

[MR. DEPUTY SPEAKER]

will not allow him to take that chance. The hon Finance Minister.

12.45 hrs.

Finance Bil. 1972

THE MINISTER OF FINANCE (SHRI JESHWANTRAO CHAVAN) : Mr. Deputy-Speaker, Sir, I beg to move :*

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1972-73 be taken into consideration."

I had outlined the important features of the proposals contained in the Bill in my Budget speech. The details of the specific provisions in the Bill have been set forth in the Explanatory Memorandum circulated to the Hon'ble Members alongwith budget papers. I do not, therefore, consider it necessary to go over the entire ground again.

As Hon'ble Members are aware, we made a massive effort for resource mobilization during the last 12 months to meet the difficult situation which we faced. We have to utilize these resources to meet the essential requirements of the country as also to speed up the development process. The substantial increase in the outlay for the annual plan for 1972-73 including the provisions for the public sector programmes should step up industrial production and stimulate further economic growth. With a provision of Rs. 240 crores for schemes with an accent on social justice, the country should make further progress on programmes of growth with social justice.

The proposals made by me in the field of direct taxes have, by and large, been well received in this House as well as outside. The withdrawal of tax exemption in respect of casual and non-recurring receipts which are in the nature of income will make the taxation law more equitable and in line with the principle of taxing equally persons with equal capacity to pay. As Hon'ble Members are not doubt aware, persons having 'black' money are using the race course and lotteries to convert 'black' money into 'white'. The proposal in the Bill will put a curb on money washing through such devices. The modifications proposed in the scheme of tax exemption of charitable and religious trusts will reduce the misuse of tax-exempt funds of these trusts for giving benefits to the authors, substantial contributors, trustees and

their relatives and for acquiring or maintaining control over business and industry. In order to enable the tax administration to tackle cases of tax evasion with international ramifications more effectively, the Central Government will be empowered to enter into tax treaties with foreign countries for exchange of information for purposes of preventing tax evasion and for recovery of taxes in the treaty countries on a reciprocal basis. The extension of the tax concession currently available in respect of provident fund contributions, life insurance premium, etc. to contributions made towards the Unit-linked Insurance Plan of the Unit Trust of India will help in promoting savings, especially among persons in the middle income brackets. Exemption of recognised provident funds, approved superannuation funds and approved gratuity funds from wealth-tax and of approved gratuity funds from income-tax will encourage formation of irrevocable trusts for the benefit of employees in general.

The modifications in the direct taxation laws proposed in the Bill represent only a part of the effort to tackle the problem of tax evasion and tax arrears and to channelise investment in desired directions. As Hon'ble Members are aware, the Select Committee on the Taxation Laws (Amendment) Bill, 1971 has recently submitted its report, and the House will soon be considering it. Under one of the provisions of that Bill, the Central Government will be empowered to acquire immovable properties at prices which correspond to those recorded in the sale deeds. Another provision seeks to debar the owner of a property held in *benami* name from enforcing his claim in a court of law unless he has declared the income from the property or the property itself before the tax authorities. The administrative set up of the official valuation machinery will also be augmented. All these measures will, no doubt, provide a useful instrument of checking tax evasion and circulation of black money.

The Direct taxes Enquiry Committee headed by Shri K. N. Wanchoo, Ex-Chief Justice of India, has submitted its Final Report which contains a number of valuable and far-reaching suggestions for unearthing black money, preventing evasion and avoidance of taxes, reducing tax arrears and for providing tax incentives for savings and investment. We have taken special measure,

*Moved with the recommendation of the President,

to examine these recommendations expeditiously and I hope to bring forth a Bill to implement such of the recommendations as are acceptable to Government soon.

Turning now to the indirect taxes, Hon. ble Members are aware that taking the mood of the House into consideration which had voiced its concern at the increase in the excise duty levy on kerosene. I had, notwithstanding the fact that there would be a drop in excise and customs revenue of nearly Rs. 12 crores, reduced the increase in the levy from the original 6 paise per litre to 4 paise per litre. I had in announcing the concession, also answered criticisms voiced against the proposed increase in levy on other items. I had found myself unable to agree to the suggestions regarding these articles.

In the time between the general discussion and now, I have had the opportunity of carefully examining the various representations relating to indirect taxes by meeting the members of the trade and industry, discussing with my officers, as well as with certain Members of this House who had particular views to urge with regard to some of the proposals. One feature that I particularly noticed was that the number of representations received consequent on the Budget have been comparatively few, which in itself, I would venture to think, go to show that the proposals I had made were reasonably fair. They would not seem to need any further alteration. The concession on kerosene which was considered necessary has already been given effect to. The need for additional resources remains now as strong as ever, and any unnecessary sacrifice of revenue would unduly impair our resource position and would affect our essential programmes. I, therefore, commend the various provisions in the Finance Bill for the consideration of the House. I shall follow the discussions in the coming days with interest.

Sir, I move.

Mr. DEPUTY-SPEAKER : Motion moved :

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1972-73 be taken into consideration."

Shri Dinan Bhattacharyya
(interruptions) Kindly listen to me. You have seen for yourself that I tried my level best to accommodate everyone. I would expect that hon. Members should also be considerate to each other. It is parliamentary etiquette that when I ask one member to speak others should not go on shouting and not allow him to speak. I have conveyed to Shri Banerjee the suggestion that he can raise it after lunch ..(interruptions) I cannot break the procedure. We have already taken up the Finance Bill for consideration. It has been the convention.....(interruptions) I have not finished yet. I am on my legs.

SHRI S. M. BANERJEE (Kanpur) : When you permitted Shri Samar Guha, you should permit me also.....(interruptions)

MR. DEPUTY-SPEAKER : There are certain limits to which I can permit, not beyond that. Now, Shri Dinan Bhattacharyya ... (interruptions)

SHRI DINEN BHATTACHARYYA (Serampur) : How can I speak when the House is not calm ?

MR. DEPUTY-SPEAKER : if he is not speaking than I will call Dr. Rao.

SHRI ATAL BEHARI VAJPAYEE : Why not the opposition speaker first ?

MR. DEPUTY-SPEAKER : I have called him, but he did not speak.

SHRI DINEN BHATTACHARYYA : Sir, I protest against it . (interruptions) What did the Finance Minister say ? We could not hear a word ... (interruptions)

MR. DEPUTY-SPEAKER : Nothing will go on record.

SHRI BHOGENDRA JHA : **

SHRI S. M. BANERJEE : **

SHRI SAMAR GUHA : **

12.55 hrs

RE. ALLEGED INSULT OF CERTAIN M.Ps. BY THE MINISTER OR RAILWAYS

THE MINISTER OF PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT. (SHRI RAJ BAHADUR) : May I say a word ? So far as the point raised by Prof. Samar Guha is concerned, the Mini-