

The Lok Sabha re-assembled after
Lunch at Fifteen of the Clock

[MR. DEPUTY-SPEAKER in the Chair.]

DELHI SALES TAX BILL

MR. DEPUTY SPEAKER: We now take up discussion on the Delhi Sales Tax Bill.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): I beg to move* that the Bill to consolidate and amend the law relating to the levy of tax on sale of goods in the Union territory of Delhi, be taken into consideration.

SHRI H. K. L. BHAGAT (East Delhi): Sir, we would like to make a submission for consideration by the hon. Minister. This Bill is a very important Bill and also a very long Bill. It requires careful consideration on various grounds. For one thing, there is a large-scale evasion of sales-tax and the provisions relating to collection of sales-tax need to be much more strengthened than they are at present provided in this Bill. It means consideration on so many section and clauses.

Secondly, sales-tax is sought to be imposed through this Bill on various items on which sales-tax was not imposed previously. It is proposed to amend the schedule also. It is also said that there should not be any divergence between Delhi and the neighbouring States. To what extent the divergence should be there is a question to be considered because Delhi has been a trade distribution centre, which does not have agriculture or industry. So, there are so many things to be considered. In the schedule for exemptions also it has been said that betel leaves will be exempted but not pan.

So, for a proper consideration of all these things, I propose that this Bill should be referred to a Select

Committee of this House. My other friends and myself, all of us want that this Bill should be referred to a Select Committee.

श्री अन्नरत्न बावला: (दिल्ली सदर):
हम सभी चाहते हैं कि इसको सेलेक्ट कमेटी में भेजा जाय।

MR. DEPUTY-SPEAKER: Let us cut this matter short. I take it that the Bill has been moved for consideration, because the Minister has done that. He has not made any speech, he has waived his right of speech. There is a proposal from the hon. Member, and I understand, from other Members too that since this is a complicated Bill, some time should be taken and this Bill should be gone into a little more carefully. I have to do this under the rules. What does the hon. Member want me to do? If he wants this Bill to go to a Select Committee, there are already amendments by some Members to this motion for consideration by the hon. Minister to the effect that the Bill should go to a Select Committee. If hon. Members want to cut it short, we may go to that stage now and the Bill will go to the Select Committee as the hon. Member wants. Or what else does he want? I have no other motions in front of me.

SHRI H. K. L. BHAGAT: I would suggest that if the hon. Minister is pleased to accept this...

SHRI K. R. GANESH: I wish to make two submissions. Firstly, this Bill was before the House in 1966 and it lapsed as a result of dissolution of Parliament. Then it went to the Delhi Metropolitan Council and then it has gone through various stages. This is the position as far as this Bill is concerned.

But I understand from hon. Members, particularly the Members from Delhi that since this Bill vitally affects the people of Delhi and they

*Moved with the recommendation of the President

[Shri K. R. Ganesh]

would like the Bill to be gone into by a Select Committee, I could move a motion for adjournment of the consideration of this Bill so that I can bring another motion for its reference to a Select Committee.

श्री राजवत्सलद शास्त्री (पटना) :
उपाध्यक्ष महोदय, मुझे यह कहना है कि सेलेक्ट कमेटी के लिए जो बातें उन्होंने कही वह बातें तो हैं ही, यह दिल्ली हिन्दुस्तान की राजधानी है और बड़े पैमाने पर सेल्स टैक्स का इवेंट यहां हो रहा है। उस में बहुत सारे बकासरान भी शामिल रहते हैं। इस दृष्टिकोण से भी इसका सेलेक्ट कमेटी में जाना आवश्यक है।

MR. DEPUTY-SPEAKER: I have a written motion from the Minister moving that the further discussion on this Bill be adjourned. I shall now put it to vote.

The questions is:

"That further discussion on the motion on this Bill be adjourned."

The motion was adopted.

AN HON. MEMBER: Till the next session?

MR. DEPUTY-SPEAKER: It does not matter till when. We adjourn it for the moment

15.10 hrs.

DIRECT TAXES (AMENDMENT) BILL

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
K. R. GANESH): I beg to move:

"That the Bill further to amend the Income-tax Act 1961, the Wealth-tax Act, 1957, the Gift Tax Act, 1956 and the Companies (Profits)

Sur-tax Act 1964, and provide for certain related matters, as reported by the Select Committee, be taken into consideration".

Sir, the Direct Taxes (Amendment) Bill, 1973 was introduced in this House on 3rd September, 1973 and was referred to the Select Committee on 23rd November, 1973. The Report of the Committee was presented to this House by its Chairman on 29th April, 1974. The Committee held 11 sittings, scrutinised a number of memoranda and representations received from various individuals, professional associations, trade organisations, etc. and also heard evidence of certain individuals and associations. I would like to congratulate the Select Committee on the thoroughness with which it has dealt with this important Bill.

The Bill as it has emerged from the Select Committee, has undergone improvements in several directions. I would like to explain some of the important provisions in the Bill and the main changes recommended by the Select Committee

In view of the need for continued encouragement of industries in certain sectors, the Bill provides for the grant of an initial depreciation allowance of 20 per cent of the cost of machinery or plant installed in selected industries after 31st May, 1974. Selection of industries for the purposes of this tax concession has been made keeping in view their priority from the angle of exports, essential needs for intermediate and investment goods, essential needs of mass consumption, existence of capacity constraints on production and other relevant factors. The Select Committee has recommended that the benefit of the proposed tax concession should be made available in respect of machinery or plant installed in all small scale industrial undertakings, irrespective of the articles manufactured by them. For this purpose, an indus-