

COMMITTEE ON PRIVATE MEMBERS'
BILLS AND RESOLUTIONS

Fifty-third Report

[English]

SHRI M. THAMBI DURAI (Dharma-puri) : I beg to present the Fifty-third Report (Hindi and English versions) of the Committee on Private Members' Bills and Resolutions.

12.05 hrs.

STATEMENT RE : INTRODUCTION
OF CHANGES IN THE DIRECT
TAX LAWS (AMENDMENT) ACT,
1987 AND INVESTMENT
ALLOWANCE SCHEME

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : Sir. The Hon'ble Members would recollect that while presenting the Budget for the year 1988-89, in Part B the Finance Minister had mentioned that some of the provisions introduced in the income-tax Act, 1961 by the Direct Tax Laws (Amendment) Act, 1987 would be reconsidered, in view of various representations received by the Government, to take care of genuine grievances.

In the Budget Speech, he had also mentioned that he would be bringing forward a separate Bill for introducing Wealth Transfer Tax which would avoid the rigidities and procedural delays which characterised the operation of the old Estate Duty Act and would apply only to wealth-tax assessees.

Subsequently, during the course of discussion on the Finance Bill, both in Lok Sabha on 27th April, 1988 and Rajya Sabha on 5th May, 1988, the Finance Minister made statements announcing Government's decision to make certain amendments in the original Budget proposals as also about some other tax incentives. These *inter alia* relate to extension of 100% tax holiday under section

10B even to existing units, complete exemption in respect of export profits by taking these out of the purview of section 115J, exclusion of State Electricity Boards and other companies engaged in generation or distribution of electric power from the purview of section 115J, introduction of certain measures for encouragement of tourism for augmenting foreign exchange resources.

Hon'ble Members will kindly recall that the Finance Minister had announced the Government's intention to reintroduce the investment Allowance as an option in lieu of the Investment Deposit Scheme in respect of certain selected high priority industries. The matter has been considered further and I am glad to announce that the option of Investment Allowance will be available on the same basis as was available earlier under section 32A of the Income tax Act, in respect of new ships and aircraft acquired after 31.3.1988 or new machinery or plant installed after 31.3.1988 for the purpose of business of generation or distribution of electricity or any other form of power or in any industrial undertaking for the purpose of construction, manufacture or production of any article or thing not being an Article or thing specified in the list in the Eleventh Schedule of the Income-tax Act. As before, Investment allowance will be available for machinery or plant used in a small scale undertaking as well. On the same basis, Investment Allowance would not be available in respect of machinery and plant referred to in the proviso to sub-section (1) of section 32A.

The work relating to amendment of the provisions introduced by the Direct Tax Laws (Amendment) Act, 1987, preparation of a separate Bill for Wealth Transfer Tax and for incorporating new provisions relating to various tax incentives, about which announcement has been made in the two Houses of Parliament, is in progress. The groundwork in this regard has already been done, but it will take some time to give legislative form to the various proposals. Hence, the new Amendment Bill regarding income-tax to give effect to the various suggestions and proposals and the Bill for levy of Wealth Transfer Tax would be introduced in the Monsoon Session of Parliament.

SHRI G. M. BANATWALLA (Ponnani) : Mr. Speaker Sir, Direct Tax Laws must not come into effect if they are bringing an amendment. Otherwise, there will be a lot of problem. What about the clarification about it, when the question of Wakfs and Trusts also has to be considered ?

SHRI A K. PANJA : Until the new amendment comes into operation, whatever clarification is required has already been issued. If the hon member points out any other thing, we shall look into it.

SHRI G. M. BANATWALLA : What about wakfs and trusts ?

SHRI A. K. PANJA : About wakfs and trusts, I cannot answer right now. But I will certainly go into it if there is any difficulty. But we have examined and found that there would be no difficulty in the meantime. There was difficulty regarding the aspect of partnership.

PROF. MADHU DANDAVATE (Rajapur) : Mr. Speaker Sir, you may recall that I and Shri H. M. Patel had addressed a letter to you when this Direct Taxes (Amendment) Bill was passed last time in 25 minutes. That Bill consists of 139 clauses. It was adopted in 25 minutes. We had requested that that should not be pushed through in such a cavalier manner, when it is being reconsidered. I only request through you that next time in the Monsoon Session when they bring a comprehensive amendment Bill to amend the Amendment Bill, more time should be made available so that we can discuss the Bill in detail.

MR. SPEAKER : I will entrust it to you in the Business Advisory Committee to allot more time. We will do it.

SHRI A.K. PANJA : Mr. Speaker, Sir, through you, I want to assure the Members that we have gone into the details and sufficient time, whatever is directed by the Business Advisory Committee would be given.

SHRI V. SOBHANDREESWARA RAO (Vijayawada) : Mr. Speaker, Sir, last time the Motor Vehicles Bill was introduced in the House, but again it was withdrawn. Please see that it comes.

MR. SPEAKER : I shall have to think before giving my consent to it because they must come before that.

SHRI V. SOBHANADREESWARA RAO : Let it be re-introduced.

MR. SPEAKER : Shri Chintamani Panigrahi.

12.11 hrs.

STATEMENT CORRECTING REPLY
TO S.Q. NO. 735 DATED 20.4.1988
RE : PEOPLE AFFECTED DUE TO
BARBED WIRE FENCING AND
BORDER ROADS

[English]

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI CHINTAMANI PANIGRAHI) : During the course of the reply given to Lok Sabha Starred Question No. 735 on the 20.4.88 as well as the supplementary question regarding people affected due to barbed wire fencing and border roads, I had inadvertently said that Rs. 56,811,330.55 p have so far been provided for the purpose. The figure of Rs. 56,811,330.55p which I had mentioned may be substituted by Rs. 56,81,330.55 p.

Compilation of various information/data including expenditure under various heads for construction of border roads/fence along the Indo-Bangladesh Border is done by the office of the Commissioner (Border) located at Guwahati. Based on the information furnished by the Commissioner's office on 16.4.1988 over the wireless message it was stated that an amount of Rs. 56,811,330.55p have so far been provided for payment of compensation. However, on verification, it has been confirmed that an error had crept in during transmission of the wireless message and the correct figure is Rs. 56,81,330.55p. Hence the reply given earlier may pleased be amended to read as follow :

"Rs. 56,81,330.55p. has so far been provided for this purpose."