

*Clause 2 was added to the Bill.*

MR. DEPTUY-SPEAKER: The question is:

"That clause 1, the Enacting Formula and the Long Title stand part of the Bill."

*The motion was adopted.*

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

SHRI SANTOSH MOHAN DEV: Sir, I move:

"That the Bill be passed."

MR. DEPTUY-SPEAKER: The question is:

"That the Bill be passed."

*The motion was adopted.*

17.57 hrs.

[MR. SPEAKER *in the Chair*]

STATEMENT RE: AMENDMENTS TO DIRECT TAX LAWS AND WEALTH (INHERITENCE) DUTY BILL, 1988

[*English*]

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): Sir, The Hon'ble Members will kindly recall that the then Finance Minister during his Budget Speech in February this year, expressed his intention to reconsider some of the provisions of the Direct Tax Laws (Amendment) Act, 1987 to redress genuine grievances taking into account the various representations and suggestions received by the Government. In particular, he had referred to the proposed new system of assessment of partnership firms, the levy of additional tax at 30 per cent in certain

cases, the new provisions relating to charitable trusts and organisations as well as institutions engaged in scientific research and the provisions relating to reopening of assessments. However, considering the work required to be done in this regard and to remove uncertainty relating to assessment of firms, on 30th March, 1988, it was announced that the new provisions relating to partnership firms will come into operation from the assessment year 1990-91.

It was expected that legislation in respect of all these matters would be introduced in the Monsoon Session of the Parliament. However, because of the large number of representations that have been received relating to amendments made by the Direct Tax Laws (Amendment) Act, 1987, issues raised during discussions with the representatives of the Chambers of Commerce/trade associations etc., Government's anxiety to ensure that due consideration is given to the various difficulties that have been brought to our notice, the Government has not been in a position to bring forth the new legislation in the current Session of the Parliament as expected.

The accounting period to which the new provisions would apply has already started with effect from 1st April, 1988. Since the drafting of the Bill containing various amendments is likely to take a little more time and since the delay has created some uncertainty for religious and charitable trusts, voluntary organisations and scientific research institutions etc., the Government has decided that the position in respect of such institutions should continue to be the same till 31.3.1990 as it was before the Direct Tax Laws (Amendment) Act, 1987. In other words, the provisions as introduced by the Direct Tax Laws (Amendment) Act, 1987, unless further amended, would apply to such institutions also, as in the case of partnerships with effect from 1.4.1990, i.e., assessment year 1990-91. The effect of this would be that till this period, the provisions of the Income-Tax Act, 1961, which stand omitted or amended with effect from 1.4.1989 would continue to operate for and

upto the assessment year 1989-90. No postponement regarding the other two matters, i.e., those relating to additional tax and re-opening of assessments is necessary at this stage.

During the Budget Session, the then Finance Minister while introducing the Finance Bill, 1988, for consideration had announced certain additional tax incentives and concessions. These were:-

- (i) Exclusion of the income of the exporters from exports and the State Electricity Boards and other companies engaged in the generation and distribution of electric power from the purview of section 115 J.
- (ii) Extension of benefit of section 80HHC with certain restrictions to foreign exchange earnings of hotels, travel agencies, tour operators etc.
- (iii) Introduction of the investment allowance as an option to the existing Investment Deposit Account Scheme.

Besides, it is also proposed to make certain further amendments to attract remittances in foreign exchange by off-shore funds, and for investment in Mutual Fund in India by Non-Resident Indians in non-repatriable bonds. The Government has also decided to extend the concession by way of deduction under section 80U presently available to blind and physically handicapped residents to persons who are mentally ill or handicapped as well.

With a view to avoiding the introduction of piecemeal amendments to the Direct Tax Laws, I seek the indulgence of this House for introducing all the amendments together in the Winter Session of Parliament. In the meantime, taxpayers can take into account the effect of the incentives and concessions already announced during the Budget Session in formulating their plans.

In the Budget Session of Parliament, the then Finance Minister had announced that the Government have decided to levy tax on the transfer of wealth through inheritance which will be applicable to all wealth-tax assesses. The tax is to be levied in respect of assets subjected to wealth-tax. A Bill in this regard was to be introduced in the Budget Session. However, the work relating to this Bill, which is of a unique nature, took more time than was expected by the Government and though its shape has been worked out, the draft of the Bill needs final touching up. Therefore, this Bill will also be introduced in the Winter Session of the Parliament.

