

श्री घटल बिहारी बाजपेयी (बालियर) : अध्यक्ष जी, मैं यह जानना चाहूंगा कि यह अधिवेशन कब तक चलेगा ? क्या अधिवेशन की बैठक बढ़ाने का विचार किया गया है ? कौन सी तिथि को बढ़ाया जाय संसदीय कार्य मन्त्री जरा सदन को इस बारे में विश्वास में लें ।

अध्यक्ष महोदय : माननीय मन्त्री जी बिजनेस स्टेटमेंट देंगे ।

श्री घटल बिहारी बाजपेयी : कल देंगे ।

श्री रामाबतार शास्त्री (पटना) : अध्यक्ष महोदय, बाढ़ के सिलसिले में विवाद का समय आपने 12 तारीख को रखा है । बिहार पूरा बह गया, उत्तर प्रदेश में भी बाढ़ बढ़ रही है । तो मेरा निवेदन है कि अगर उसके पहले कुछ नहीं कर सकेंगे तो आखिरी दिन विवाद करके हम क्या कर सकेंगे ।

अध्यक्ष महोदय : क्या करें, मजबूरी है ।

श्री रामाबतार शास्त्री : बहुत हालत खराब है ।

अध्यक्ष महोदय : हमारी भी हालत बहुत खराब है ।

श्री घटल बिहारी बाजपेयी : अध्यक्ष जी, आगरा बम्बई रूट पर चम्बल पर जो पुल बना था वह बह गया, यातायात ठप्प हो गया है । पता नहीं यातायात मन्त्री क्या कर रहे हैं ?

SHRI SAMAR GUHA (Contai) : I want to draw your attention to two points. Firstly, I want to make a request to the government to make a statement on the reports that are coming up about the circulation of a note by the UN Secretary-General to the various Governments and also the move by Yahya Khan by a letter written to the different States for mediation into Indo-Pak affairs. The Government should make a statement thereon.

अध्यक्ष महोदय : स्टेटमेंटों के बारे में तो इसके बगैर भी आप कह सकते हैं । यह बिज-

नेस में नहीं आयेगा जैसे भी आप कह सकते हैं । कोई मौका तो आप जाने दिया करें ।

SHRI SAMAR GUHA : Another point is, according to today's Statesman thousands of refugees in 24 Parganas and other districts are without shelter and food. They are in a miserable and pitiable condition.

MR. SPEAKER : What do you want ?

SHRI SAMAR GUHA : I hope that government would do something about it especially in view of the fact that monsoon is about to break.

MR. SPEAKER : I gave a ruling the other day that when the BAC report is being considered any member can ask why a pending business has not been brought forward, about which notice has been given. Then the Minister is in a position to answer it. You cannot bring in extraneous matters. Of course, all these matters come under different rules like 193 or 177. But, then, they can be taken up at any time, not necessarily at this time.

Now the question is :

"That this House do agree with the Fourth Report of the Business Advisory Committee presented to the House on the 29th July, 1971."

*The motion was adopted.*

12.18 hrs.

FINANCE (NO. 2) BILL, 1971—Contd.

Clause 7 (Amendment of Section 16)

MR. SPEAKER : The House will now take up the clause by clause consideration of the Finance Bill. Shri Sanghi will continue his speech.

SHRI N. K. SANGHI (Jaipore) : Yesterday I was speaking on my amendment Nos. 49, 50 and 51 to clause 7. Clause 7 seeks to amend section 16 of the Income-tax Act relating to deductions in computing income under the head 'salaries'. Under the amendment, the standard for expenditure on travelling in computing the income under the head 'salaries' has been raised. For example, a person owning his own car is

allowed a deduction of Rs. 200. Similarly, a person going to work in his own scooter is allowed Rs. 50 per month a person who owns no car or scooter and goes to work by bus is given a monthly deduction of Rs. 35. I am very happy that the Finance Minister has increased these allowances for travel to work to Rs. 50 and for scooters etc to Rs. 75 and maintained for cars at the old level of Rs. 200. Now that the cost of petrol has gone up very steeply and the taxi owners have been allowed to raise their fares by 20 to 25 per cent all over the country, I feel that this amount for cars should also be raised. Not only the cost of petrol but the price of car and its parts have gone up as also bus fares. In this background, there should be some commensurate increase in the standard deduction in the case of those who travel to their place of work. So, by my amendment No. 50, I have suggested that this amount should be raised from Rs. 50 to Rs. 90 for those who travel by bus. Because so many people have to travel and if you buy monthly bus ticket it costs Rs. 30. Besides sometimes when it is raining he has to come by taxi or scooter. Therefore, I would appeal to the Finance Minister that allowance of Rs. 50 for travel to work be raised to Rs. 75 and for scooter owners it should be raised to Rs. 100 and for car owners it should be raised to Rs. 200. I leave this matter for the decision of the Finance Minister.

**THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):** I think I have explained this matter when, really speaking, the budget was taken into consideration. I know that this is certainly going to have an impact but for that we have to have resources. If I agree to the amendment of the hon. Member there will be loss of revenue of nearly Rs. 6 crores. Under these circumstances I cannot afford to accept his amendments.

**MR. SPEAKER:** I shall now put amendments Nos. 48, 49, 50 and 103 moved by Shri Sanghi to the vote of the House.

*Amendments Nos. 48 to 50 and 103 were 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.*

*Clause 8 was added to the Bill.*

• **Clause 9—(Amendment of Section 40)**

*Amendment made\**

*Page 7. for lines 33 to 37, substitute—*

"benefit derived by or accruing to it therefrom, so, however, that the deduction in respect of the aggregate of such expenditure and allowance in respect of any one person referred to in sub-clause (i) shall, in no case, exceed—

- (A) where such expenditure or allowance relates to a period exceeding eleven months comprised in the previous year, the amount of seventy-two thousand rupees ;
- (B) where such expenditure or allowance relates to a period not exceeding eleven months comprised in the previous year, an amount calculated at the rate of six thousand rupees for each month or part thereof comprised in that period :

Provided that in a case where such person is also an employee of the company for any period comprised in the previous year, expenditure of the nature referred to in clauses (i), (ii), (iii) and (iv) of the second provision to clause (a) of sub-section (5) of section 40A shall not be taken into account for the purposes of sub-clause (A) or sub-clause (B), as the case may be." (204)  
(*Shri Yeshwantrao Chavan*)

**SHRI N. K. SANGHI:** Sir, I move\* :

*Page, 7, line 35,—*

*after "any" insert "one" (51)*

Sir, this new ceiling that has been brought on the salary and perquisites of directors of Rs. 72,000 is a thing which we

\*Made/moved with the recommendation of the President.

[Shri N. K. Sanghi]

have all lauded but I submit that this should be made effective only from the 28th May, 1971, when this proposal was announced because many people are getting salaries and, according to the tax procedure, in case this proviso is not accepted, the whole salary of those people who have been paid their salary for the month of March, in April and the expenditure of companies whose year closes on 31st March, for the previous year will be disallowed. Therefore, amendment certainly needs the hon. Minister's consideration. I have sought to add on page 7, line 37 :

"Provided that the limit provided in this clause shall not apply to any expenditure or allowance incurred by a company before the 28th day of May, 1971."

**SHRI YESHWANTRAO CHAVAN :** As far as amendment No. 51 is concerned, I find that the underlying principle is secured by the amendment that I have moved. Possibly, he has not read my amendment.

Then, he has not moved his other amendment, No. 180.

**SHRI N. K. SANGHI :** That will come to clause 10.

**SHRI YESHWANTRAO CHAVAN :** It is to clause 9. Anyway, I am not accepting this amendment.

**SHRI N. K. SANGHI :** Sir, I withdraw the amendment.

*The Amendment No. 51, was, by leave, withdrawn.*

**SHRI SHIVNATH SINGH (Jhunjhunu) :** Sir, there is my amendment also to this clause.

**MR. SPEAKER :** You did not move it earlier. Now when I have put the amendments to the vote, you are wanting to move it.

**SHRI SHIVNATH SINGH :** The voting was on Shri Sanghi's amendment, not on my amendment.

**SHRI YESHWANTRAO CHAVAN :** That has been withdrawn.

**SHRI SHIVNATH SINGH :** Then comes my amendment.

**MR. SPEAKER :** It cannot come now. It should have been moved earlier.

**SHRI SHIVNATH SINGH :** When should I move it ?

**MR. SPEAKER :** The time for that has gone now. Now I am putting the question. The question is :

"That clause 9, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 9, as amended, was added to the Bill.*

*Clause 10—(Amendment of Section 40A)*

**SHRI SHIVNATH SINGH :** I beg to move\* :

Page 8,—

*omit lines 37 and 38. (176)*

Page 9, line 13—

*for "for each month" substitute—*

*"per year". (177)*

Page 9, line 18,—

*for "sixty" substitute—*

*"five" (178)*

Page 9, line 23—

*for "for each month" substitute—*

*"per year". (179)*

**SHRI N. K. SANGHI :** I beg to move\* :

Page 8,—

*after line 25, insert—*

*"(i) any payment by way of gratuity". (52)*

**SHRI YESHWANTRAO CHAVAN :** I beg to move\* :

Page 8, lines 23 and 24, for "Provided that in computing the aforesaid expenditure or allowance," substitute,—

*"Provided that where the assessee is a company, so much of the aggregate of—*

*(a) the expenditure and allowance*

\*Moved with the recommendation of the President.

referred to in sub-clauses (i) and (ii) of this clause ; and

- (b) the expenditure and allowance referred to in sub-clauses (i) and (ii) of clause (c) of section 40.

in respect of an employee or a former employee, being a director or a person who has a substantial interest in the company or a relative of the director or of such person, as in excess of the sum of twenty-two thousand rupees, shall in no case be allowed as a deduction :

Provided further that in computing the expenditure referred to in sub-clause (i) or the expenditure or allowance referred to in sub-clause (ii) of this clause of the aggregate referred to in the foregoing proviso". (205)

Page 10, line 2, omit "the value of". (206)

Page 10, line 4, omit "the value of". (207)

Page 10, line 7, omit "the value of". (208)

Page 10, for line 10, substitute—

"(iv) payment by the assessee of any sum in respect". (209)

Page 10, for line 13, substitute—

"(v) payment by the assessee of any sum, whether". (210)

**SHRI ATAL BIHARI VAJPAYEE** (Gwalior) : Sir, will the Finance Minister explain his amendments ?

**SHRI YESHWANTRAO CHAVAN :** Yes, certainly.

Sir, clause 10 relates to the imposition of a ceiling over the deductible amount of expenditure incurred by a company or other employer in payment of salary or provision of perquisites to employees. The ceiling limit is Rs. 5,000 in respect of salary and one-fifth of the salary or Rs. 1,000 per month, whichever is lower, in respect of perquisites.

The amendments are designed to secure that in case of an employee or a former employee of a company who is also a director or a person who has a substantial interest in the company or a relative of the director of such person, deduction to the company in respect of expenditure incurred by it in relation to such employee under this clause and under clause 9 taken together is limited to Rs. 72,000 for the year.

As the limit in this clause and also in clause 9 is to be applied with reference to the number of months including part of a month, it can happen that in the absence of a provision on these lines, deduction is taken for 13 months at the rate of Rs. 6,000 in respect of expenditure in relation to a person who was a mere director for a part of the year and employee-director for the remainder of the year. The amendment will obviate such possibility. Because of that this amendment is necessary. The expenditure incurred by the employer in perquisites to employees will for the purpose of the ceiling be computed without regard to the value of such perquisites to the employees for purpose taxation in their hands. This is the purpose of the amendment.

Other amendments are consequential for the same purpose, to omit the words "the value of" wherever they occur and substitute "payment by the assessee of any sum in respect". These are certain verbal changes which have become consequential as a result of this.

**SHRI N. K. SANGHI :** I have moved Amendment 52. I submit to the hon. Minister that certain concessions have been provided to the employees of the companies and their limit has been fixed at Rs. 5,000 and 20 per cent of the perquisites. Certain concessions that are given to them are travel concessions referred to in clause 5 of Section 10 for going to Europe, etc. and for payment referred to in clause (v), subsection (1) of Section 36 and for any expenditure referred to in clause (ix) of subsection (1) of Section 36.

When I have to amplify in this matter in that, apart from salaries and perquisites of these employees they will also be entitled to gratuity when they leave the service. The amount of gratuity has to be added to the exemptions provided in clause 5. When a person leaves service, gratuity be excluded from the maximum limit of Rs. 5,000. As you know, Rs. 24,000 gratuity is also available to him when he leaves service. The amount of gratuity will also be taxable. I feel, by accepting this amendment No. 52, inserting the words "any payment by way of gratuity" under the orbit of this Section, The matter will become more easy and will bring the desired effect.

**SHRI YESHWANTRAO CHAVAN :** As far as Amendment No. 52 is concerned, I am sorry I cannot accept it because exclusion of all gratuity for the purpose of applying the ceiling limit will defeat the very purpose underlying the provisions of the Bill, as gratuities can be paid not only at the time of retirement but also during the period of employment. Since gratuities paid out of approved gratuity funds will be outside the purview of these provisions, death-cum-retirement gratuity receivable from such funds will also not be taken into account for the purpose of applying the proposed limit. If I accept your amendment, the very purpose for which this clause has been put will be defeated, I am sorry I cannot accept it.

