEAKER: The question is:

Bansal, Shri Pawan Kumar

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

Bhadana, Shri Avtar Singh

Let the Lobbies be cleared—

Bhagey Gobardhan, Shri

Now the Lobbies have been cleared.

Bhakta, Shri Manoranjan

The question is:

Bhandari, Shrimati Dil Kumari

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

Bhatia, Shri Raghunandan Lal

Bhoi, Dr. Krupasindhu

Bhonsle, Shri Prataprao B.

Once again, I would request the hon. Members not to insist for division.

Bhonsle, Shri Tejsingh Rao

AN. HON. MEMBER: No, Sir. We insist

Bhuria, Shri Dileep Singh

Birbal, Shri	Farook, Shri M.O.H.
Buta Singh, Shri	Fernandes, Shri Oscar
Chacko, Shri P.C.	Gaikwad, Shri Udaysingrao
Chaliha, Shri Kirip	Gajapathi, Shri Gopi Nath
Chandrakar, Shri Chandulal	Galib, Shri Gurcharan Singh
Chandrasekhar, Shrimati Maragatham	Gamit, Shri Chhitubhai
Charlé, Shri A.	Gavit, Shri Manikrao Hodlya
Chaudhary, Shri Kamal	Gehlot, Shri Ashok
Chaudhary, Shri Ram Prakash	Ghatowar, Shri Paban Singh
Chaudhri, Shri Narain Singh	Giriappa Shri C.P. Mudala
Chaure, Shri Bapu Hari	Gogio, Shri Tarun
Chavan, Shri Prithviraj D.	Gomango, Shri Giridhar
Chavda, Shri Ishwarbhai Khodabhai	Gudadinni, Shri B.K.
Chidambaram, Shri P.	Gundewar, Shri Vilasrao Nagnathrao
Chinta Mohan, Dr.	Handique, Shri Bijoy Krishna
Dadahoor, Shri Gurcharan Singh	Harchand Singh, Shri
Damor, Shri Somjibhai	Hooda, Shri Bhupinder Singh
Deka, Shri Probin	Inder Jit, Shri
Dennis, Shri N.	Islam., Shri Nurul
Deshmukh, Shri Anantrao	Jaffer Sharief, Shri C.K.
Deshmukh, Shri Ashok Anandrao	Jageet Singh, Shri
Devarajan, Shri B.	Janarthanam, Shri M.R. Kadambur
Devi, Shrimati Bibhu Kumari	Jangde, Shri Khelan Ram
Dighe, Shri Sharad	Jatav, Shri Bare Lal
Digvijaya Singh, Shri	Jawali, Dr. B.G.
Dut, Shri Sunil	Jayamohan, Shri A.
Faleiro, Shri Eduardo	Jeevarathinam, Shri R.

Jhikran, Shri Mohanlal

Kurien, Prof. P.J.

Kahandole, Shri Z.M.

Lakshmanan, Prof. Savithri

Kairon, Shri Surinder Singh

Malik, Dharampal Singh

Kale, Shri Shankarrao D.

Mallikarjun, Shri

Kaliaperumal, Shri P.P.

Mallu, Dr. R.

Kamal Nath, Shri

Marbaniang, Shri peter G.

Kamat, Shri Gurudas

Mathew, Shri Pala K.M.

Kamble, Shri, Arvind Tulshiram

Mathur, Shri. Shiv Charan

Kamson, Prof, M.

Meena, Shri Bheru Lal

Kanithi, Dr. Viswanatham

Meghe, Shri Data

Kapse, Shri Ram

Mirdha, Shri Nathu Ram

Karreddula, Shrimati Kamala Kumari

Mirdha, Shri Ram Niwas

Kasu, Shri Venkata Krishna Reddy

Muniyappa, Shri K.H.

Kaul, Shrimati Sheila

Murthy, Shri M.V. Chandrashekara

Kaur, Shrimati Sukhbuns

Murugesan, Dr. N.