18.00 hrs.

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION AND BROADCASTING (SHRI H.K.L. BHAGAT): Mr. Speaker Sir, what we always say is considered to be customary. But what I am going to say is not going to be just customary. I want to thank you, Sir, and the Deputy-Speaker for conducting this Session; of course, you have always conducted the Session with dignity, with ability, with impartiality, with fair-mindedness and wherever necessary with reasonable firmness.

SHRI NAWAL KISHORE SHARMA (Jaipur): Member of Parliament also want to thank the Chair.

SHRI H.K.L. BHAGAT: I do not forget the Members of Parliament. I will come to them. I must thank the Members of Parliament—he is very right. My colleague and old friend of mine is reminding me, I must thank all the Members of Parliament.

SHRI NAWAL KISHORE SHARMA: You have misunderstood me. We want to thank the Chair.

SHRI H.K.L. BHAGAT: When I am speaking as Minister for Parliamentary Affairs, I am speaking on behalf of you and in

[Sh. H.K.L. Bhagat]

any case, all those who are sitting on this side.

Now, what I wish to say is, of course, we have always taxed your patience and your colleague, Deputy-Speaker's patience, ability and capacity to handle the situation. But we have taxed them a little more during this Session. It has been somewhat progressively increasing. The Deputy Speaker this time and of course, earlier also, was put to a lot of strain. All of us are grateful to both of you for running the House.

I want to thank very appreciatingly the Secretary-General, his colleagues and the staff of the Lok Sabha Secretariat for assisting the House and for doing hard work, sometimes sitting very late.

I would like to thank the hon. Members belonging to all sections of the House. Now we may be parting, for some time and they say, that at the time of parting, always good words should be said. For all we did, whether it was good or not good, I want to thank everybody.

All the hon. Members took interest in this Session. They have been present in large numbers also and, therefore, I want to thank the hon. Members, whether of the ruling party or in the various Opposition groups. I want to thank them all for the contribution that they have made.

I would like particularly to thank—of course, they are a part of the Lok Sabha Secretariat—the Parliamentary Reporters who have to take notes of the proceedings, taking notes particularly when so many people are standing and sometimes, I do not know, even you do not know, what is being said. Their fate is all the more difficult. They to take notes and sometimes they have to ask us and I want to thank them.

I believe I am lucky and I believe the House is also fortunate in having at least two very good Parliamentary Affairs Ministers i.e., Mrs. Sheila Dikshit and Shri P. Namgyal.

I am, of course, an old horse. But the way they have handled the problems and situations, I must compliment them. Of course, they have done extremely well. I assure you that when I am praising them, I am not praising myself. I am keeping myself out of it. I want to praise Shri P. Namgyal. He took over this responsibility only a little while ago during this Session and he had done it extremely well. But for the cooperation of the hon. Members, nobody can do it.

I want to thank the Secretary, Department of Parliamentary Affairs and his colleagues and other people who have to do hard work and all those who are associated with the functioning of the committees. I think I will be failing in my duty if I do not thank the Watch and Ward staff who have also to do lot of work during the Session.

I want to thank all those who work in the Library, who work in the canteens and all those are associated with the functioning of Parliament. Parliament is a very big institution and so many people work for it.

I will be failing in my duty if I do not thank the Press. They have been covering the proceedings very well and we are grateful to them. Of course, tomorrow they are not coming but tomorrow we are not meeting. But I must thank them for the coverage that they have given to Parliament.

I want to thank all concerned and the various Ministries.

SHRI M. THAMBI DURAI (DHARMAPURI): Your Department of Doordarshan, you are forgetting. Do not forget them.

SHRI H.K.L. BHAGAT: Now Mr. A.K. Panja, the hon. Minister is reminding me for thanking the Ministers for doing the roster duty. Well, I am sorry that I have been roasting some of them. So I must thank them all also.

We are all grateful to you, sir, for having been a source of strength and guidance to us

and to the Members.