**श्री शिवनाथ सिंह :** अध्यक्ष महोदय, मेरा अमेंडमेंट इस क्वासा को इन्कलूड करने के लिये वित्त मंत्री जी की भावना से ही प्रेरित है। हमने कुछ पेंशन्स उन्हें दिये हैं और वह रेम्पनरेशन आदि में जो एकस्पेन्डिचर करते हैं उसकी लिमिट 5,000 रु० प्रति महीना और दूसरे इमाल्युमेंट्स की 1000 रु० प्रति महीना रखी है। इस तरह से कुल मिला कर 72,000 रु० साल हो जाता है। मेरा सबमिशन यह है कि हम ने इनकमटैक्स परपजेज के लिये एक सालिग रखी है और 5,000 रु० प्रतिवर्ष तक किसी इंडिविजुअल को इनकम टैक्स नहीं देना पड़ा है। आप ने जो लिमिट 5,000 रु० महीने की रखी है यह बहुत ज्यादा है। इससे एकस्प्लायटेशन होगा और करों की बोरी का रास्ता निकलेगा। बहुत सी कम्पनियाँ अपने एम्प्लायीज के नाम से 5,000 रु० महीना के हिसाब से दिखला देगी और उनको रिलीफ मिल जायेगा। इस लिए मेरा कहना है कि जो 5,000 रु० प्रति वर्ष की लिमिट किसी इंडिविजुअल के लिये रखी गई है वही कम्पनियों के लिये भी रखी जाये, ताकि हम इन कम्पनियों से अधिक, टैक्स ले सकें।

भाज जो बड़ी-बड़ी कम्पनियाँ और बिजनेस हाउसेज हैं वह अपना पानाप कमते हैं वह उस से हमारी पालिटिक्स को करस्ट

करते हैं, हमारी डेमोक्रेसी को करस्ट करते हैं और अनेक तरीकों से रुपया निकाल कर पालिटिक्स में धाते हैं। आप को ध्यान होगा कि पिछले चुनावों में इन पैसे वालों ने अपना पानाप रुपया खर्च किया है। चूँकि उन को कानून में छूट होस मिले जाते हैं इस लिये रुपया खर्च करके वह लोग यहाँ पर आ जाया करते हैं। मैं याद दिलाना चाहता हूँ कि 1967 के चुनावों में पैसे वाले लोग राजे महाराजाओं से मिलकर मैदान में धाये ताकि वह कहीं भी कांग्रेस गवर्नमेंट डिमाक्रेटिक गवर्नमेंट, प्रोग्रेसिव गवर्नमेंट न बनने दें। हमारे राजस्थान में इन पैसे वालों ने राजे महाराजाओं से मिलकर बैलियों के मुँह खोल दिये ताकि किसी भी तरह से वहाँ कांग्रेस गवर्नमेंट न बने। इस तरह से डिमाफेसी को खत्म करके वह पालिटिक्स में भाग लेना चाहते हैं।

मैं निवेदन करना चाहूँगा कि जो लिमिट आपने 5,000 रु० प्रति गहा की रखी है वह बहुत ज्यादा है। इस को बटा कर आप 5,000 रु० साल कर दें। इस से अधिक की भाजा न दें। इसी उद्देश्य से मैं ने अमेंडमेंट रखता हूँ। चूँकि वित्त मंत्री जी भी इस बात के लिये उत्सुक हैं और वह चाहते हैं कि लिमिट को रेस्ट्रिक्ट करे, इस लिये मैं आशा करता हूँ कि वह मेरे अमेंडमेंट को स्वीकार करेंगे और जो बड़े-बड़े बिजनेस हाउसेज और बड़ी-बड़ी कंसर्न्स हैं उनको कंट्रोल करेंगे।

**श्री अटल बिहारी वाजपेयी :** अध्यक्ष महोदय, मेरा कोई सल्लोचन नहीं है, लेकिन मैं इस पर बोलना चाहता हूँ।

चुनाव में किसी ने कितना खर्च किया, यह यहाँ उठाने का विषय नहीं है। अगर बिरोधी दल वाले चाहें तो सत्ताकूट दल पर भी यह आरोप लगा सकते हैं कि उन्होंने अपना-पानाप रुपया खर्च किया। प्रश्न यह है कि कम्पनियों के कर्मचारी हैं, अधिकारी हैं उनके वेतनों की कोई सीमा होनी चाहिये या नहीं, और वह

सीमा कितनी होनी चाहिये । वित्त मन्त्री महोदय ने यह धारणा पैदा करने का प्रयत्न किया है कि उन्होंने कम्पनियों में काम करने वाले कर्मचारियों के वेतनों की अधिकतम सीमा निर्धारित करने की इस वित्त विधेयक द्वारा कोशिश की है । लेकिन उसमें एक कठिनाई है कि अगर कम्पनियाँ उतना वेतन देंगी तो फिर वह टैक्स के उद्देश्य के लिये कम्पनी के खर्च में नहीं काटा जायेगा । लेकिन मुझे लगता है कि इस से कारपोरेट सेक्टर पर या कम्पनियों पर कोई अधिक बोझ पड़ता हो ऐसी बात नहीं है । अन्तर इतना ही है कि अगर वह चाहें तो अधिक वेतन दे सकती हैं, लेकिन वह वेतन कम्पनियों के टैक्स में से नहीं काटा जायेगा । तब फिर यह कहना सही नहीं है कि आप कम्पनियों के अंदर काम करने वाले कर्मचारियों के वेतन की कोई सीमा निर्धारित कर रहे हैं ।

अच्छा हो अगर वित्त मन्त्री महोदय इस पर विचार करे । धारणा यह पैदा होती है कि वह कोई सीमा लगाना चाहते हैं, लेकिन वित्त विधेयक में जो प्रावधान है वह सीमा तक लगाने में कारगर साबित नहीं होगा क्योंकि अगर कम्पनी देना चाहेगी तो दे सकेगी, सिर्फ इतना होगा कि वह टैक्स के लिये कम्पनी के हिसाब से शामिल नहीं किया जायेगा ।

**SHRI YESHWANTRAO CHAVAN :** Through a finance measure this is all that I can really do. I cannot put that sort of absolute ceiling on what one should get. Certainly we are trying to make it difficult. We are rather providing new disincentives to give more. Previously, there was no such provision, now, we are making such a provision. This is the first steps in this direction. If we can succeed, well and good. I can understand the feeling of the hon. Member. We have taken the first step. Let us see how it works.

**MR. SPEAKER :** The question is :

'Page 8, lines 23 and 24, for "Provided in computing the aforesaid expenditure or allowance," substitute—

"Provided that where the assessee is a

company, so much the aggregate of—

(a) the expenditure and allowance referred to in sub-clauses (i) and (ii) of this clause ; and

(b) the expenditure and allowance referred to in sub-clauses (i) and (ii) of clause (c) of section 40,

in respect of an employee or a former employee, being a director or a person who has a substantial interest in the company or a relative of the director or of such person, as is in excess of the sum of seventy-two thousand rupees, shall in no case be allowed as a deduction :

Provided further that in computing the expenditure referred to in sub-clause (i) or the expenditure or allowance referred to in sub-clause (ii) of this clause or the aggregate referred to in the foregoing proviso." (205)

Page 10, line 2, omit "the value of". (206)

Page 10, line 4, omit "the value of". (207)

Page 10, line 7, omit "the value of". (208)

Page 10, for line 10, substitute—

"(iv) payment by the assessee of any sum in respect". (209)

Page 10, for line 13, substitute

"(v) payment by the assessee of any sum, whether". (210)

*The motion was adopted.*

**SHRI N. K. SANGHI :** I beg leave of the House to withdraw my amendment.

*Amendment No. 52 was, by leave withdrawn.*

**SHRI SHIVNATH SINGH :** I beg leave of the House to withdraw my amendments.

*Amendments Nos. 174 to 179 were, by leave, withdrawn.*

**MR. SPEAKER :** The question is :

"That clause 10, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 10, as amended, was added to the Bill.*

*Clauses 11 to 14*

MR. SPEAKER : There are no Amendments to Clauses 11 to 14. I hope nobody is speaking on them. The question is :

"That clause 11 to 14 stand part of the Bill."

*The motion was adopted.*

*Clauses 11 to 14 were added to the Bill.*

*Clause 15—(Amendment of section 80C)*

MR. SPEAKER : We come to Clause 15. Are there amendments ?

SHRI N. K. SANGHI : I move amendment No. 56. I beg to move\* :

Page 11,

*for lines 18 to 25, substitute*

Rs. 1,000 plus 50 per cent. of the amount by which such aggregate exceeds Rs. 1,000." (56)

"(b) where such aggregate exceeds Rs. 1,000

I would appeal to the hon. Minister and say that mine is a very inconsequential amendment. The Government has been good enough to provide certain deductions from LIC premiums and other specified contributions, provident fund, etc. and last year upto the sum of Rs. 5,000, contributions made to LIC premiums, provident fund etc. 60% deductions were allowed and there after for premiums upto Rs. 15,000 50% was allowed for computation of income tax. This year you have been good enough to allow for Rs. 1000 complete exemption and from Rs. 1,000 to Rs. 5,000 you have been good enough to allow 50% and thereafter 40%. Basically in this country people do not have that large premiums to pay and reduction of 50% would be hard because we have been allowing deductions. Some people have taken policies for a certain sum last year when you allowed deductions of 50% above Rs. 5,000 and now if that percentage is taken away the whole purpose is lost. I don't think there will be a big loss of revenue. Mine is a very small amendment. Why should we take away this small advantage available to people who are paying upto Rs. 15,000 as contribution to provident fund, LIC etc ? I request the hon. Finance Minister to accept this simple amendment.

**SHRI YESHWANTRAO CHAVAN :**

The hon. Member says he has moved a simple amendment ; he does not know the implications of it. It is not going to be a small thing ; it is going to be a loss of Rs. 7 crores if I accept his amendment. Under the Bill the quantum of the deduction is 100% for the first Rs. 1,000 of the qualifying savings, plus 50% of the next Rs. 4,000 plus 40% of the balance. If I accept his amendment he does not know the implications of it there will be a loss of nearly Rs. 7 crores. I cannot accept it.

MR. SPEAKER : Are you withdrawing ?

SHRI N. K. SANGHI : In view of what the hon. Finance Minister has stated, that there will be loss of Rs. 7 crores, I am not pressing my amendment. I wish to withdraw my amendment with the pleasure of the House.

MR. SPEAKER : Does the hon. Member have the leave of the House to withdraw his amendment ?

SOME HON. MEMBERS : Yes.

MR. SPEAKER : The amendment is withdrawn.

*Amendment No. 56 was, by leave, withdrawn.*

MR. SPEAKER : Now, the question is :

"That clause 15 stand part of the Bill."

*The motion was adopted*

*Clause 15 was added to the Bill.*

*Clause 16—(Amendment of section 80 F)*

MR. SPEAKER : There are no amendments to Clause 16. The question is :

"That clause 16 stand part of the Bill."

*The motion was adopted.*

*Clause 16 was added to the Bill.*

\*Moved with the recommendation of the President.

**Clause 17—(Amendment of Section 80 L)**

**SHRI YESHWANTRAO CHAVAN :** I have got an amendment for Clause 17, amendment No. 211. I beg to move\* :

Page 11, for lines 34 to 37, substitute—

(a) for the words "Where the gross total income of an assessee includes any income by way of—", the following shall be substituted, namely :—

"Where the gross total income of an assessee being—

- (a) an individual, or
- (b) a Hindu undivided family, or
- (c) an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu,

includes any income by way of—";  
(211)

I have explained all this while I moved the Bill for consideration. This deduction is only in the case of individuals and Hindu undivided families and not in the case of other entities such as companies, partnership firms, associations of persons etc. The amendment is designed to extend this deduction also to married couples who are governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu, who are assessable to tax on their income in the status of association of persons or body of individuals. It may be mentioned that such married couples are already treated on a par with individuals for certain other purposes under the Income-tax Act.

Therefore, we thought that it should be made applicable to those areas also, and this amendment is meant for that purpose. There was a demand from the Union territories people for this.

**MR. SPEAKER :** The question is :

Page 11, for lines 34 to 37, substitute—

(a) for the words "Where the gross total income of an assessee includes

any income by way of—", the following shall be substituted, namely :—

"Where the gross total income of an assessee, being—

- (a) an individual, or
- (b) a Hindu undivided family, or
- (c) an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu,

includes any income by way of—";  
(211)

*The motion was adopted.*

**MR. SPEAKER :** The question is :

"That clause 17, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 17 as amended, was added to the Bill.*

*Clauses 18 to 23 were added to the Bill.*

**Clause 24—(Amendment of section 86)**

**MR. SPEAKER :** There are some amendment to clause 24. But the hon. Members concerned are not moving them.

The question is :

"That clause 24 stand part of the Bill",

*The motion was adopted.*

*Clause 24 was added to the Bill.*

**Clause 25—(Substitution of new section for section 115).**

**SHRI H. M. PATEL :** (Dhandhuka) : I beg to move\* :

Page 16, for lines 18 to 23, substitute—

"(a) at the rate of 35 per cent on so much of the amount of such long term capital gains as relate to capital assets held by the company for 24 months or more but less than 60 months, immediately preceding the date of transfer ;

\*Moved with the recommendation of the President.

[Shri H. M. Patel]

(b) at the rate of 30 per cent. on so much of the amount of such long term capital gains as relate to capital assets held by the company for sixty months or more but less than one hundred and twenty months immediately preceding the date of transfer ; and

(c) at the rate of 35 per cent. on the balance of such long term capital gains, if any ; and". (134)

The Bill puts the rate at 45 per cent which I propose to suggest should be reduced to 35 per cent. This is tax on long term capital gains on which it seems desirable that the rate should not be so high as 45 per cent. 45 per cent is almost expropriatory. These capital gains result causes which cannot be regarded as in any way unreasonable, and, therefore, I would commend the rates which I have suggested for the acceptance of the Finance Minister.

**SHRI YESHWANTRAO CHAVAN :** While commending his amendment, the hon. Member know very well that I was not going to accept it. It is contrary to the proposal in the Bill. The very purpose is to subject the long-term capital gains to a higher incidence of tax than hitherto. It will also result in doing away with the distinction between long-term capital gains relating to lands and buildings and those relating to other assets. This is the very purpose of the provision, and therefore, I am sorry I am unable to accept the amendment.

**MR. SPEAKER :** I shall now put amendment No. 134 to the vote of the House.

*Amendment No. 134 was put and negatived.*

**MR. SPEAKER :** The question is :

"That clause 25 stand part of the Bill".

*The motion was adopted.*

*Clause 25 was added to the Bill.*

*Clause 26 was added to the Bill*

*Clause 27—(Amendment of section 230A)*

**SHRI SHIVANATH SINGH :** I beg to move\* :

Page 17, —Omit lines 1 to 8. (165)

क्लाज 27 के द्वारा इनकम टैक्स के संकशन 230 ए में यह नया सब-संकशन जोड़ा जा रहा है :

"The provisions of sub-section (1) shall not apply in a case where the person referred to in that sub-section is any such Institution, association or body. . ."

संकशन 230ए में यह व्यवस्था की गई है कि जो ऐसी अपने सब टैक्सों के पेमेंट के बारे में इनकम-टैक्स आफिसर से क्लियरेंस सर्टिफिकेट नहीं ले लेता है, अगर वह अपनी किसी प्रापर्टी को ट्रांसफर करना चाहेगा, तो उसका रजिस्ट्रेशन नहीं होगा। लेकिन इस क्लॉज के द्वारा उस संकशन में एक एक्सेप्शन रख दिया गया है। मेरी समझ में नहीं आता है कि ऐसा किस भावना से किया गया है। यह प्राविजन इस मकसद से रखा गया था कि चाहे कोई इन्स्टीट्यूशन, एसोसियेशन और बाढ़ी हो, या कोई पर्सन हो, अगर उसकी तरफ कोई इनकम-टैक्स का बकाया है, तो उसको इवेड करने के लिए वह अपनी किसी प्रापर्टी को ट्रांसफर न कर सके। मेरा कहना यह है कि चाहे किसी टाइप का ऐसी हो, अगर उसकी तरफ इनकम-टैक्स का बकाया है, तो जब तक वह इनकम टैक्स आफिसर से अपने टैक्स के पेमेंट के बारे में क्लियरेंस सर्टिफिकेट न जाये, तब तक उसकी किसी प्रापर्टी के ट्रांसफर का रजिस्ट्रेशन न किया जाये और इस बारे में किसी को छूट न दी जाये। मैं प्रार्थना करता हूँ कि वित्त मंत्री मेरे इस संशोधन को स्वीकार करेंगे।

**SHRI YESHWANTRAO CHAVAN :** I think the hon. member has got some misunderstanding. The provision is designed to avoid inconvenience to institutions such as financial corporations and banks in having to obtain tax clearance certificates from the ITO in a large number of cases before they can release immovable property which have been mortgaged to them as security for loans granted by them. Under the Bill, the Board has to record its reasons in writing before notifying the exemption of

\*Moved with the recommendation of the President.

any such institution from the requirement of obtaining tax clearance certificates. It is not likely to be misused. This is the purpose for which it has been put in. It is necessary and I would request the hon. member to withdraw the amendment.

