

LOK SABHA

SYNOPSIS OF DEBATES (Proceedings other than Questions & Answers)

Monday, December 2, 2019 / Agrahayana 11, 1941 (Saka)

SUBMISSION BY MEMBERS

Re: Recent incidents of gang rape and brutal killings of girls.

THE MINISTER OF DEFENCE (SHRI RAJ NATH SINGH) *replying to the issue raised by several Members said:* There cannot be more inhuman act than this incident which happened in Hyderabad. This act has brought shame to the entire country. The incident has hurt everyone. Members of all the parties have condemned this incident and they expect that the accused must be given most stringent punishment for their crime. In this regard, I would like to submit that if Members wish to hold discussion on it in the House, the Government has no objection to it. Keeping in view the sentiments of the House, this Government is ready to make provisions required for taking most stringent action against the culprits of such ghastly incidents. I am falling short of words to condemn this heinous crime. We all are hurt. We are ready to formulate any such stringent laws as agreed upon by the House.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI G. KISHAN REDDY) *also responded:* A crime was committed four days ago against a 26 years old veterinary doctor in Telengana. As soon as I was apprised of the incident, I met the family of the victim in Hyderabad. I was in constant touch with all the Police officials after this incident. Thereafter, on behalf of the Union Government I am continuously talking with DGP and Police Commissioner. This is a very serious matter. Today, Members of all the parties have condemned this incident cutting across the party line, regionalism and linguistic consideration. Our Government is ready to make suitable amendments in IPC and CrPC. This responsibility has been assigned to Bureau of Police Research and Development (BPRD) under the Union Government. In this regard the Union Government has written to all the state governments. The Union Government has also invited suggestions from the legal department and police department. The Draft has already been prepared and the Hon. Home Minister is considering to bring it in the House. The Union Government is also ready to make suitable amendments in laws. An Emergency Response Support System has also been introduced. An integrated number 112 has been introduced across the country. It has been made operational in all the regions. Recently, it has been introduced in Telengana. Certain numbers like 100, 101,102 and 108 have been introduced in Delhi also. If a call is made on these numbers, 10 persons including victim's family, local police station, local ACP, DCP will immediately get the call

simultaneously. Apart from that, this number should be tracked through satellite as well. In this regard I will give more details tomorrow during the Question Hour. The Government is committed towards the safety of women and girls. This Government adopts zero tolerance policy in case of crime against women in future.

***MATTERS UNDER RULE 377**

1. **SHRI TAPIR GAO** laid a statement regarding making operational land customs station in Nampong in Arunachal Pradesh.
2. **SHRI VIVEK NARAYAN SHEJWALKAR** laid a statement regarding need to ensure participation of elected public representatives in the implementation of smart city project.
3. **SHRI ANURAG SHARMA** laid a statement regarding need to set up Veterinary hospitals in Jhansi Parliamentary Constituency, Uttar Pradesh.
4. **SHRI SUSHIL KUMAR SINGH** laid a statement regarding need to allocate funds for construction of Bihta-Aurangabad Railway line project.
5. **SHRI BHAGIRATH CHOUDHARY** laid a statement regarding need to install escalators and lift in Foot-over Bridge at Kishangarh Railway Station, Ajmer, Rajasthan.

* Laid on the Table as directed by Speaker/ Chair.

6. **SHRI CHUNNI LAL SAHU** laid a statement regarding need to extend the benefit of Pradhan Mantri Kisan Samman Nidhi Scheme to all the eligible farmers in Chhattisgarh.
7. **SHRI CHATTAR SINGH DARBAR** laid a statement regarding need to bring back ancient statue of 'Vagdevi' from Britain.
8. **DR. BHARATIBEN D. SHYAL** laid a statement regarding need to introduce a morning flight from Bhavnagar to Mumbai.
9. **SHRI KAUSHAL KISHORE** laid a statement regarding need to facilitate issuance of Caste certificate to people belonging to 'Passi' scheduled caste community in the country particularly in Uttar Pradesh.
10. **SHRI MOHAN MANDAVI** laid a statement regarding iron ore mining flouting environment norms in Kanker Parliamentary Constituency, Chhattisgarh.
11. **SHRI GOPAL JEE THAKUR** laid a statement regarding need to find out a solution for annual floods in Bihar caused by rivers originating in Nepal.
12. **SHRIMATI DARSHANA VIKRAM JARDOSH** laid a statement regarding need to promote talented science students in the country.
13. **SHRI HIBI EDEN** laid a statement regarding Ayushman Bharat yojana.
14. **SHRI H.VASANTHAKUMAR** laid a statement regarding coconut root-wilt disease affecting coconut farmers in Tamil Nadu.