I just forgot to mention one person, I have noted it. Last time I forgot and this time also I was about to forget, and that is the Marshal, the Marshal who stands by your side and guides us, because I have also been once on the Panel of Chairmen of Lok Sabha and I know how much erect he is and how much he knows the subject. I must appreciate the Marshal.

MR. SPEAKER: Hon'ble Members, as the Eleventh Session of 8th Lok Sabha comes to a close today, I consider it my duty to thank all sections of the House on my behalf and on behalf of the Deputy-Speaker and Members of the panel of Chairmen for the cooperation they extended to us in conducting the proceedings of the House smoothly. Well, smoothness comes only after roughness...

AN HON. MEMBER: It is subjective.

MR. SPEAKER: It is all subjective. But, what shall we do, if there is no unevenness sometimes? It is all in the game. I think times will change, moods will change and we will be doing the job we are entrusted with because, on you lies the onus to carry on the good job which we have been given by the people.

In this short Session, we have had 25 sittings in all lasting over 139 hours approximately.

The House considered and passed 24 Government Bills including six Bills replacing Ordinances promulgated during the last inter-Session period. Some of the important Bills passed by the House are—the Motor Vehicles Bill, the Religious Institutions (Prevention of Misuse) Bill, the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Bill, the Jamia Millia Islamia Bill, the Water (Prevention and Control of Pollution) Amendment Bill and the Delhi Rent Control (Amendment) Bill, 1988 etc.

As many as 162 Questions including one Short Notice Question were asked and orally answered on the floor of the House. Apart from this, we have had discussions on four Calling Attention Notices, four Half-an-Hour discussions and seven Short-Duration discussions.

Some of the important discussions held under Rule 193 were—alleged payment of commission in connection with Bofors Contract, incidence of gastro-enteritis/cholera in Union Territory of Delhi, reported income of Jyotsna Holdings Private Limited, atrocities on Harijans and Adivasis, floods in various parts of the country, railway accident which took place on the 8th July, 1988 killing several persons and the Memorandum of Settlement on Tripura. Out of these, the discussion on the Memorandum of Settlement on Tripura remained inconclusive. Besides, six Statutory Resolutions including one approving continuance of President's Rule in the State of Tamil Nadu and the other approving imposition of President's Rule in the State of Nagaland were also discussed in the House.

Members also raised 153 matters under rule 377.

Today, we are celebrating the birth centenary of Dr. S. Radhakrishnan, former President of Union of India. I had the privilege of paying tributes to him on this occasion on behalf of the House.

Let me come again ditto the remarks made by our Minister who called himself an old horse. I do not know. He is not an old horse. He is young like a filly. He is dancing about, doing his job very finely. Also, his colleagues, who have been very dexterously attending to their jobs and helping us all around, meeting and arranging some common points between the Opposition and the Ruling Party plus my own colleagues in this Secretariat, the staff, the Watch & Ward, the Secretary-General and the grand Marshal—all of them are very very good and they have been excellent. I have got no problems from any of them and they were very very helpful. But it was all due to the effect that you are

[Mr. Speaker]

there because you behaved so well. You did it.

*(interruptions)*

MR. SPEAKER: Well, for this side or that side, certain times I have to see and keep my mouth shut. I think everything is going to turn out well. When we meet next, everything will be bright. Hope is life and life is hope. I am not a pessimist. Shri Banatwalla is sitting here looking at me and I think he is. ...

SHRI G.M. BANATWALA (Ponnani): I am the only Opposition Member present...

MR. SPEAKER: Yes, because you represent so well, Sir, I think, they are all represented well. He is a very fine advocate and he can represent well. So, I have full confidence in your capability, Mr. Banat-

walla, to represent all of us.

SHRIG.M. BANATWALLA: I thank you, Sir, and thank you for thanking me, Sir.

MR. SPEAKER: Right. That is how he is a very good advocate. That proves my point. And thank you once again. Let us hope we just meet again in fine spirits. And thanks to this old grand patriot who has been always there sitting like a sentinel upholding everyone's good points.

PROF. N.G. RANGA (Guntur): Thank you, Sir.

MR. SPEAKER: The House now stands adjourned *sine die*

18.15 hrs.

*The Lok Sabha then adjourned sine die*