**SHRI SHIVNATH SINGH :** I seek leave of the House to withdraw my amendment.

*Amendment No. 165 was, by leave, withdrawn.*

**MR. SPEAKER :** Clauses 27 and 28 can be put together. The question is :

"That clauses 27 and 28 stand part of the Bill."

*The motion was adopted.*

*Clauses 27 and 28 were added to the Bill.*

**MR. SPEAKER :** There is an amendment for a new clause, 28A, tabled by Shri H. M. Patel. It is beyond the scope of the Bill.

**SHRI G. VISWANATHAN (Wandiwash) :** It has been admitted and circulated.

**MR. SPEAKER :** He gave notice, I have declared it beyond the scope and so I am sorry I cannot allow it. The question is :

"That clause 29 stand part of the Bill."

*The motion was adopted.*

*Clause 29 was added to the Bill.*

**Clause 30—(Amendment of sixth schedule)**

**SHRI H. M. PATEL :** I move\* :

Page 18, line 30, *omit* "(a)" (136)

Page 18, *omit* lines 34 and 35 (137)

These relate to taking away of certain industries from the priority industries. These omissions will rectify the position.

**SHRI YESHWANTRAO CHAVAN :** I cannot accept these amendments because we thought that these special concessions are no longer necessary to those industries which have made quite a substantial profit. Therefore, they do not any longer deserve

to be in the priority list and to have this sort of favourable, special treatment. I therefore do not accept the amendments.

**MR. SPEAKER :** I shall put the amendments to the vote.

*Amendments Nos. 136 and 137 were put and negatived.*

**MR. SPEAKER :** The question is :  
"That clause 30 stand part of the Bill."

*The motion was adopted.*

*Clause 30 was added to the Bill.*

**Clause 31—(Amendment of section 4)**

**SHRI H. M. PATEL :** I move\* :

Page 19, *omit* lines 7 to 10. (138)

Page 19, line 11, *omit* "(ii)". (139)

Page 19, line 20, *for* "31st day of December, 1969"

*substitute* "28th day of May, 1971". (140)

My first amendment suggests that the date should be a prospective date rather than a retrospective one. That is the main point.

**SHRI YESHWANTRAO CHAVAN :** Is it necessary that I should explain the whole thing? What is your amendment, Mr. Patel?

**MR. SPEAKER :** Amendment Nos. 138, 139 and 140—all his amendments to clause 31.

**SHRI YESHWANTRAO CHAVAN :** My answer to this would be that the proposal in the Bill is aimed at curbing the deduction of wealth-tax liability through transfer of assets to wife and minor children on payment of the gift-tax which is often lower in the incidence than the wealth-tax liability from year to year.

Then, about amendment No. 140, I think what I can say about it is that under the Bill, separate property which is Hindu undivided family property any time after the 31st December, 1969 will be liable to be aggregated with the net wealth of the individual to the extent of share of the individual and the shares of the spouse and minor children in the property. This date has been

\*Moved with the recommendation by the President.

[Shri Yeshwantrao Chavan]

laid down in the Bill in order to harmonise this provision with the corresponding provision under the Income-tax Act which provides for aggregation of income from such property to the income of the individual making the conversion. It may be mentioned that the provision in the Bill will apply prospectively from the assessment year 1972-73 and not for the earlier assessment year.

MR. SPEAKER : Does the hon. Member withdraw his amendments ?

SHRI H. M. PATEL : I withdraw amendment Nos. 138 and 139.

*Amendments Nos. 138 and 139 were, by leave, withdrawn.*

MR. SPEAKER : You are not withdrawing amendment No. 140 ?

SHRI H. M. PATEL : No.

MR. SPEAKER : I shall put it to the vote.

*Amendment No. 140 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.*

13.00 hrs.

Clause 32—(Amendment of section 5)

MR. SPEAKER : We shall take up clause 3.

SHRI YESHWANTRAO CHAVAN : I have some amendments. I beg to move\* :

Page 21, after line 14, insert—

"(i) in clause (iv), the words "and exclusively used by him for residential purposes" shall be omitted with effect from the 1st day of April, 1972 ;".  
(212)

Page 21, line 15, for "(i)", substitute "(ii)".  
(213)

Page 21, line 20, for "(ii)", substitute "(iii)". (214)

Page 22, line 7, for "(iii)", substitute "(iv)". (215)

Page 22, line 12, for "(iv)", substitute "(v)". (216)

SHRI N. K. SANGHI : I beg to move\* :

Page 21, lines 17 to 19,—

*Omit "and shall be deemed to have been inserted, with effect from the 1st day of April, 1963" (61)*

SHRI VIRENDRA AGARWALA (Moradabad) : I beg to move\* :

Page 21, lines 17 to 19,—

*for "and shall be deemed to have been inserted, with effect from the 1st day of April, 1963"*

*substitute—*

*"with effect from 1st day of April, 1972" (13)*

Page 21,—

*Omit lines 23 to 28. (14)*

DR. KARNI SINGH (Bikaner) : I beg to move\* :

Page 21,—

*for lines 24 to 28, substitute—*

*"articles are neither made wholly of gold, silver, platinum or any other precious metal nor contain (whether by way of embedding, covering or otherwise), gold, platinum or any other precious metal excluding one or more of such precious metals excluding silver:" (64)*

Page 21,—

*for lines 24 to 28, substitute—*

*"articles are neither made wholly or partly of, nor contain (whether by way of embedding, covering or otherwise),*

\* Moved with the recommendation of the President.

gold, platinum or any other precious metal excluding silver or any alloy containing one or more of such precious metals excluding silver:" (65)

**SHRI YESHWANTRAO CHAVAN ?**

The Government amendments to this clause are : 212, 213, 214, 215 and 216. Amendments 213 to 216 are consequential amendments; the main amendment is 212. While moving the Bill for consideration, I have explained that whether a house is exclusively used for residential purposes or whether it is also returned out, the exemption should be allowed. I see the grievance of the middleclass. Sometimes they invest their money in the building and rent it out; that is their only source of income. In such cases the exemption was only in the case of those who were self-occupiers. I am extending the exemption even for those who have rented it out. It is a concessions to the middleclass grievance. Therefore, I commend my amendments for acceptance by the House.

**SHRI N. K. SANGHI :** My amendment No. is 61. We have heard the opinion of the hon. Finance Minister; he says he is not going to consider this amendment. I should like to appeal to him very strongly and seriously with all the strength at my command. Taxing jewellery from 1963 would create a lot of hardship. It was not a matter of surprise that this jewellery had been given exemption by the Supreme Court. I can quite understand that it was the intention of the Government to tax jewellery from 1963 though somehow or the other they did not provide for it specifically when the Bill was brought forward. I can assure that we have also filed returns and we had shown jewellery in the exemption column. All these years legislation that has been brought in this House has been prospective and this is the first legislation which will have eight years retrospective effect. It refers to 1963; now we are in 1971. It is bound to create a lot of hardship. If we have to raise more resources I would appeal to the hon. Finance Minister even to step up the rate of tax on jewellery a little more. This retrospective effect would place a lot of difficulties and a lot of money will have to be spent on practitioners and chartered accountants; they will have to reopen the cases and it will involve lot of work. The Central Board of Revenue has

brought to his attention that a lot of work will be involved in the department... (*Interruptions*)... That is what he said in his speech yesterday; he has been told so.

**SHRI YESHWANTRAO CHAVAN :**

Even if you do not do this, all this work will have to be done.

**SHRI N. K. SANGHI :** I can assure you that many assesses from 1963 onwards have been showing the jewellery in the exempt column. Now it something has to be brought up from 1963, I think it is not fair. It is a very good provision, prospectively. In case some more tax has to be recovered, possibly the rate could be stepped up on jewellery taxation, so that people may have a disincentive. You have been accepting in the past years amendments from Members of the Opposition. I think you should give serious thought to it and give it more consideration.

**SHRI YESHWANTRAO CHAVAN :**

I have given careful thought to it and I am not accepting it.

**SHRI VIRENDRA AGARWAL :**

I have moved amendment Nos. 13 and 14. The hon. Member Shri Sanghi has requested Finance Minister to consider this matter. I join him in requesting the Finance Minister to make it 1972, instead of 1963. Because, I sincerely feel that it will entail a lot of hardship to the assesseees. If my amendment is accepted, a lot of hardship to the assesseees would be saved from the tax collectors' grill.

**DR. KARNI SINGH :** I have already spoken on the Finance Bill and made a reference which I would like the hon. Minister to very kindly consider.

The question is that I wish that silverware utensils and articles which are plated with silver should be exempted, because the amount of revenue that the Government will get as a result of a charging wealth tax on them will be negligible compared to the harassment of the tax-payer. The wealth tax has already been raised from five to eight per cent, and this will give the Government only a very marginal amount of income compared to the harassment, and because of that I would like the hon. Minister to very graciously consider this.

**SHRI YESHWANTRAO CHAVAN :** Taking the amendment of Dr. Karni Singh first, I can understand his feelings about it, but the main purpose of this whole provision is to plug what is a convenient loophole for wealthy persons to make unproductive investments in silver vessels. This is a major form of hoarding wealth, and even today it is being done.

**DR. KARNI SINGH :** What about silver-plated vessels ?

**SHRI YESHWANTRAO CHAVAN :** Even that involves silver, whether it is plated or not.

**DR. KARNI SINGH :** How does one compute the quantum of silver ?

**SHRI YESHWANTRAO CHAVAN :** I know that that is a problem, but we will see that there is no injustice.

I have no doubt about the sincerity of Mr. Sanghi, and I can only plead with him. I do not know how he has taken it into his head that this exemption was meant from the very beginning.

**SHRI N. K. SANGHI :** I have been filing my returns and from 1963 I have shown jewellery in the exemption column.

**SHRI YESHWANTRAO CHAVAN :** There are a large number of persons who do not do that. Do not go by your own personal example.

**SHRI N. K. SANGHI :** If you want to get more revenue, you step up the wealth tax, rather than making this retrospective.

**SHRI YESHWANTRAO CHAVAN :** As far as stepping up wealth tax is concerned, if you make the suggestion next time, I will consider it.

**SHRI N. K. SANGHI :** I am making it right now.

**SHRI YESHWANTRAO CHAVAN :** I am sorry I cannot accept it.

**MR. SPEAKER :** The question is :

Page 21, after line 14, insert—

(i) in clause (iv), the words "and exclusively used by him for resi-

dential purposes" shall be omitted with effect from the 1st day of April, 1972 ;". (212)

Page 21, line 15, for "(i)", substitute "(ii)". (213)

Page 21, line 20, for "(ii)", substitute "(iii)". (214)

Page 22, line 7, for "(iii)", substitute "(iv)". (215)

Page 22, line 12, for "(iv)", substitute "(v)". (216)

*The motion was adopted.*

**SHRI N. K. SANGHI :** I am withdrawing Amendment No. 61.

**MR. SPEAKER :** Has he the leave of the House to withdraw his amendment ?

**HON. MEMBERS :** Yes.

*Amendment No. 61 was, by leave, withdrawn.*

**MR. SPEAKER :** I put amendment Nos. 13 and 14 to the House.

*Amendment Nos. 13 and 14 were put and negatived.*

**DR. KARNI SINGH :** I withdraw Amendment No. 64. Amendment No. 65 may be put to vote.

**MR. SPEAKER :** Has he the leave of the House to withdraw Amendment No. 64 ?

**HON. MEMBERS :** Yes.

*Amendment No. 64 was, by leave, withdrawn.*

**MR. SPEAKER :** I put Amendment No. 65 to the House.

*Amendment No. 65 was put and negatived.*

**MR. SPEAKER :** The question is :

"That Clause 32, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 32, as amended, was added to the Bill.*

*Clauses 33 to 35*

MR. SPEAKER : The hon. member is not here to move the amendment. I will put clauses 33, 34 and 35 together.

The question is :

"That clauses 33 to 35 stand part of the Bill."

*The motion was adopted.*

*Clauses 33 to 35 were added to the Bill.*

*Clause 36—(Amendment of Schedule).*

DR. RANEN SEN (Barasat) : I beg to move\* :

Page 24, line 10, for "1 per cent." substitute "2 per cent." (148)

Page 24, lines 13 and 14, for "Rs. 5,000 plus 2 per cent." substitute "Rs. 10,000 plus 3 per cent." (149)

Page 24, lines 19 and 20, for "Rs. 15,000 plus 3 per cent." substitute "Rs. 25,000 plus 5 per cent." (150)

Page 24, lines 25 and 26, for "Rs. 30,000 plus 8 per cent." substitute "Rs. 50,000 plus 10 per cent." (151)

SHRI N. K. SANGHI : I beg to move\* :

Page 24, line 34, for "Rs. 1,00,000" substitute "Rs. 1,50,000". (62)

DR. RANEN SEN : The main idea here is to tax more those people who have more. Here you will find that the tax is 1 per cent of the net wealth up to Rs. 5 lakhs. When it comes to 10 lakhs, it is 2 per cent. My amendment is, instead of 1 per cent make it 2 per cent. It will fetch Rs. 10,000 instead of Rs. 5,000. In the next slab, my amendment is instead of "Rs. 5,000 plus 2 per cent", make it Rs. 10,000 plus 3 per cent, which will fetch Rs. 30,000 for the exchequer. This is the slab which does not exceed Rs. 10 lakhs. Therefore, if we take Rs. 40,000 from a man or Hindu undivided family having a property of Rs. 10 lakhs, it is quite equitable. Perhaps it is much less than what should be taken from them. Similarly, in the next slab which goes up to Rs. 15 lakhs, I have suggested Rs. 25,000 plus 5 per cent instead of Rs. 15,000 plus 3 per cent. The idea is

gradually to increase the tax. Secondly, the Finance Minister himself has said, there is a huge gap uncovered. In order to cover it, more money is needed. So, money has to be taken from where money really is. These are some of the small amendments I have suggested. I hope the Finance Minister will consider them.

SHRI N. K. SANGHI : Through my amendment No. 62, I had asked for raising the exemption in wealth tax from Rs. 1 lakh to Rs. 1,50,000. But seeing the papers and hearing the Finance Minister's speech yesterday, I find he has also exempted rented property and naturally the scope of the wealth tax has been widened. In view of this, with the pleasure of the House, I withdraw my amendment.

SHRI S. M. BANERJEE (Kanpur) : I want to speak on the amendments moved by Dr. Ranen Sen : I will add some more arguments to convince the Finance Minister to accept the amendment. Now he does not want to bring some sort of ceiling on property, whether rural or urban. As long as government does not accept the suggestion form ceiling on income, we want to tax the richer sections with a view to get more resources for our plan. We hope the Finance Minister will accept this amendment in larger interests of the country. At a time when we want to solve the problem of unemployment if we can get some amount out of this we should take it. I am saying this because people who earn more are the people who are tax evaders also. So, even if he cannot accept this amendment now, let him give an assurance that he will bring other measures to do that.