15. **SHRI KODIKUNNIL SURESH** laid a statement regarding need to reconstruct K C Bridge in Alappuzha district of Kerala.
16. **SHRI S. JAGATHRAKSHAKAN** laid a statement regarding setting up of Farmers facility centre in every village.
17. **SHRIMATI SAJDA AHMED** laid a statement regarding need to construct a new National Highway from Bagnan to Pursura in West Bengal.
18. **DR. BEESETTI VENKATA SATYAVATHI** laid a statement regarding setting up of food processing industries in Anakapalle Parliamentary Constituency of Andhra Pradesh.
19. **SHRI VINAYAK BHAURAO RAUT** laid a statement regarding progress of work on Sindhudurg Circuit in Maharashtra under PRASAD Scheme.
20. **SHRI RAJIV RANJAN SINGH ' LALAN'** laid a statement regarding need to review the decision to shut down Jamalpur diesel shed in Munger Parliamentary Constituency, Bihar.
21. **SHRI BHARTRUHARI MAHTAB** laid a statement regarding improvement of mobile connectivity in Odisha.
22. **SHRI MALOOK NAGAR** laid a statement regarding need to establish a Kendriya Vidyalaya in Bijnor Parliamentary Constituency, Uttar Pradesh.
23. **SHRI KOTHA PRABHAKAR REDDY** laid a statement regarding problems faced by farmers due to excess paddy production in Medak Parliamentary Constituency of Telengana.

24. **SHRIMATI SUPRIYA SADANAND SULE** laid a statement regarding issue of over-crowding in Dombivali local train in Mumbai.
25. **DR. SHAFIQR RAHMAN BARQ** laid a statement regarding need to establish a Kendriya Vidyalaya in Sambhal Parliamentary Constituency, Uttar Pradesh.

STATUTORY RESOLUTION

*Re: Disapproval of the Taxation Laws (Amendment) Ordinance, 2019
(No. 15 of 2019)*

And

THE TAXATION LAWS (AMENDMENT) BILL, 2019

SHRI ADHIR RANJAN CHOWDHURY moved that this House disapproves of the Taxation Laws (Amendment) Ordinance, 2019 (No. 15 of 2019) promulgated by the President on 20 September, 2019.

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN) *moving the motion for consideration of the Bill, said:* This Ordinance was brought to attract investments, stimulate growth and create job opportunities. It was noticed that many countries had reduced their corporate tax and as a result of which, they were able to bring in a lot of investments. Due to the trade war between the United States and the

People's Republic of China with indications that multinational companies would want to get out of China, we had to take a call very quickly. Therefore, since the House was not in Session, the Ordinance route was taken up. Through this Ordinance we had reduced the corporate tax for both the existing companies and also for those new companies which would want to start business in India. These companies were also exempted from payment of Minimum Alternate Tax. We also gave a scheme through that Ordinance for grand-fathering of all the buyback provisions which companies had made. Further, the surcharge increased through the July 4th Budget was partly withdrawn. Over and above the features of all that was included in the Ordinance, it is also proposed that the companies opting for lower rates of taxation shall also be allowed to claim taxation exemption provided to the units of IIFC, Gandhi Nagar. It is also clarified through this Bill that the buyback tax shall also be applicable for announcements made on 5th July, 2019. We have also defined the term manufacturing for the purpose of allowing lower taxation regime.

SHRI ADHIR RANJAN CHOWDHURY *initiating said:* I do not have any fundamental objection to the essence of this legislation. My objection remains in the fact that in such a casual and supercilious manner, an Ordinance ought not to be brought. Further, the revenue loss due to lower tax rates and other measures can increase the fiscal deficit for the year 2019-20. I feel that the hon. Minister doesn't have any vision and perspective to rescue the country from severe economic

slowdown. I would like to ask the hon. Minister about the positive impact which she has observed within a period of two months. The Corporate Tax cuts will not solve the weakening consumer demand. If the demand is low, company will not produce more irrespective of tax benefits. The Government should reduce personal direct tax to stimulate the demand. It should improve accessibility to credit and liquidity. This Government seems to view everything and everyone through a tainted prism of suspicion and distrust. This has halted the economic development. With an absolute majority in Lok Sabha and low global oil prices, this is a once-in-a-generation economic opportunity to catapult India to the next stage of economic development and create new jobs for hundreds of millions of our country's youth.

