

[Shri Somani]

years for all new industries. Some sort of uncertainty is proposed to be created by inserting a clause under which the Government will take powers to make such enquiries as they may deem fit and declare any industry as not being eligible for an exemption from this tax holiday clause for any period which they might decide. This concession of a tax holiday for five years has acted as a good stimulant to our industrial development and I do not see any justification for introducing any element of uncertainty in this concession. If at all there arises in any future time any ground for review, the hon. Finance Minister can do it any time, and I do not see why an enabling clause to create this uncertainty in the minds of investors has to be formulated. Especially, when an investor invests in a particular company on the basis that that company will be exempt from taxation during the first five years of its production, I do not see why in the midst of that period of five years, the Government should take the power to declare that that industry will no longer enjoy exemption from taxation. I think this is really something undesirable and it should not be incorporated in the Bill.

So far as the hedging and speculative operations are concerned, in respect of clause 73, I would like to have a clarification whether the operation of industrial companies in the future markets with a view to avoid certain risks will not be affected by this clause. My submission is that so far as hedging and other facilities are concerned, nothing should be done under the Income-tax Act to interpret speculative operations or losses in a manner where the industrial company might suffer in its day-to-day business of hedging operations.

There are certain other clauses about which I would not like to take the time of the House at present.

When the clause-by-clause consideration starts, I may have something to say on them. My submission is that so far as this relaxation about the period which is now fixed is concerned, I think this relaxation to a great extent removes the uncertainty in the previous period and to that extent it is welcome.

So far as other detailed clauses are concerned, I will come to them when the discussion on the clauses starts.

16 hrs.

**Shri Naushir Bharucha:** Sir, I think the Select Committee on the Income-tax Bill deserves our thanks, because of the tremendous amount of labour it has put in and for producing a Bill, which, while seeking to do justice to the assessee in many respects, on the whole may be regarded as a document certainly worth acceptance.

**Mr. Deputy-Speaker:** He may continue next time.

16-01 hrs.

#### REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL

##### REPORT OF SELECT COMMITTEE

**Shri Jaganatha Rao** (Koraput): I beg to present the Report of the Select Committee on the Bill further to amend the Representation of the People Act, 1950 and the Representation of the People Act, 1951, and to make certain minor amendments in the Two-Member Constituencies (Abolition) Act, 1961.