SHRI YESHWANTRAO CHAVAN : The hon. Member has made a mention of making resources available immediately for the plan. Wealth-tax is a tax which not only gives money immediately, but also re-orientes the distributive factors and the processes in the country. We have already begun the process. At the moment the rates are from Rs. 1 lakh to 5 lakhs one per cent, from Rs. 5 lakhs to 10 lakhs two per cent and over Rs. 15 lakhs it is 8 per cent. So, the steps that we have taken have already virtually brought about a ceiling on the wealth. Now the hon. Member wants to raise practically every slab a little higher. I would advise

\* Moved with the recommendation of the President.

[Shri Yeshwantrao Chavan]

him to have a little patience in this matter. We do not want to take such harsh steps immediately. I understand and appreciate his motives. But I want to tell him that we have already taken certain steps. I do not want to increase the rates immediately. So, I cannot accept these amendments.

SHRI S. M. BANERJEE : You can do it next year.

MR. SPEAKER : I will now put amendment Nos 148, 149, 150 and 151 moved by Dr. Ranen Sen to the vote of the House.

*Amendments Nos. 148 to 151 were put and negatived.*

MR. SPEAKER : Shri Sanghi wants to withdraw his amendment No 62. Has he the leave of the House to withdraw his amendment ?

SOME HON. MEMBERS : Yes.

*Amendment No. 62 was, by leave, withdrawn.*

MR. SPEAKER : The question is :

"That clause 36 stand part of the Bill."

*The motion was adopt. d.*

*Clause 36 was added to the Bill.*

*Clause 37 was added to the Bill.*

Clause 38—(Amendment of Act 7 of 1964)

MR. SPEAKER : On clause 38 I want to say that the amendments given notice of by Shri Maddi Sudarsanam and Shri H. M. Patel are out of order.

SHRI G. VISWANATHAN : Sir, I want to know the procedure in this case. They are amendments which have been admitted and circulated by office.

MR. SPEAKER : They are beyond the scope. After all, they are given at such short notice that there is not enough time to study them.

Now the question is :

"That clause 38 stand part of the Bill".

*The motion was adopted.*

*Clauses 38 was added to the Bill.*

*Clause 39 was added to the Bill.*

Clause 40—(Amendment of Act 1 of 1944)

SHRI VIRENDRA AGARWAL :  
beg to move\* :

Page 28,—

*Omit lines 22 to 24. (15)*

Page 31,—

*Omit lines 7 to 9. (16)*

Page 33,—

*Omit lines 6 to 18. (17)*

Page 33,—

*Omit lines 23 to 25. (18)*

Page 34,—

*Omit lines 14 to 22. (19)*

Page 35,—

*Omit lines 3 to 27. (20)*

Pages 36, 37, 38 and 39,—

*Omit lines 12 to 33, 1 to 35, 1 to 31 and 1 to 7 respectively. (21)*

SHRI DINEN BHATTACHARYYA  
(Serampore) : 1 beg to move\* :

Page 28,—

*Omit lines 2 to 21. (182)*

Page 28, line 23,—

*for "Nine hundred and twenty rupees"  
substitute "Six hundred rupees". (183)*

Page 30,—

*Omit line 4. (185)*

Page 30,—

*Omit line 7. (186)*

Page 30,—

*Omit line 8. (187)*

Page 30,—

*Omit line 27 to 29. (188)*

Page 31, line 8,—

*for "Twelve and a half per cent.  
valorem".*

*substitute "Five per cent.". (189)*

\* Moved with the recommendation of the President.

Page 32, lines 4 to 8,—

*Omit* "Cellulose acetate (including di-or triacetate), Cellulose acetate butyrate and Cellulose propionate, Cellulose acetate-propionate." (190)

Page 34,—

for lines 18 to 22,—*substitute*—

'(xvii) in Item No. 32, for the entries in the third column against sub-item (1), (2), (3) and (4), the entry "Five per cent. *ad valorem*." shall be substituted ;' (192)

Page 35, line 16,—

for "Ten per cent.", *substitute* "Five per cent." (193)

SHRI G. VISWANATHAN : I beg to move\* :

Page 28,—

*Omit* lines 13 to 21. (141)

SHRI C. K. CHANDRAPPAN (Telli-cherry) : I beg to move\* :

Page 28,—

*Omit* lines 2 to 12. (195)

Page 30, lines 20 to 22,—

*omit* "face powders, baby powders, toilet powders, talcum powders and lipsticks" (197)

Page 33,—

after line 15, *insert*—

"*Explanation*.—This shall not be applicable for cotton, coarse cotton, handloom and khadi ready made garments whose price is not above rupees thirty-five per piece." (199)

Page 33, line 28,—

for "Ten per cent." *substitute*—

"Fifteen per cent." (200)

Page 34 line 26,—

for "Six per cent." *substitute*—

"Four per cent." (201)

SHRI H. M. PATEL : I beg to move\* :

Page 28,—

*Omit* lines 2 to 24. (27)

Page 28,—

after line 21, *insert*—

'(ia) in Item No. 2, for the entry in the third column against sub-item (1), the entry "Forty rupees per quintal" shall be substituted ;' (28)

Page 28,—

after line 21, *insert*—

'(ia) in Item No. 3, for the entry in the third column against sub-item (1), the entry "Not exceeding one rupee per kilogram" shall be substituted ;' (29)

Page 28,—

after line 24, *insert*—

'(iia) in Item No. 7, for the entry in the third column, the entry "One hundred and twenty rupees per kilolitre at fifteen degrees of Centigrade thermometer" shall be substituted ;' (30)

Page 29,—

*omit* lines 8 to 10. (31)

Page 29,—

after line 25, *insert*—

'(va) in Item No. 12, for the entry in the third column, the entry "Fifty-five rupees per metric tonne" shall be substituted ;' (32)

Page 29,—

after line 25, *insert*—

'(va) in Item No. 13, for the entry in the third column, the entry "Five per cent *ad valorem*" shall be substituted ;' (33)

Pages 29 and 30,—

*omit* lines 26 to 30 and 1 to 8 respectively. (34)

Page 33,—

*omit* lines 6 to 15. (35)

Page 33,—

*omit* lines 20 to 34. (36)

Page 34, line 18,—

after "entries" *insert*—

"excluding vacuum and gas filled bulbs not exceeding 100 watts" (37)

\* Moved with the recommendation of the President.

[Shri H. M. Patel]

Page 35.—

after line 33, insert—

'(xxia) in Item No. 38, for the entry in the third column, the entry "Thirty-two paise for every 1,000 matches or fraction thereof" shall be substituted.' (38)

Page 36,—

omit lines 1 to 3. (39)

Page 38,—

omit lines 4 to 10. (40)

Page 38,—

omit lines 11 to 19. (41)

Page 38, lines 20 to 22,—

for "Twenty per cent. *ad valorem*" substitute—

"Fifty per cent. *ad valorem*" (42)

SHRI N. K. SANGHI : I beg to move\* :

Page 35, line 30,—

for "Twenty" substitute "Ten". (110)

Page 35, line 32,—

for "Twenty" substitute "Ten". (111)

Page 38, line 4,—

for "Twenty" substitute "Ten". (112)

SHRI VIRENDRA AGARWAL : Sir, we have moved these amendments only with two objectives. Such items like motor spirit, soap, ready-made garments, electric bulbs, etc. all these items are consumed by the common man in the country and, as such, they would be very much adversely affected. We know the Finance Minister has assured this House several times that the prices of these items will be held but on the one hand he goes on raising the excise duty on these items and on the other hand he expects that the price would be held. This is a contradictory statement so far as I see. If the excise duty on all these items is raised it is almost certain that prices of these items will go up and that way the common man for which the Government claims to be championing the cause would suffer greatly. Therefore, I would suggest that custom and excise duties on all these items should not be raised so as to protect the

common man and the small producer. These two sections of the community must be protected and this is the object of all these amendments which we have moved. I know the Finance Minister has already granted certain smaller mercies amounting to Rs. 15 crores but they do not actually go very far. In the case of petrol I want to say more than 60% of the cars in the country are run and managed either by the Government or corporate institutions or other governmental agencies. Who would ultimately pay these increased charges on petrol? Ultimately this whole taxation will be borne by the Government. There should be no more raising of any charge on petrol when we want road transport to grow in the country and we want people to be modernised. On the one hand we want socialism to be brought about and on the other hand we go on taxing petrol and small items like ready-made garments. Similarly pressure cooker. I really do not know if the tax on items like pressure cooker would be desirable when we expect modernisation to be introduced in every household.

Pressure cooker and all items of this nature are things which, I think, could bring about some sort of scientific change or technological advancement in the country. A change in the way of life and in the thinking of the people, for which the Finance Minister himself stands, should be introduced. We should see that this particular process of scientific and technological advancement is not allowed to be curbed.

With these words I request that somehow or other the common man, the small producer and all that process which stands for scientific change must be protected.

SHRI G. VISWANATHAN : Sir, I am particularly interested in two of the four amendments that I have moved. My amendment No. 142 deals with the tax on soap. The Finance Minister has levied 12½ per cent *ad valorem* duty on soap. I think, the Government is committed to the uplift of the poor and to champion the cause of the poor and we have to see that these articles, which are very essential for their upkeep, are not taxed.

Soap is now used even in villages by the common people and the poor. We should not tax soap and thus, ultimately,

\* Moved with the recommendation of the President.

tax the poor people. The other day the Finance Minister conceded that not only the price of washing soap but the prices of other soaps have also gone up. I think, the Finance Minister, who has rejected all amendments, will agree to this amendment and will withdraw this tax.

Again, on pressure cookers he has levied 20 per cent ad valorem duty. I do not know why he wants to tax pressure cookers. Our households are now entering the modern age. We are going in for modernisation very slowly. In the olden days we used to cook in mud vessels; now we are going slowly to cooking in aluminium vessels. A few people have now taken to pressure cookers where we get clean and good food. We have to encourage people getting clean and good food and our Finance Minister should not drive them back to mud vessels of the olden days. Pressure should have been brought upon him from his own home and even by the Deputy Minister of Finance. I think, he has to concede this and withdraw the tax on pressure cookers. I would very much like him to agree to this amendment.

**SHRI DINEN BHATTACHARYYA :** My amendments are all in respect of items, on which taxes have been imposed, which are used by the poor people and the lower middle class.

I was rather astonished that on glucose, dextrose and preparations thereof, which are used for the preparation of medicines and injections, taxes have been imposed. It will automatically increase the cost of drugs also.

Then, coming to motor spirit tax, it has been repeatedly said here that already taxi fares have been increased to the extent of 20 per cent. Now-a-days in Calcutta, Bombay and other big cities very common people sometimes are forced to hire taxis. Along with the increase in the taxi fare, there is a cry for an increase in the bus fare also throughout the country. So, I do not understand why such a heavy tax has again been imposed on motor spirit.

13.30 hrs

[MR. DEPUTY SPEAKER in the Chair]

In the backward areas diesel is not used by trucks. There petrol is being used by trucks. So, there the freight charges will

also increase and automatically the price of goods will also increase.

The levy on soap will bring a burden on other small and medium size factories also. He has mentioned that it is on soaps that are manufactured by power. In this connection, I would like to bring his attention to the Memorandum submitted by the Belting Industries Association. They have mentioned that if this *ad valorem* duty is imposed, then they are finished. These factories are mostly situated in my constituency, in West Bengal. They met the Finance Minister and they even met the Prime Minister when she visited West Bengal. They frantically appealed to the Government not to raise the duty because, if this *ad valorem* duty is imposed, then they will have to face a very keen competition with the large-scale industries and it will be difficult for them to survive. I do not know how the Finance Minister will help the small-scale industries. I again appeal to him to consider the case about these small factories.

**DR. RANEN SEN :** Sir, this belting industry is mostly located in West Bengal and it is a small-scale industry. Now, with this heavy taxation that is proposed by the Finance Minister, most of the belting industry units will be facing a very keen competition from bigger industries, namely, the Dunlop and other companies. In view of the political and economic situation in West Bengal, the whole charge of West Bengal has been taken over by the Centre and I would request the Finance Minister to look into this case of belting industry and see what he can do in regard to lifting the heavy taxation that he has imposed on it.

**SHRI C. K. CHANDRAPPAN :** I have moved my amendments to bring certain facts for the consideration of the Finance Minister. While answering Dr. Ranen Sen and others on the Wealth Tax, the hon. Minister said, at one stroke, he did not want to finish with the wealthy people. I would request you to please have some mercy on children, patients and old people also as you have shown to the wealthy people. That is why I have moved these amendments.

About the enhanced *ad valorem* duty on Glucose, it is essentially a baby food

[Shri C. K. Chandrappan]

and it is used by old men and patients also. If you really impose this tax, there is no doubt—I think, many people on the other side including the Finance Minister will agree—that it will badly affect the interests of the common man.

As regards the duty on maida, the Finance Minister has withdrawn it. But before withdrawing that, in his speech, I remember, the Finance Minister said that it is to be taxed because maida in his opinion was no more the food of the common man. I think, Finance Minister in that light would reconsider certain other things which I am mentioning.

I request you to withdraw the tax imposed on face powder, baby powder and the talcum powder. I did not insist to withdraw tax on lip-stick. It is by mistake lip-stick is put there. I have put it but I don't insist. But I do insist to withdraw tax on other items mentioned because it is no more a luxury article. Even in the villages if you go, you can see the ordinary peasant, the agricultural labourer and in the industrial area almost all the industrial workers are using those things. So, I hope the Minister will understand why we are insisting that it should be withdrawn.

Then comes again the question of perfumed oil. The same argument holds good. Again it is something which is used by the common man. Let the common man also go round with a little bit of perfume and what is wrong in it? To give them food, you tax the wealthy people. You say you don't want to tax them right now. But, right now why do you want to deprive the ordinary man whatever little luxury he has?

Then, about the ready made garments, I know the Finance Minister has moved certain amendments but I specifically move this amendment to bring certain facts to your consideration, particularly, the problem of handloom industry. This is an industry now developing in certain parts of our country and they are now specialising in certain ready made garments and exporting them also. They are trying to find new markets in the countries abroad. Now you are taxing them. I don't say that you should not tax them at all. What I say is that there should be certain limit. What you propose in your amendment, as I understood, is that in certain factories if

the total output is at a certain level, you may not tax. But, in my opinion, it may be better if you tax, as I have suggested, those ready made garments the price of which is beyond Rs. 35 per piece. I am even ready to agree if you want to reduce the price. I don't mind that. But, something like that should be there to protect the interests particularly of the handloom and cottage industries. That is why that amendment is moved.

Regarding getting a little more resources, I say, why not you enhance the tax on mosaic articles? It is a thing essentially used by people who are going for a little luxurious way of life. So, I suggest instead of 10% you enhance the tax on that and make it 15% and get a little more money.

My next suggestion is about fans, table-fans and all varieties of fans. I think in the cities it is now an absolutely essential thing for the common man. The industrial workers are using it. In Delhi if you just go to the servant quarter behind your residence, they are using it.