Kewal Singh, Shri

Muttamwar, Shri Vilas

Khan, Shri Aslam Sher

Narayanan, Shri K.R.

Khan, Shri Ayub

Narayanan, Shri P.G.

Khursheed, Shri Salman

Nawale, Shri Vidura Vithoba

Konathala, Shri Rama Krishna

Nayak, Shri Mrutyunjaya

Krishan Kumar, Shri S.

Nayak, Shri Subash Chandra

Krishnaswamy, Shri M.

Netam, Shri Arvind

Kshirsagar, Shrimati Kesharbai Sonaji

Nikam, Shri Govindrao

Kudumula, Kumari Padamasree

Nyamagouda Shri S.B.

Kuli, Shri Balin

Odeyar, Shri Channaiah

Kumaramangalam, Shri Ranagrajan

Pal, Dr. Debi Prasad

Kuppuswamy, Shri C.K.

Palacholla, Shri Venkata Rangayya
Naidu

Panigrahi, Shri Sriballav	Ram Babu, Shri A.G.S.
Patel, Shri Harilal Nanji	Ram Singh Rao
Patel, Shri Praful	Ramchandran, Shri Mullappally
Patel, Shri Shravan Kumar	Ramamurthy, Shri K.
Patel, Shri Uttambhai Harjibhai	Ramasamy, Shri Rajagopal Naidu
Patil, Shri Prakash V.	Rao, Shri J. Chooka
Patil, Shrimati Pratibha Devisingh	Rao, Shri P. V. Narasimha
Patil, Shrimati Surya Kanta	Rao, Shri V. Krishan
Patil, Shri Uttamrao Dcorao	Rath, Shri Rama Chandra
Patil, Shri Vijay Naval	Rawat, Shri Prabhu Lal
Patil, Shri Yashwantrao	Reddaiah Yadav, Shri K.P.
Pawar, Shri Sharad	Reddy, Shri A. Indrakaran
Pawar, Dr. Vasant Niwrutti	Reddy, Shri Anantha Venkata
Peruman, Dr. P. Vallal	Reddy, Shri G. Ganga
Pilot, Shri Rajesh	Reddy, Shri M.G.
Poosapati, Shri Anandgajapati Raju	Reddy, Shri R. Surender
Potdukje, Shri Shantaram	Sadul, Shri Dharmanna Mondayya
Prabhu, Shri R.	Sai, Shri A. Pratap
Prabhu Zantye, Shri Harish Narayan	Sahi, Shrimati Krishna
Pradhani, Shri K.	Sait, Shri Ebrahim Sulaiman
Rahi, Shri Ram Lal	Sajjan Kumar, Shri
Rai, Shri Kalp Nath	Sangma, Shri Purno A.
Rajaravivarma, Shri B.	Sanipalli, Shri Gangadhara
Rajendra Kumar, Shri S.S.R.	Sawant, Shri Sudhir
Rajeswari, Shrimati Basava	Sayeed, Shri P.M.
Raju, Shri Bh. Vijayakumar	Scindia, Shri Madhavrao
Rajulu, Dr. R.K.G.	Selja, Kumari

Shankaranand, Shri B.
 Sharma, Shri Chiranji Lal
 Sharma, Shri Satish Kumar
 Shivappa, Shri Kodakkani Gowdana
 Shukla, Shri Vidyacharan
 Silvera, Dr. C.
 Singh, Shri Arjun
 Singh, Shri Dalbir
 Singh, Shri Khelsai
 Singh, Shri Manphool
 Singh, Shri Motilal
 Singh, Shri S.B.
 Singh Deo, Shri K.P.
 Singla, Shri Sant Ram
 Sodi, Shri Manku Ram
 Solanki, Shri Surajbhanu
 Soundaram, Dr. (Shrimati) K.S.
 Sridharan, Dr. Rajagopalan
 Sreenivasan, Shri
 Sukh Ram, Shri
 Sultanpuri, Shri Krishan Dutt
 Sundararaj, Shri N.
 Suresh, Shri Kodikkunil
 Swamy, Shri G. Venkat
 Tara Singh, Shri
 Thakur, Shri Mahendra Kumar Singh
 Thangabalu, Shri K.V.