SHRI YESHWANTRAO CHAVAN :  
Small fans they are using.

SHRI C. K. CHANDRAPPAN : My interest is that by arguing for the reduction of duty on fans, the duty on fans which may be used by common man and the middle class people should also be reduced. I hope the Finance Minister will favourably consider all these proposals and something will be done with regard to that.

Thank you.

SHRI H. M. PATEL : The amendments that I have move also relate to items which affect essentially the middle class. That is the one class which is the most harassed class and which suffers the most in a period of inflation and here is a class which is the most hard-hit by these levies. The items have already been referred to, namely, vacuum flasks and pressure cookers and other items. The arguments that were advanced are also the arguments that I would advance and I don't wish to say much on that, except this, that the tax on these items that is proposed is extremely heavy. They have become commodities of everyday use. They are needed to make life a little easier

for them in these times when life is a little difficult and therefore it is that I would appeal to the hon. Finance Minister not to put more burden on this one class which suffers the most from inflation. In spite of the Finance Minister's confidence that prices will not go up, prices have gone up and they will also continue to go up. Therefore, I suggest, these amendments may be seriously considered as a measure of relief to these suffering classes.

One of the items relate to small industries such as mosaic tiles. They are not luxuries. I wish to point out this particularly from the point of view of the inconvenience that will be caused to small manufacturers. If it is done in some different way it might be better. I would suggest that some administrative consideration should be given because these mosaic tiles factories are not large factories; they may be using power; but they are all very small units and they will be put to a lot of inconvenience by imposition of excise duties as proposed in the Bill. In short, I would suggest, these amendments relate to the commodities which we should not tax, because we have to give relief to the middle classes, which need utmost relief.

SHRI N. K. SANGHI : I have already moved amendments Nos. 110, 111 and 112. Amendment No 110 relate to excise duty on cinematographis projectors. Compared to Bulgaria and Rumania our cinemas are only 10% to the ratio based on the population of those countries. The equipment costs from Rs. 50 thousand to a lakh of rupees. Then there is the State sales-tax of 12 per cent. There is 20 per cent excise duty on the projectors. It comes to Rs. 20,000 to Rs. 30,000. These projectors cater to small villages and I would request that instead of 20 per cent. it must be brought down to ten per cent. If necessary, the percentage might have been stepped up later in the coming years. So, this is what I would suggest for the consideration and acceptance of the hon Finance Minister.

Regarding the second amendment, what I wish to say is that in this country we are not producing good cameras. We are producing some box cameras but by this excise duty the indigenous production will be very much retarded. We should actually give them incentive, and not come upon them with heavy excise duty. I hope he will

accept my second amendment, Amendment No, 111.

With regard to amendment No. 112, this relates to pressure cookers and so much has already been said. I hope he will consider it. I am happy you have reduced excise duty on 16 MM; but on 35 MM cinematographic projectors, which caters to villages and small towns, there is this large excise duty. Therefore I suggest that this may be reduced. Next year, if you like, it may be increased.

SHRI G. VISWANATHAN : Next year he will not tax.

SHRI DASARATHA DEB (Tripura East) : I am supporting Mr. Bhattacharyya's amendment. This relates to tax on ready made garments, etc. This really hits the common people; this will hit the lower middle class people who purchase the ready made garments. At this even the late stage of discussion, I would request the hon. Finance Minister to withdraw these tax proposals. The same thing applies to the case of taxation on thermos flasks. We should encourage the use of thermos flasks: If the hon. Minister is going to tax this item even at this initial stage when it is coming into use, he cannot encourage the use very much. This tax will not serve the society very well. Therefore, I would request the Finance Minister to withdraw the tax on this item, because we should encourage the use of thermos flasks by the common people on a large scale.

In regard to motor spirit, although Government have increased the duty by a small percentage, actually the bus fare or jeep fare has increased by about 50 per cent. To give you just one instance from Agartala to Sunamara, which is a distance of about 40 miles, whereas the taxis were charging per head just Rs. 4, now they are charging about Rs. 5.50 per head. One taxi carries at least 10 to 12 people. So, you can imagine by how much they have increased the fare. That is why even at this late stage, I would request the Finance Minister to reduce the taxation on motor spirit.

श्री प्रताप सिंह (शिमला) : उपाध्यक्ष महोदय, मैं अपने अमेंडमेंट के सम्बन्ध में ध्यान दिलाना चाहूंगा कि प्रेशर कुकर पर जो 20

[श्री प्रताप सिंह]

फीसदी एक्साइज ड्यूटी लगाई गई है वह शायद यह मान कर लगाई गई है कि प्रेशर कुकर एक लगजरी आइटम है। इसे केवल धनवान लोग ही इस्तेमाल करते हैं, तभी इसे लिक्विड वर्गर्ह लम्बरी गुड्स की कटेगरी से शामिल किया गया है। प्रेशर कुकर आज आम लोगों के इस्तेमाल की चीज बन गई है। इसे भ्रमीर लोग ही नहीं बल्कि गरीब लोग भी इस्तेमाल करते हैं। देहातों में इसका रिवाज बढ़ता जा रहा है। इसका फायदा यह है कि एक तो इससे समय बचता है और दूसरे फ्युएल की बचत होती है। 20 परसेंट ड्यूटी दूसरी चीजों को ध्यान में रखते हुए प्रेशर कुकर पर बहुत ज्यादा है। मिशाल के तौर पर बिजली के पंखों पर सिर्फ 10 फीसदी एक्साइज ड्यूटी है, दूसरे एलेक्ट्रिक अप्लायेंसेज पर, जिन्हें ज्यादातर भ्रमीर लोग इस्तेमाल करते हैं, 10 परसेंट एक्साइज ड्यूटी है। साइकिल पर इस वक्त कोई भी ड्यूटी नहीं है। उसके पुर्जों पर भी सब मिला कर 3 परसेंट ड्यूटी है। प्रेशर कुकर भी इसी कटेगरी में आता है।

इतना ही नहीं है, घाय ने जो एक्साइज ड्यूटी लगाई है उससे निकम्मी पार्टीज को आगे आने का मौका मिलेगा। वह खराब मेटल इस्तेमाल करके सस्ते दामों पर इनकम्मे किस्म के कुकर बनायेंगी। इससे ऐक्सिडेंट्स का भी मौका ज्यादा होगा और खुराक भी खराब किस्म की तैयार होगी।

इसलिये मैं उम्मीद करता हूँ कि मिनिस्टर साहब इस तरफ ध्यान देंगे और इस ड्यूटी को खत्म करेंगे। अगर वह इसको खत्म नहीं करना चाहते हैं तो मैं उनसे अनुरोध करूंगा कि वह इसको कुछ कम जरूर करें क्योंकि इससे आम लोगों का फायदा होता है और यह आम लोगों के इस्तेमाल की चीज है।

SHRI YESHWANTRAO CHAVAN : I have heard all the arguments about the

excise duties on a large number of items. As I had pointed out yesterday, our taxation system is such that normally we have to depend upon indirect taxes, and it does create an atmosphere of a little unpleasantness. I quite concede that position. But as I have said, we had to cover most of the uncovered deficit by raising new resources, and, therefore, I had to go in for taxation on a large number of items. Even then, I did consider many items which ultimately are meant for consumption by the common man. Therefore, I withdrew the excise duty on maida, coarse cloth etc. I think the hon. Member was unnecessarily making a grievance in regard to handloom. Handloom is not to subject to any undue pressure. About those small units which were producing readymade clothes...

SHRI DINEN BHATTACHARYYA : The cloth is exempt, but the tax on readymade garment made of handloom cloth stands.

SHRI YESHWANTRAO CHAVAN : There are many brands and there are big concerns which can afford to pay. Again, reducing the levies now will not serve any purpose, because the prices have already risen. We will lose both ways. What reasonable exemptions we wanted to make really have been made. In case of fans, for example, I have taken care to see that there is no increase in taxes on small size fans. It is the bigger type of fans which are used for offices etc. which are subject to heavier excise duties. The small fans are not included.

AN HON. MEMBER : Are all table fans exempted ?

SHRI YESHWANTRAO CHAVAN : If you see, certain sizes are mentioned. Some people can have a very big fan, a fashionable size. When you think of the common man, you cannot think of very fashionable fans.

Now, Sir, soap which is used by the common man has not gone up in price. There are certain categories of soap which are consumed by the common man like Life Buoy for example. I made an announcement in this hon. House itself that the manufacturers are not allowing this

excise duty to be reflected in the price of the soap.

As regards petrol, Sir, I cannot oblige anybody. That was one of the major sources of income.

I can understand the pressure about the pressure cookers. Well, I would only say that I do not want to accept this amendment, but I will certainly give some consideration to see whether one can do something about it a little later. (*Interruption*)

I will give my consideration to it not by way of accepting the amendment, as it is not necessary. You depend upon my assurance in this matter. I do not want to make any announcement, but I will certainly consider the suggestion.

AN HON. MEMBER : What about glucose ?

SHRI YESHWANTRAO CHAVAN : I cannot say anything about glucose.

A mention was made about the belting industry of West Bengal. Their representation is before us, we are considering that matter. That is all I can say, but I cannot accept any amendment.

MR. DEPUTY-SPEAKER : I will now put all the amendments to Clause 40 to the vote of the House.

*All the amendments\* were put and negatived.*

MR. DEPUTY-SPEAKER : The question is :

"That Clause 40 stand part of the Bill".

*The motion was adopted.*

*Clause 40 was added to the Bill.*

Clause 41—(*Amendment of Act 58 of 1957*)

SHRI VIRENDRA AGARWAL : I beg to move\*\* :

Page 39—*Omit* lines 13 to 27. (22)

SHRI H. M. PATEL : I beg to move\*\* :

Page 39—*Omit* lines 20 to 27. (43)

DR. RANEN SEN : I beg to move\*\*

Page 39—*Omit* lines 20 to 25. (157)

The hon. Minister said he has exempted the lower categories of cloth. Still he has imposed a 6 P per square metre duty on medium B. Then there is a levy of 25P per square metre on cotton fabrics not otherwise specified. Coarse cloth is used by very poor people. But medium cloth is also used by the lower middle class and middle class. They are forced to use only middle cloth (*Interruptions*). Therefore such an imposition will affect these poor people and should be withdrawn.

SHRI YESHWANTRAO CHAVAN : Those who can afford it should at least pay it.

DR. RANEN SEN : Medium cloth is used by poor people who cannot afford this imposition. It will immediately boost up the price.

SHRI VIRENDRA AGARWAL : While framing tax measures, I would say that all the essential items consumed by the poor class upto a particular income group should be left untaxed. It may be Rs. 150 per month or Rs. 200 per month. There must be a clear-cut classification in Government's thinking about it.

This particular item we are discussing, cotton fabrics, is consumed by a particular poor section of the community. On the one hand, Government is committed to *garibi hatao* ; on the other, such levies of excise are being put on commodities which help in accentuating *garibi* in the country. I do not know how the Finance Minister is going to reconcile these two contradictory stands. Therefore, I feel the Finance Minister should do something about it.

SHRI H. M. PATEL : I would add to the arguments already adduced. Medium and coarse cloth are really used by ordinary people, the middle class people. Everybody talks in terms only of the poor. I say today the poorest class is the middle class because a member of that class has to maintain a reasonable standard and has to pay a heavy price for it. These medium and coarse cloth are really utility cloth which

\*The amendments which were negatived : Nos. 15 to 21, 27 to 42, 110 to 112, 141, 199 to 201.

\*\* Moved with the recommendation of the President.

[Shri H. M. Patel]

Government itself wants to encourage. It seems to me these are categories on which no duty should be levied.

**SHRI YESHWANTRAO CHAVAN :** It is obvious I cannot accept the amendments. As far as coarse cloth is concerned, I have already made the concession. The additional excise on coarse cloth has already been withdrawn with the result that the rate of duty on coarse fabrics is now restored to the pre-budget level. In the case of medium fabrics, the increase in duty is 4.8P per square metre to 6 P per square metre, an increase of only 1.2 P per square metre. Fine and superfine cloth is by and large used by the relatively well to do. This is a marginal increase and I do not think they cannot afford to pay it.

**MR. DEPUTY-SPEAKER :** I shall now put the three amendments to vote.

*Amendments Nos. 22, 43 and 157 were put and negatived.*

**MR. DEPUTY-SPEAKER :** The question is :

"That clause 41 stand part of the Bill".

*The motion was adopted.*

*Clause 41 was added to the Bill.*

14.00 hrs.

Clauses 42 to 44

**SHRI G. VISWANATHAN :** I speak on the tax on foreign travel. We know tourism is the biggest industry of the world today. They say they turn out more than Rs. 20,000 crores. One part in the total turnover is very, very low and already India is making headway in spite of these defects. The number of tourists that we are getting now is very poor not only compared to other industrially-developed countries but even compared to under-developed countries like Thailand who are getting double the number of tourists than we get. We get not more than three to four lakhs of tourists every year. Hence, it becomes necessary that we should give an incentive to tourists to visit our country more and more so that we can earn more foreign exchange.

This tax on foreign travel is a hindrance in the way of getting more tourists, a greater number of tourists to our country. No doubt, the Finance Minister has reduced the levy to 20 per cent tax—five per cent on first-class and 10 per cent on economy class. But even then Air India which is one of the best public sector undertakings in our country—

**SHRI YESHWANTRAO CHAVAN :** Which is your amendment ?

**MR. DEPUTY-SPEAKER :** He just wants to speak on clauses 42 to 44. There are no amendments.

**SHRI G. VISWANATHAN :** On clause 45, you have an amendment. As I was saying, Air India has to compete with most of the international airlines which are well-established, well-advanced and well-financed. We have to help Air India to compete with the world airlines so that we can earn more foreign exchange and Air India may survive in the cut-throat competition with the other foreign airlines. So, I think the Finance Minister has to consider this. He is not going to get more. He says he is going to get only Rs. 4 crores through this tax on foreign travel.

**SHRI YESHWANTRAO CHAVAN :** A small amount.

**SHRI G. VISWANATHAN :** Four crores of rupees may be a small amount as far as he is concerned, but perhaps for individuals it is a big sum. I think he will get more by way of foreign exchange if the number of tourists increases, and we will be getting double the amount which we now get by way of foreign travel tourists. I think he will consider this and withdraw the tax on foreign travel.

**SHRI VIRENDRA AGARWAL :** Sir, to me it seems to be a tax on international understanding. While we want international understanding to be promoted, we want a larger number of foreign people to come to our country, while we want our people also to go abroad, and while on the other hand, we have recently invested round about Rs. 100 crores on the air industry. I really do not know whether the Finance Minister would be able to earn anything

out of this particular tax rather than losing a great deal from this levy.

I understand there was a study recently conducted by Air India and they have said that if this tax is not removed then Air India would lose roundabout Rs. 4 crores to Rs. 5 crores in a year. I really do not know on what basis this tax has been levied. If we are really sincere to our objectives, the objective of national integration and international understanding, then we have to think in and see that air travel in no way is made expensive and we should see that we are able to attract a large number of foreign tourists to this country, and in this way we would be able to earn foreign exchange.

Foreign exchange is very vital for a developing economy, and if we hinder that process of earning foreign exchange by any way, we will not be helping the country's economic growth.

**SHRI C. K. CHADRAPPAN :** We are witnessing a very peculiar phenomenon when the Finance Minister taxes foreign travel. I hope the Finance Minister will listen to what I say. Mr. J. R. D. Tata, the Chairman of Air India International, was saying—rather questioning—in a statement the rightness of this taxation people and he has also spent enormous amounts in advertisement against the tax proposed by the Government. I do not know how you will be able to justify this spending of public money in advertising by a public sector undertaking against the proposal made by the Finance Minister. I would like to know it. You are taxing to amass some money, and your Chairman of the same Corporation is spending money on advertisements in the newspapers against your proposal. What do you say about that? I would like to know about it.

**SHRI YESHWANTRAO CHAVAN :** The foreign travel tax has been discussed so much in this House. It is a new tax; it is a novel tax. But I do not think there is anything basically wrong about that tax. Whether it is going to result in a loss to Air India, etc., is certainly a matter of detail; one has yet to go into it. The Air India is a public corporation and is doing well. My intention in introducing this tax was not to do any harm to Air India; we should like our public sector undertakings to do well. For this purpose we can take care

to protect the interest of Air India in other ways, we shall certainly take care of that. Naturally the Introduction of the Jumbos has come to a stage when international aviation is in a period of decline. Possibly that aspect also will have to be taken into account. That is why I agreed to a certain reduction in the rate of travel tax. I think that should meet their arguments.

**SHRI G. VISWANATHAN :** You are investing Rs. 100 crores in Jumbo jets.

**SHRI YESHWANTRAO CHAVAN :** The investment is there. That does not necessarily mean it is going to be merely a tax on people travelling in the Jumbo jets only.

Some persons have got a wrong idea that it is going to affect tourism. This tax is not on those people who visit India and make payment in foreign exchange. It is a tax on those people who can afford to go to the foreign countries for business and other things. I do not know why they cannot afford to pay to the Government their contribution. Even then, taking into consideration the rather unknown impact of the tax, the new type of tax, I have made certain changes. I do not think there is any justification for the fears the hon. Members have.

**SHRI C. K. CHANDRAPPAN :** He did not say anything about JRD Tata's advertisements.

**SHRI YESHWANTRAO CHAVAN :** I have enough sense of humour to enjoy all such criticisms. Whether money spent on such advertisements is wisely spent or not, sometimes you can put that question to the concerned Ministry.

**SHRI H. M. PATEL :** You say that it is a new tax. Would it not be better to proceed slowly, and reduce it still further, say, to 10 and 5, instead of 15 and 10.

**SHRI YESHWANTRAO CHAVAN :** There was a flat rate of 20 per cent, both first class and economic class. I have reduced the rates, and made it 15 and 10. After the experience of this tax, one can always consider it,

MR. DEPUTY-SPEAKER : The question is :

"That clause 42 to 44 stand part of the Bill."

*The motion was adopted.*

*Clauses 42 to 44 were added to the Bill.*

**Clause 45 - (Foreign Travel Tax)**

MR. DEPUTY-SPEAKER : We take up clause 45.

SHRI N. K. SANGHI : I move\* my amendment No. 113.

Page 41, line 15,—

for "twenty" substitute "Ten" (113)

SHRI YESHWANTRAO CHAVAN : I have got two amendments 217 and 218. In my amendment No. 217, as it has been circulated, the first line should read : "In accordance with rules made . . ." The article 'the' is unnecessary and I am moving that amendment with the omission of the word 'the' in the first line of that amendment. I move\* :

Page 41,—

for lines 21 to 24, substitute—

"(2) In accordance with rules made under this Chapter, the foreign travel tax shall be collected by the carrier undertaking the carriage of the passengers, or, where the tickets or other relevant documents for such carriage are not issued by such carrier, by the carrier to whom such tickets or other documents relate, as an addition to the fares payable by such passengers and shall be paid to the Central Government." (217)

Page 41, line 15,—

for "twenty per cent."

substitute—

"fifteen per cent." (218)

Clause 45 (1) of the Finance Bill seeks to levy a uniform rate of tax of 20 per cent.

MR. DEPUTY-SPEAKER : Are you moving both the amendments ?

SHRI YESHWANTRAO CHAVAN : Yes, 217 and 218. 218 makes it clear that instead of 20, it should be 15 per cent ; I am not keeping the power. That is obvious. I am explaining the first amendment.

I had announced a revision of the rate of tax so as to make beginning with 15 per cent rate of tax for the standard first class, only ten per cent for economy or tourist class. The mechanics of giving effect to the reduced rates of tax necessitates an amendment of clause 45 (1) of the Bill. Clause 46 (a) of the Bill empowers the Central Government to exempt wholly or partially from the tax any class or classes of passengers or any category or categories of passengers under any such clause but does not contemplate each or all passengers being exempted from the tax as that would reduce the provision contained in clause 45 (1) to nullity. Accordingly, Clause 45 (1) of the Bill has to be amended to provide for the rate of 15 per cent instead of the existing rate of 20 per cent. And with this amendment, the low rate of 10 per cent for the economy or tourist class will be given effect to by Notification under Clause 46 (a) of the Bill. The proposed amendment seeks to achieve this.

SHRI N. K. SANGHI : The reason for giving this amendment has been vindicated by the fact that the Finance Minister himself has reduced the travel tax from 20 to 10 per cent for the economy class and to 15 per cent for the first class.

As you know, the Government of India's undertaking Air India has been financed up to Rs. 100 crores, and it is also well known that today the airlines all over the world are in the red, they are losing heavily. Therefore, today it is all the more necessary to see that tourists take to Air India.

I would like to draw the hon. Minister's attention to the beautiful advertisement put up at the Kemp's Corner in Bombay reading, "You have provided Rs. 100 crores, but you have taken away my hind legs". On the one side we provide large outlays to Air India and on the other side, we tax travel by air.

\*Moved with the recommendation of the President.

An all-world ticket for the economy class comes to Rs. 10,000 and for first class to Rs. 15,000. Fifteen per cent tax on a first class ticket comes to Rs. 2,250, and ten per cent on the economy class comes to Rs. 1,000. So, people would be tempted not to travel by first class and to go by economy class because the difference is Rs. 1,250 or Rs. 1,500, and in the process Air India will be losing revenue. I appeal to the hon. Minister to make it ten per cent for both economy class and first class. That would certainly generate better revenues. I hope he will be good enough to accept our suggestion.

SHRI YESHWANTRAO CHAVAN : I have already replied.

SHRI N. K. SANGHI : Since he is not in mood to accept my amendment, I withdraw it.

MR. DEPUTY-SPEAKER : Has he the leave of the House to withdraw his Amendment No. 113 ?

HON. MEMBERS : Yes.

*Amendment No. 113 was, by leave, withdrawn.*

MR. DEPUTY-SPEAKER : The question is :

"Page 41, for lines 21 to 24, substitute--

"(2) In accordance with rules made under this Chapter, the foreign travel tax shall be collected by the carrier undertaking the carriage of the passengers, or, where the tickets or other relevant documents for such carriage are not issued by such carrier, by the carrier to whom such tickets or other documents relate, as an addition to the fares payable by such passengers and shall be paid to the Central Government." (217)

"Page 41, line 15, for "twenty per cent." substitute "fifteen per cent." (218)

*The motion was adopted.*

MR. DEPUTY-SPEAKER : The question is :

"That Clause 45, as amended, stand part of the Bill."

*The motion was adopted.*

Clause 45, as amended, was added to the Bill. Clauses 46 to 51

MR. DEPUTY-SPEAKER : The question is :

"That Clauses 46 to 51 stand part to the Bill."

*The motion was adopted.*

*Clauses 46 to 51 were added to the Bill.*

Clause 52—(Amendment of Act 6 of 1898)

SHRI C. K. CHANDRAPPAN : I beg to move\* :

Page 43, line 33, for "One rupee" substitute — "Seventy-five paise" (202)

Page 43, line 35, for "One rupee" substitute — "Sixty paise" (203)

These are small amendments, and I have to make a very small request to the hon. Minister. The postal habit in our country is greatly expanding, and more and more people are using the postal system.

The present taxation proposal is, for parcels, one rupee for the first 400 gms and another one rupee for any subsequent fraction of 400 gms. My humble request is that this should be reduced to 75 paise at the first stage and 60 paise at the second stage. I am making this request because it is no more considered to be a luxurious habit to use the postal system to send parcels. I think this tax will affect the newspaper industry and also publications. By agreeing to this reduction, I do not think Government stands to lose very much. I hope the Minister will consider it and accept it.

SHRI YESHWANTRAO CHAVAN : I understand the hon. Member's appeal, but I am not going to accept it. I shall explain the reasons.

श्री सरजू पांडे (गाजीपुर) : कोई चीज तो एकसेप्ट कर लीजिये ।

श्री यशवंतराव चव्हाण : कुछ तो सोचने का प्रयत्न किया है । प्रैसर कुकर के बारे में सोचना कुतूहल किया है । आपके कहने के पहले मैंने बहुत कुछ मान लिया है ।

\* Moved with the recommendation of the President.

[श्री यशवंतराव चव्हाण]

The revision has been proposed in pursuance of the recommendations of the P and T Tariff Enquiry Committee, 1968, which worked under the chairmanship of Shri Mahavir Tyagi. This committee has recommended financial self-sufficiency within the postal branch. Further, while discussing the individual postal services, the committee has envisaged a surplus upto 20 per cent of the cost in the case of parcel service, in view of the fact that this service is largely utilised for the needs of trade and commerce. As against these recommendations, the postal branch is booked for a loss of about Rs. 10.82 crores during the current year in spite of the proposed tariff revisions. Similarly the surplus on the parcel service is below the limit suggested by the TEC and hence the proposed revision.

The amendments proposed by the hon. member would mean a rate of 75 paise for the first 400 grams and 60 paise for each subsequent 400 grams or part thereof. Evidently this implies a substantial reduction in the existing tariffs for the parcel service. The proposal, if accepted, would result in a subsidy of more than 16 per cent (with an annual loss of about Rs. 1.22 crores) instead of a surplus recommended by the T&C. Further more it will increase the losses in the postal branch by about Rs. 2.36 crores annually besides our not getting the anticipated additional revenue of about Rs. 95 lakhs from the proposed increase.

In view of these financial implications, I hope the hon. member would understand my point and withdraw the amendments.

SHRI C. K. CHANDRAPPA : Will the newspapers and publications be given some concession ?

SHRI YESHWANTRAO CHAVAN :  
No.

- (1) where the total income does not exceed Rs. 6,000.
- (2) where the total income exceeds Rs. 6,000 but does not exceed Rs. 10,000.
- (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000.
- (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000.

MR. DEPUTY SPEAKER : I will now put Mr. Chandrappan's amendments Nos. 202 and 203 to the House.

*Amendments Nos. 202 and 203 were put and negatived.*

MR. DEPUTY SPEAKER : The question is :

"That clause 52 stand part of the Bill."

*The motion was adopted.*

*Clause 52 was added to the Bill.*

*Clauses 53 to 55 were added to the Bill.*

#### The First Schedule

MR. DEPUTY-SPEAKER : There are a number of amendments. Mr. Viswanathan's amendments Nos. 145 and 146 are the same as amendments 23 and 24.

SHRI VIRENDRA AGARWAL : I beg to move\* :

Page 45, line 14, for "Rs. 5,000" substitute "Rs. 7,500" (23)

Page 45, line 16, for "Rs. 5,000" substitute "Rs. 7,500" (24)

SHRI N. K. SANGHI : I beg to move\* :

Page 53, line 33,—

for Rs. "5,000" substitute "Rs. 6,000".  
(68)

DR. RANEN SEN : I beg to move\* :

Page 45,—

for lines 13 to 25, substitute—

Nil

5 per cent of the amount by which the total income exceeds Rs. 6,000 ;

Rs. 500 plus 15 per cent. of the amount by which the total income exceeds Rs. 10,000 ;

Rs. 1,350 plus 20 per cent. of the amount by which the total income exceeds Rs. 15,000;" (158)

\* Moved with the recommendation of the President.

Page 47, line 4,—

for "15 per cent." substitute "10 per cent." (159)

Page 47, line 6,—

for "25 per cent." substitute "20 per cent." (160)

Page 47, line 10,—

for "Rs. 4,000" substitute "Rs. 3,000". (161)

Page 47, line 26,—

for "6 per cent." substitute "10 per cent." (162)

Page 47, line 29,—

for "Rs. 2,100 plus 12 per cent." substitute "Rs. 3,100 plus 15 per cent." (163)

Page 47, line 32,—

for "Rs. 8,100 plus 20 per cent." substitute "Rs. 10,600 plus 25 per cent." (164)

SHRI SHIVNATH SINGH : I beg to move\* :

Page 45, line 14,—

for "Rs. 5,000" substitute "Rs. 6,000". (170)

Page 47, lines 4 and (5),—

for "15 per cent. of the total income;" substitute "Nil;" (171)

Page 47, line 23,—

for "4 per cent." substitute "10 per cent." (172)

SHRI VIRENDRA AGARWAL : It is more than four or five years after the Boothalingam Committee had recommended that the tax exemption limit on personal incomes should be raised to Rs. 7,500. During this period, if you see the price index figure, even during last year it has shot up by 7.4 per cent and if we consider this year's budgetary proposals the price index is again likely to shoot up by 15 to 20 per cent. In that case, the lower middle class will be put to further hardship. It has been repeatedly stated that these budgetary proposals may not succeed in eradicating poverty but it would certainly eradicate the poor, because if the tax exemption limit is not raised to Rs. 7,500 the middle and lower middle class will

suffer so hard that it will be really difficult for the domestic housewife to make both ends meet. Therefore, I would plead with the Finance Minister that if he really claims to champion the cause of the poor and lower middle class then he should agree to this proposal. Otherwise, it would amount to sucking the blood of the poor. At a time when the excise duties, customs duties and other duties on essential articles are being raised and when the price index is shooting up, if you want the lower middle class to survive it is very vital that the tax exemption limit should be raised. With these words, I request the Finance Minister to accept my amendment Nos. 23 and 24.

DR. RANEN SEN : I am repeating the principles which I have enunciated earlier, namely, the people who are able to pay should be made to pay more and the people who are poor should be taxed less. I never say : "do not tax them", but tax them less. There should be a graduated scale where the rich is taxed more and poor less. So, I have made some suggestions in my amendments.

I want the minimum tax exemption limit should be raised to Rs. 6,000. A person with an income of Rs. 500 a month is already finding it very difficult to run his household with that amount. At a time when even a factory labourer is drawing Rs. 500 a month, because the value of the rupee is only 20 per cent or less than what it was earlier, this concession is very much necessary.

For the next slab now the rate is Rs. 10 per cent. I have suggested that it should be only 5 per cent. Nowadays even those who earn Rs. 1,000 a month are not very affluent. So, if we reduce the tax for them from 10 per cent to 5 per cent it will give them some badly needed relief. In this way, I have suggested reduction in the rate of taxation until we reach the slab of Rs. 20,000. Beyond Rs. 20,000 I have not made any suggestion for reduction in the rate proposed in the Bill. So, in the case of people drawing between Rs. 10,000/- to Rs. 20,000/- there should be some little tax relaxation and people drawing upto Rs. 6,000/- annually should be exempted.