Thomas, Prof. K.V.
 Thomas, Shri P.C.
 Thorat, Shri Sandipan Bhagwan
 Thungon, Shri P.K.
 Tindivanam, Shri K. Ramamurthee
 Tope, Shri Ankushrao Raosaheb
 Topno, Kumari Frida
 Tytler, Shri Jagdish
 Umbrey, Shri Lacta
 Upadhyay, Shri Swarup
 Urs, Shrimati Chandra Prabha
 Verma, Shri Bhawani Lal
 Verma, Kumari Vimla
 Vijayaraghavan, Shri V.S.
 Wasnik, Shri Mukul Balkrishna
 Williams, Shri R.G.
 Yashpal, Shri

NOES

Acharia, Shri Basu Deb
 Anjalose, Shri Thayil John
 Ansari, Shri Mumtaz
 Bala, Dr. Asim
 Barman, Shri Palas
 Barman, Shri Uddhab
 Basu, Shri Anil
 Basu, Shri Chitta
 Bhattacharaya, Shrimati Malini

Chakraborty, Prof. Susanta

Murmu, Shri Rup Chand

Chatterjee, Shri Nirmal Kanti

Pal, Shri Rupchand

Chatterjee, Shri Somnath

Paswan, Shri Ram Vilas

Choudhury, Shri Lokanath

Patnalk, Shri Sivaji

Choudhury, Shri Saifuddin

Pramanik, Shri Radhika Ranjan

Das, Shri Jitendra Nath

Rai, Shri M. Ramanna

Datta, Shri Amal

Rai, Shri Ram Nihor

Dome, Dr. Ram Chandra

Ram, Shri Prem Chand

Dubey, Shrimati Saroj

Ray, Dr. Sudhir

Fatmi, Shri Mohammad Ali Ashraf

Raychaudhuri, Shri Sudarsan

Fernandes, Shri George

Reddy, Shri B. N.

Giri Shri Sudhir

Roshan Lal, Shri

Gupta, Shri Indrajit

Roy, Shri Haradhan

Hossain, Shri Syed Masudal

Roypradhan, Shri Amar

Jena, Shri Srikanta

Singh, Shri Hari Kishore

Jha, Shri Bhogendra

Singh, Shri Ram Prasad

Khan, Shri Sukhendu

Singh, Shri Surya Narayan

Malik, Shri Purna Chandra

Singh, Shri Vishwanath Pratap

Manjay Lal, Shri

Topdar, Shri Tarit Baran

Misra, Shri Satyagopal

Tripathy, Shri Braja Kishore

Mallah, Shri Hannan

Vadde, Shri Sobhanadreeswara Rao

Mukherjee, Shrimati Geeta

Yadav, Shri Chandra Jeet

Mukherjee, Shri Subrata

Yadav, Shri Chun Chun Prasad

Mukhopadhyay, Shri Ajoy

Zainal Abedin, Shri.

MR. SPEAKER: Subject to correction,
the result of the division is:

Ayes : 227

Noes : 56

The motion was adopted

MR. SPEAKER: Thank you for your

cooperation and good luck to all of you. Now
the House stands adjourned to meet again at
11 AM on Thursday, the 7th of May, 1992.

19.50 hrs.

*The Lok Sabha then adjourned till Eleven
of the Clock on Thursday, May 7, 1992/
Vaisakha 17, 1914 (Saka).*

*The following members also recommended their votes:-

Ayes: Shrimati D.K. Tharadevi siddhartha, Shri Kartikeswar Patra, Dr. (Shrimati) Padma, Shri M. Sabbarana Reddy and Shri K. Thula Saiah Vandyar.