Then, Sir, in the case of cooperative societies I am really surprised to find that a heavy tax has been imposed on these smaller cooperatives. It is stated where the

[Dr. Ranen Sen]

total income does not exceed Rs. 10,000/— there even it will be 15% of the total income. Now, we want to give fillip to the cooperatives in all the sectors of our life. The cooperatives are suffering. Really I am surprised if I am not mistaken and has understood it correctly. Therefore, I have suggested certain relaxation which is not very big. In the case of registered firms we find the opposite thing. For the poor middle-class you go on increasing; for cooperatives you go on taxing but when it comes to registered firms where the total income does not exceed Rs. 10,000/— it is nil. I have no quarrel in the case of those firms with an income of Rs. 10,000/— and if it does not exceed Rs. 20,000/—but where the total income exceeds Rs. 25,000/—but does not exceed Rs. 50,000—there why only 6%. Therefore, I say make the 10 per cent. The higher the income they should be taxed more. Therefore, from 12% the next slab where it does not exceed 1 lakh I have suggested 15%. Where the total income exceeds 1 lakh it may be 25%.

So, Sir, it is totally inequitous to tax people who are earning Rs. 500/- p.m. and to tax small cooperatives and to allow the bigger registered firms go scot free. This is no socialism and no social justice. Therefore, I move these amendments with all the vehemence at my command.

**SHRI G VISWANATHAN :** Sir, I have given two amendments to raise the tax exemption limit from Rs. 5,000 to Rs. 7,500.

**MR. DEPUTY-SPEAKER :** Your amendments are not treated as moved because they are the same as amendments Nos. 23 and 24.

**SHRI G. VISWANATHAN :** This case has already been well argued by some Members. When prices are going up day by day from year to year, the tax exemption limit cannot be static; it has to be elastic. No doubt, I agree with the principle that the broadest shoulders should bear the heaviest burden, but I do not think the Finance Minister will say that a person who earns Rs. 500 or Rs. 600 a month has the broadest shoulders. He has to find out some other person who will bear the heaviest burden.

This is nothing but taxing and harassing the middle class. The middle class is supposed to be the backbone of a stable democracy. If the tax exemption limit is increased to Rs. 7,500, as suggested by me, lakhs of tax assesseees will be spared from harassment.

The Finance Ministry is also benefited by this, in so far as it can get rid of lakhs of cases of assesseees where the collection is almost nil or very less. It can cut down the expenditure of the Finance Ministry also to a large extent. The suggestion which I make benefits me as well as the Ministry. So, I think, he can accept these amendments.

**SHRI DINEN BHATTACHARYYA :** I fully support the amendments moved by Dr. Ranen Sen, specially regarding the exemption limit. It must be raised at least to Rs. 6,000.

Along with this I want to plead in respect of collection of income-tax from workers. In factories I have seen that mostly all the assessment money is collected from those who have to pay at a time at the end of the year, that is, before 31st March of the year. The workers' earnings are not uniform throughout the year. Sometimes, because of the incentive, they get more in a particular month and less in another month. So, if this collection is made at one time, they face much difficulty. I will request the hon. Minister to see whether this could be spread over the next year. They are ready to pay but it should be realised in twelve months so that they may not have any difficulty of paying the tax at a time.

**SHRI N. K. SANGHI :** Sir, I have moved amendment No. 68 to this. Before I say something on this matter, I would like to read paragraph 50 of the hon. Finance Minister's speech in which he has said :—

"As a result of the change in the standard deductions allowable for conveyance and long-term savings, an employee with an annual income of Rs. 6,000 will be exempt from income-taxation provides he saves at least Rs. 400 in the approved form."

When we heard him in this House, it was my impression that an amount of

Rs. 6,000 would be exempt from payment of income-tax. But on the third or fourth reading of that speech I came to realise that the exemption was available upto Rs. 6,000 provided one was going to work to earn Rs. 600 a month and get from specified savings a sum of Rs. 400. One had to fulfil certain conditions to have this exemption.

It is one of the fundamental recommendations of all the committees that have been appointed on taxation, namely, the Rhoothalingam Committee, the Direct Taxes Inquiry Committee and all that, that the lower slab should be raised. Today you have 28 lakh assesses in the country. The Central Board of Revenue is suffering from lack of officers and is not able to cope with these cases. So, they have provided for summary assessment. Looking to the rising prices and what has already been said by some of the Members, in case the taxable limit is raised to Rs. 6,000, it will be going a step further. Prices are increasing and the value of the rupee is falling. On all these considerations if a basic exemption of Rs. 6000 is given, it will really help in proceeding further. We have been very lukewarm to other amendments that we have given, whether it was foreign travel tax or other things. But we expect the Finance Minister to accept something on the floor of the House. Otherwise, it is really an exercise in futility that we have been having. Somewhere, we expect some concession from the Finance Minister.

श्री शिवनाथ सिंह : उपाध्यक्ष महोदय, मेरे प्रमैजमेंट नम्बर 170 और 173 इसी टैक्सबिल लिमिट के सम्बन्ध में हैं। जैसा प्रभा माननीय सदस्यों ने कहा है 5,000 रु० की लिमिट बहुत कम है और जो साधारण नौकर पेशा आदमी है वह 500 रु० महीने में मुद्रिकल से अपनी जिनगी बसर करता है। इसलिए कंसे वह टैक्स दे सकेगा यह सोचने की बात है। अब आपने लिमिट को कुछ शर्तों के साथ 6,000 रु० तक बढ़ाया, हालांकि कमेटी ने सिफारिश की थी इस लिमिट को बढ़ाकर 7,500 रु० कर दिया जाय। इसलिये यदि आप एक साथ 5,000 से बढ़ाकर 7,500 रु० नहीं कर सकते तो कम से कम इतना तो कर ही देना चाहिए कि इस साथ

एग्जम्पशन लिमिट को बढ़ाकर 6,000 रु० कर दें और अगले साल 7,500 रु० कर दें। मैं चाहूंगा कि महंगाई को देखते हुए टैक्सबिल लिमिट को 5,000 से बढ़ाकर 6,000 रु० कर दिया जाय ताकि नौकर पेशा को कुछ रिलीफ मिल जाय।

दूसरे जो व्यापारी और कारखानेकार हैं, उनकी सही ग्रामदनी टैक्स में नहीं आती। लेकिन जो नौकर पेशा हैं उनकी हर पाई का हिसाब होता है और वह इससे बहुत परेशान हैं। इसलिए मैं चाहूंगा कि वित्त मंत्री महोदय इस लिमिट को 6,000 रु० तक कर दें।

इसी तरह से मेरा प्रमैजमेंट नम्बर 171 और 172 है। जैसा कि प्रभा माननीय सदस्य ने कहा, समझ में नहीं आता कि "where the total income of the cooperative society does not exceed Rs 10,000" ऐसा क्यों किया जा रहा है। सोसायटी के हर पैसे पर टैक्स लगता है और उसको आप ने 15 परसेंट रखा है। आज जब कि हम कोऑपरेटिव को इंस्टिटुट देना चाहते हैं, जिसके शेयर होल्डर्स 0,25,30 होते हैं उस पर 15 परसेंट टैक्स रखने के उस इन्स्टीट्यूशन को सेंट बैंक होगा। इसलिए इस सेंटर को बढ़ावा देने के लिए, जैसी कि हमारी डिमान्ड है, और हम सोचते हैं कि हमारे समाज में कोऑपरेटिव सोसायटीज का बहुत बड़ा पाई है, इसलिये कोऑपरेटिव सोसायटी की 10,000 रु० की लिमिट तक की ग्रामदनी के लिये जो 15 परसेंट टैक्स रखा है इसको हटा दिया जाय। यात्री 10,000 रु० तक की ग्रामदनी अगर कोई कोऑपरेटिव सोसायटी करती है तो उसके ऊपर कोई इन्कम टैक्स नहीं होना चाहिये। उसके बाब के जो स्लैब्स आपने रखे हैं वे ठीक हैं, उनके बारे में मुझे कुछ नहीं कहना है। लेकिन वर्तमान जो व्यवस्था है उसके अनुसार अगर एक रु० की कोऑपरेटिव सोसायटी कमाती है तो इस प्रजेक्ट प्रोजीजन से उसको 15 परसेंट टैक्स देना पड़ेगा, जो मेरी राय में उचित नहीं है।

[श्री सिवनाथ सिंह]

हम देखते हैं कि रजिस्टर्ड सोसायटीज हैं उनको फर्स्ट 10,000 रु० तक पूरा ऐम्प्लेशन आपने दिया है। आप कह सकते हैं कि रजिस्टर्ड सोसाइटी के इंडिविजुअल की इनकम में टैक्स लग सकता है। लेकिन यही बात कोआपरेटिव सोसाइटी के बारे में भी कही जा सकती है कि उसके सदस्य की जो इनकम होती है वह इंडिविजुअल इनकम में काउन्ट हो सकती है और उस पर टैक्स लग सकता है। इसलिए रजिस्टर्ड सोसाइटी पर जो आपने 10,000 रु० तक की ऐम्प्लेशन लिमिट रख रखी है उसको हटा कर टैक्स लगाया जाय, और 10,000 से 25,000 रु० तक की रजिस्टर्ड सोसाइटी की आमदनी पर जो आपने 4 परसेंट टैक्स रखा है यह बहुत कम है, इसको बढ़ा कर 10 परसेंट कीजिये ताकी आप को आमदनी हो।

जो रजिस्टर्ड सोसायटीज हैं उनकी आमदनी किस प्रकार की होती है, यह हम सब जानते हैं। तो उस पर टैक्स बढ़ाना चाहिये। और दूसरी तरफ कोआपरेटिव सेक्टर को माफ कीजिये। और जो पहला स्लैब है इस को निल कीजिये, उस पर कोई टैक्स नहीं लगना चाहिए।

अन्त में यही निवेदन करूंगा कि नौकर पेशा लोगों के लिये छूट की लिमिट 6,000 रु० कीजिये और कोआपरेटिव सोसायटी की फर्स्ट 10,000 रु० तक की इनकम पर टैक्स को बिल्कुल माफ करें।

श्री अटल बिहारी वाजपेयी : उपाध्यक्ष जी, हमारी मांग तो यह है कि आमदनी कर के सम्बन्ध में छूट की राशि 7,500 रु० होनी चाहिये यह केवल बंधी बंधायी तनकबाह पाने वालों को राहत देने के लिये नहीं है। अगर हम यह चाहते हैं कि बड़े-बड़े जो इनकम टैक्स देने वाले हैं उनके हिसाब की ठीक तरह से जांच हो सके, उनसे पूरा टैक्स वसूल किया जा सके तो यह आवश्यक है कि इनकम टैक्स का ध्यान

बड़े-बड़े लोगों की तरफ उधादा लगाया जाय, और छोटी आमदनी वाले उनकी जांच की परिधि से छोड़ दिये जायें।

पब्लिक अकाउन्ट्स कमेटी ने इस सम्बन्ध में एक रिपोर्ट पेश की थी और हमने आंकड़े दे कर यह साबित किया था कि जितना समय, जितनी शक्ति कर्मचारियों के जितने काम के घन्टे हम छोटी आमदनी वाले वर्ग पर आमदनी कर की जांच के बारे में खर्च करते हैं उससे आमदनी तो कम होती है लेकिन जो अधिक आमदनी कर दे सकते हैं उनकी तरफ ध्यान नहीं दिया जाता है। आखिरी में काम इकट्ठा हो जाता है, जल्दी-जल्दी मामले निपटाये जाते हैं और छोटी-छोटी-मछलियों को फंसाने की फिराक में बड़े-बड़े मगरमच्छ इनकम टैक्स के जाल में से निकल जाते हैं। प्रश्न केवल राहत देने का नहीं है। प्रश्न इनकम टैक्स के विभाग को इस दृष्टि से सक्षम करना है कि वह बड़े-बड़े लोग जो इनकम टैक्स की चोरी करते हैं और जिनके मामलों पर पूरी जांच नहीं की जा सकती क्योंकि समय कम रहता है और इनकम टैक्स के अधिकारी पूरा ध्यान नहीं दे पाते, उन बड़े-बड़े लोगों के मामलों की ओर विभाग का ध्यान केन्द्रित करने के लिए प्रेरित करना है। इसलिए मेरा कहना यह है कि छूटे लोगों की जो छूट की परिधि है, इसको आप बढ़ाइए और इसके लिए भूतलियम कमेटी की भी सिफारिश है, मगर हम समझौता करने के लिए तैयार हैं। हमारी मांग है कि इनकम टैक्स की लिमिट 7,500 रुपये हो, मगर हमारे कांग्रेसी मित्र कह रहे हैं कि यह लिमिट 7,500 रुपये की बजाय 6,000 रुपये होनी चाहिए। अगर वित्त मन्त्री महोदय इस लिमिट को 5,000 की बजाय 6,000 मान लें तो हम समझौता करने के लिए तैयार हैं और हम अपनी 7,500 रुपये की लिमिट की मांग को वापस ले लेंगे।

SHRI G. VISWANATHAN : I think he will agree to this compromise.

**SHRI YESHWANTRAO CHAVAN :** I know this is the argument that has been advanced many times and this time also it is advanced.

I had also gone into this aspect because there was a consistent demand. I have sympathy for this demand but only last year the limit was raised from Rs. 4000 to Rs. 5,000. Even this year we have made certain concessions so that for a man who can save about Rs. 400 per year ultimately the exemption limit is Rs. 6000. These incentives are given for the purpose of saving. With the exemption, the limit comes to Rs. 6000 even now. Now whether it should be extended further, some members may go on making more and more demands.

There are two aspects. The other point is that we can save the energy of the official machinery to concentrate more on the bigger accounts. For that purpose, we have introduced reforms so that from amongst assessments upto Rs. 25,000 selective assessments can be taken so that, the tax collector's time and energy is saved. Instead of going into each and every case, they can certainly take some sample cases and scrutinise those assessments. This way by saving their time, they can give more time to the scrutiny and examination of the bigger accounts. So, these administrative improvements have been brought about.

About co-operative societies, the schedules have to be read along with the Act itself. Really speaking, in case of co-operatives, the first Rs. 20,000 of their business income is already exempted. If the hon Member sees Sec. 80, there is a general exemption in case of certain types of co-operatives. I would say if the hon. Member has seen clause 22, for example, of the Bill, there we have made all the labour co-operatives and fisheries co-operatives completely exempt from income tax. Especially, this time I have taken care to see that the co-operatives of the type of people—suppose some co-operatives are doing banking business or marketing business and earning a profit out of it I don't know why we should give them exemption—but certainly co-operatives of poor men organised to help themselves like labour co-operatives and fisheries co-operatives, I have made them

completely exempt from income-tax. Therefore, I don't think the question is properly understood. There is some misunderstanding in this matter. These are the two major points that were raised and I think I have tried to meet them.

**SHRI SHIVNATH SINGH :** The wording is :

“In the case of every co-operative society,—(1) where the total income does not exceed Rs. 10,000...”

The words ‘every co-operative society’ denote each and very co-operative society.

**SHRI YESHWANTRAO CHAVAN :** This Rs. 10,000 is above the exemption of Rs. 20,000. That is why I said that you have to read the original Income Tax Act. There the provision is that in case of co-operative societies engaged—except those certain banking and other co-operative societies—if the profits do not exceed Rs. 20,000 they are exempt. So, the first Rs. 20,000 exemption is there. This Rs. 10,000, after the Rs. 20,000, really speaking, comes under this.

**MR. DEPUTY-SPEAKER :** Shall I put all the amendments together to the vote of the House ?

**SHRI ATAL BIHARI VAJPAYEE :** Please put Amendment No. 23 to the vote of the House separately. We want division.

**MR. DEPUTY-SPEAKER :** All right I will put Amendment No. 23 separately. The question is :

‘Page 45, line 14,—

for “Rs. 5,000” substitute “Rs. 7,500”  
(23)

*The Lok Sabha divided :*

Division No. 15]

AYES

[14.50 hrs.

Bada, Shri R. V.  
 Balakrishnan, Shri K.  
 Banera, Shri Harmondra Singh  
 Bhattacharyya, Shri Dinesh  
 Bhattacharyya, Shri S. P.  
 Chandrappan, Shri C. K.  
 Das, Shri R. P.  
 Deb, Shri Dasaratha  
 Datta, Shri Biren  
 Gowder, Shri J. M.  
 Haldar, Shri Madhuryya  
 Jearder, Shri Dinesh

Krishnan, Shri M. K.  
 Madhukar, Shri K. M.  
 Narendra Singh, Shri  
 Parmar, Shri Bhatjibhai  
 Patel, Shri H. M.  
 Saha, Shri Gadadhar  
 Sen, Dr. Ranen  
 \*Shukla, Shri B. R.  
 Solanki, Shri Somchand  
 Vajpayee, Shri Atal Bihari  
 \*Vikal, Shri R. C.  
 Viswanathan, Shri G.

NOES

Babunath Singh, Shri  
 Berman, Shri R. N.  
 Barua, Shri Bedabrata  
 Barupal, Shri P. L.  
 Bhatia, Shri D. D.  
 Chanda, Shrimati Jyotsna  
 Chavan, Shri Yeshwantrao  
 Das, Shri Dharnidhar  
 Daschowdhury, Shri B. K.  
 Deo, Shri S. N. Singh  
 Dixit, Shri G. C.  
 Dumada, Shri L. K.  
 Ganesh, Shri K. R.  
 Gokhale, Shri H. R.  
 Gopal, Shri K.  
 Ishaque, Shri A. K. M.  
 Kadannappalli, Shri Ramachandran  
 Kadar, Shri  
 Kailas, Dr.  
 Kakoti, Shri Robin  
 Kamble, Shri T. D.  
 Kapur, Shri Sat Pal  
 Karan Singh, Dr.  
 Kedar Nath Singh, Shri  
 Kotrashatti, Shri A. K.  
 Kushok Bakula, Shri  
 Lakshmikanthamma, Shrimati

Laskar, Shri Nihar  
 Lutfal Haque, Shri  
 Mahata, Shri D. N.  
 Majhi, Shri Gajadhar  
 Majhi, Shri Kumar  
 Mirdha, Shri Nathu Ram  
 Mishra, Shri Bibhuti  
 Mohammad Tahir, Shri  
 Mohan Swarup, Shri  
 Mohsin, Shri  
 Munsi, Shri P. R. Das  
 Nahata, Shri Amrit  
 Negi, Shri Pratap Singh  
 Oraon, Shri Tuna  
 Pahadia, Shri Jagannath  
 Patnuli, Shri Paripoornanand  
 Pandey, Shri R. S.  
 Pandey, Shri Tarakeshwar  
 Pratap Singh, Shri  
 Patil, Shri E. V. Vikhe  
 Patil, Shri S. B.  
 Peje, Shri S. L.  
 Ram Surat Prasad, Shri  
 Ram Swarup, Shri  
 Ravi, Shri Vayalar  
 Reddy, Shri Ganga  
 Rohatgi, Shrimati Sujhila

\*Wrongly voted for Ayes.

Sadhu Ram, Shri  
Saini, Shri Mulki Raj  
Sanghi, Shri N. K.  
Sarkar, Shri S. K.  
Satish Chandra, Shri  
Sethi, Shri P. C.  
Shankaranand, Shri B.  
Sharma, Shri N. K.  
Shastri, Shri Shivpujan  
Singh, Shri S. D.  
Sohan Lal, Shri T.  
Swamy, Shri Sidrameshwar  
Tiwary, Shri K. N.  
Vekaria, Shri  
Verma, Shri Balgovind  
Yadva, Shri D. P.  
Zulfiqar Ali Khan, Shri

MR. DEPUTY SPEAKER : The result\* of the division is :

*Ayes 24 ; Noes 71.*

*The motion was negatived.*

MR. DEPUTY-SPEAKER : I shall now put all the other amendments to the vote of the House.

*Amendments No 24, 68, 158 to 164 and 170 to 172 were put and negatived.*

MR. DEPUTY-SPEAKER : The question is :

"That the First Schedule stand part of the Bill."

*The motion was adopted.*

*The First Schedule was added to the Bill.*

#### The Second Schedule

SHRI SHIVNATH SINGH : I beg to move\*\* :

*Page 60, omit lines 23 to 25. (174)*

MR. DEPUTY-SPEAKER : The question is :

*"Page 60, omit lines 23 to 25." (174)*

*The motion was negatived.*

MR DEPUTY-SPEAKER : The question is :

"That the Second Schedule stand part of the Bill".

*The motion was adopted.*

*The Second Schedule was added to the Bill.*

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

SHRI YESHWANTRAO CHAVAN: I beg to move :

"That the Bill, as amended, be passed."

MR. DEPUTY-SPEAKER : Motion moved :

"That the Bill, as amended, be passed."

श्री अटल बिहारी वाजपेयी : उपाध्यक्ष महोदय, वित्त विधेयक स्वीकृत होने जा रहा है। इस विधेयक के द्वारा भारी कर-भार ग्राम आदमी पर लादा गया है। वित्त मन्त्री ने जो राहत दी है वह सर्वथा अपर्याप्त है। चीनी आक्रमण के वर्ष को छोड़ कर आर्थिक दृष्टि से इतना बोझ कभी नहीं लादा गया। उसके बाद भी 235 करोड़ रु० का घाटा है जिसकी पूर्ति का कोई उपाय दिखाई नहीं देता। विस्थापितों के लिए केवल 7 करोड़ रु० की व्यवस्था की गई है जबकि सच यह है कि एक दिन में 7 करोड़ विस्थापितों पर खर्च ही रहा है। सरकारी प्रवक्ताओं का यह दावा कि कर-भार के परिणाम-स्वरूप मूल्यों में मामूली वृद्धि होगी, गलत सिद्ध हो गया है। जिन वस्तुओं पर शुल्क बढ़े हैं उनके दाम तो बढ़े ही हैं, लेकिन

\*The following members also recorded their votes :—

*Ayes : Shri Hiralal Doja.*

*Noes : Sarvashri Popatlal Joshi, Ram Bhagat Patwan, Shrimati Mukul Banerjee, Sarvashri Arjun Sethi, Jagannath Mishra, N. S. Bisht, Dr. H. P. Sharma, R. C. Vikal and B. R. Shukla.*

\*\* Moved with the recommendation of the President.

[श्री अटल बिहारी वाजपेयी]

अन्य चीजों की कीमतों में भी वृद्धि हुई है। ग्राम प्रादमी का जीवन कष्टकर बना है। कर्म-चारी, मजदूर और बंधी बंधाई तनखाह पाने वाले अपने जीवन को अधिक दूभर अनुभव कर रहे हैं।

इस बात के आसार स्पष्ट दिखाई दे रहे हैं कि विल मन्त्री महोदय को दूसरा सप्लिमेंट्री बजट लाना पड़ेगा। किस पर टैक्स लगाया जायेगा इसका भी सहज में अनुमान किया जा सकता है। विस्थापितों के आगमन से जो परिस्थिति पैदा हुई है उसका सामना करने के लिए सभी लोग शासन को सहयोग दे इसमें तो कोई इन्कार नहीं कर सकता, लेकिन ग्राम प्रादमी को यदि अधिक बोझ उठाने के लिये प्रेरित करना है फिर भी बंगला देश के प्रश्न पर कुछ अधिक सक्रिय, प्रभावी और परिणामकारी नीति अपनाने की आवश्यकता है। हमारा आशावाद कि विस्थापित छः महीने में वापस लौट जायेंगे निराधार सिद्ध हो रहा है। प्रश्न लम्बा चलेगा। सम्भव है कि पाकिस्तान हमें किसी बड़ी लड़ाई में उलझाने का प्रयत्न करे। उसके लिए साधन झूटाने की आवश्यकता होगी। लेकिन एक बात हम याद रखें कि अगर साधन जुटाने हैं तो लोगों के मनों में एक उत्साह पैदा करना होगा। उनको अनुभव कराना होगा कि वह किसी बड़ी चीज के लिये त्याग करने को प्रेरित किये जा रहे हैं। मुझे खेद के साथ कहना पड़ता है कि न तो विल मन्त्री का बजट और न प्रधान मन्त्री द्वारा अपनाई गई नीति जनता के मन में यह विश्वास जगाने में सफल सिद्ध हुई है कि सरकार कोई उद्देश्यपूर्ण परिणामकारक और प्रभावी कार्रवाई करने का मन्तव्य रखती है और इस कार्रवाई की सफलता के लिये लोगों को तन, मन, धन से सहयोग देने की दृष्टि से प्राग्गे बढ़ना चाहिये।

बड़े खेद की बात है कि बंगला देश के प्रश्न को एक बहाना बना कर प्रतिपक्ष को बदनाम करने की कोशिश की जा रही है। प्रधान मन्त्री

सदन में नहीं हैं, मैं उनकी पीठ पीछे उनकी आलोचना नहीं करना चाहता, मगर विरोधी दलों के बारे में वह ऐसे शब्दों का प्रयोग कर रही हैं जो प्रधान मन्त्री को शोभा नहीं देते। (अवधान) मैंने कभी अपशब्दों का प्रयोग नहीं किया।

एक माननीय सदस्य : उन्होंने ऐसा कुछ नहीं कहा। (अवधान)

श्री अटल बिहारी वाजपेयी : यह गलत बात है। उन्होंने कहा है। कल उन्होंने अपने घर पर आने वाले प्रदर्शनकारियों को सम्बोधित करते हुए कहा कि विरोधी दल कमीनेपन का परिणय दे रहे हैं। यह उन्होंने कहा है। क्या सरकार की नीति से मतभेद प्रकट करना कभीनापन है? क्या लोकतंत्र में अपनी बात कहने का अधिकार नहीं होगा? क्या मतभेद प्रकट करना देशद्रोह है? कल इस तरह की बातें प्रधान मन्त्री ने कही हैं। यह देश की एकता कायम करने का तरीका नहीं है।

श्री राम सहाय पंडि (राजनद गांव) : जिस शब्द का प्रयोग श्री वाजपेयी कर रहे हैं, उसके सम्बन्ध में मैं उनको बतलाना चाहता हूँ कि वह संसद् में बोल रहे हैं इस संसद् में बोल कर वह संसद् को प्रभावित करना चाहते हैं यह कह कर कि संसद् के बाहर इस शब्द का प्रयोग किया गया है। यदि संसद् के बाहर शब्द का प्रयोग किया गया है, तो मैं कह सकता हूँ कि पचीसों बार उनके साथियों ने...

श्री अटल बिहारी वाजपेयी : उपाध्यक्ष महोदय, यह प्वाइंट ऑफ़ ऑर्डर है?

श्री राम सहाय पंडि : संसद् के बाहर दिये गए किसी भाषण का उल्लेख संसद् में नहीं किया जा सकता है क्योंकि उसकी प्रमाणिता क्या? उन्होंने कहा कि कहा और मैं कहता हूँ कि नहीं कहा।

श्री अटल बिहारी वाजपेयी : मैं आपको समाचारपत्र बतलाने के लिये तैयार हूँ जिसमें यह ख्या है कि प्रधान मन्त्री ने कहा है "मोन"

श्री राम सहाय पांडे : मैं कहता हूँ कि नहीं कहा, आपने कहा कि कहा। इसलिए जो भाषण संसद के बाहर दिया गया उसका उल्लेख संसद में नहीं होना चाहिये। इस पर मैं, उपाध्यक्ष महोदय, आपकी रुलिंग चाहता हूँ।

श्री अटल बिहारी वाजपेयी : उपाध्यक्ष महोदय, पहले आप प्वाइंट आफ आर्डर का फंसला दे दीजिये।

SHRI R. S. PANDEY : Any speech or any words uttered by any person outside the domain of the Parliament cannot be made a mention of on the floor of the House. The moment it is mentioned on the floor of the House, it becomes national property. Now it is going to be published that a mention was made by Shri Vajpayee. What authority has he to say that she has said that? I say, 'No' He says, 'yes'. But she has not said it.

I want to have a precise ruling from you that any speech which was made outside the domain of the Parliament cannot be entertained on the floor of the House.

MR. DEPUTY SPEAKER : I do not think that this is correct. Unless the expression is un-parliamentary or undignified, if a thing can be mentioned outside why can it not be mentioned inside the House as a part of the argument?

SHRI R. S. PANDEY : Whether a speech has been made or not is the question. I challenge and say that these words have not been mentioned in the speech. I say that the word he has mentioned was not uttered.

MR. DEPUTY-SPEAKER : That is on record. That is all. I cannot say that it is not in order. He says it is not in order. That is on record.

SHRI AMRIT NAHATA (Barmer) : Shri Vajpayee himself said 'If it is true'. The word used by the Prime Minister,

according to Shri Vajpayee, is 'mean', which does not mean *kaminapan*, as he says. He is misleading the House deliberately and mischievously.

SHRI ATAL BIHARI VAJPAYEE : What does it mean?

SHRI R. S. PANDEY : I have no objection, if it is true that word 'mean' has been used, to Shri Vajpayee saying it here.

MR. DEPUTY-SPEAKER : Shri Vajpayee can continue his speech the next day.

We shall now take up Private Members' business.

15.00 hrs.

#### COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

##### FIFTH REPORT

SHRIMATI JYOTSNA CHANDA (Cachar) : I beg to move :

"That this House do agree with the Fifth Report of the Committee on Private Members' Bills and Resolutions Presented to the House on the 28th July, 1971."

MR. DEPUTY-SPEAKER : The question is :

"That this House do agree with the Fifth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 28th July, 1971."

*The motion was adopted.*

15.01 hrs.

#### RESOLUTION RE : PROVISION OF JOINT SITTING FOR PASSING CONSTITUTION AMENDMENT BILL—Contd.

MR. DEPUTY-SPEAKER : Further discussion of the following Resolution