DR. NISHIKANT DUBEY: I rise to support the Bill. The decision on RCEP was taken way back in the year 2011 by the then Government. The fact of the matter is that in the current scenario the manufacturing of electronic goods is the worst hit and we are compelled to import goods worth lakhs of rupees. The companies approaching us under Make in India have their manufacturing units abroad and things only being assembled here. On delving deep into the issue one would find that all this is attributed to the previous government. Signing zero tariff agreement at WTO in the year 1996 is a case in point. It is really difficult to challenge the signed international treaty. The hon. Prime Minister has shown the courage not to sign RCEP in the interest of the nation. Nowadays, it has become a fashion to talk of GDP. The critics must be alive to the fact that even the person

coining the term GDP was of the view that it is not the only benchmark and was in favour of excluding so many things from the ambit of the GDP which among other things contained services of housewives and other members of family, relief and charity, services of owned durable goods and earnings from odd jobs. The new theory prevailing the world over is that whether economy of a country is meant for the sustainable economic welfare of a common man or not. Being guided by the same spirit Bhutan has heavily relied upon happiness index. The present government is also focusing on inclusive development by rolling out a series of welfare schemes like food security, housing for all, availability of safe drinking water for everyone to name a just few of them. Since so many other nations have low rate of corporate tax, it is essential that we too lower corporate tax on companies in order that India may become a preferred destination for manufacturers else they would settle their units in the other countries and we shall continue to lag behind so many countries even in Asia let alone the developed ones. That way the provision of tax rebate for the companies is principally aimed at giving much needed fillip to manufacturing sector which in turn would create huge job opportunities.

SHRI A. RAJA: Indian economy is passing through a turbulent phase, with lowest ever GDP growth since March, 2013. Keeping the low tax on corporates and then reduce the fiscal deficit is an appreciable measure. But it is not a holistic approach. Everybody accepted that our economy was badly affected after

demonetisation and due to the wrong implementation of GST. Earlier, it had been claimed that things would be set right in 50 days' time. So many 50 days have gone. Still people wanted to substantiate their claim that the demonetization is a correct measure. Secondly, as regards GST, the power that be was very categorical that what they have put before Parliament is correct. Subsequently, so many amendments were brought which was an implicit confession that the step taken was wrong. Still it has not come to the track. Out of a total of seven crore taxpayers, only 3-4 per cent are corporate taxpayers. Out of the total companies incorporated in India, 99.3 per cent companies have a total turnover of less than Rs. 400 crore. Presently, they are paying tax at the rate of 25 per cent. So, there are just 50,000 to 80,000 domestic companies which are going to pay tax at the rate of 30 per cent and are the most benefitted by this amendment. They contribute only one per cent. By this amendment, an existing domestic company has been provided an option to pay tax at the concessional rate of 22 per cent apart from cess and surcharge. The effective tax rate of these companies comes to 25.17 per cent. Another provision shall lead to a situation where one will have no option to use Minimum Alternate Tax. The time bar imposed on the companies should be removed. The Government should not be under an impression that the real creator of wealth is the corporates alone. Therefore, concessions must flow to other areas also. The real creator of wealth in our country is our farmers, labourers and the

working class. I would request the Government to turn their eyes to these sectors as well.

SUSHRI MAHUA MOITRA: There seems to be a very haphazard approach towards a better economy. This Government is insisting that there is nothing wrong with the economy. I do not object to the reasoning that corporate taxes in India should be at par with their Asian counterparts. However, I disagree with the reasoning that the reduction in GDP growth can be fixed by tweaking the corporate tax rate. Demonetization was a crippling blow to the economy. The other thing is implementation of the GST that has proven to be a huge problem for this country. Now, this particular tax cut that has been proposed by the hon. Finance Minister will only help the profitable to become more profitable. What is further disheartening is that this Government has chosen to withhold the Direct Tax Code Report from this august House. Most of our businesses are struggling because the Government refuses to come out with clear guidelines. If the Government is interested in really making this work then this should be applicable to all new manufacturing units irrespective of ownership. An atmosphere of compliance uncertainty is killing investment today. In this Bill, the Foreign Institutional Investors (FIIs) get special treatment. That is not fair. The corporate tax reduction from 30 per cent to 22 per cent should apply to all entities and the 15 per cent tax rate for new manufacturing Companies incorporated after October 2019 makes little or no economic sense. Make this applicable to manufacturing

units of existing and existing proposals as well. If you are going to disinvest profitable PSUs as well, where does this come out?

SHRI MAGUNTA SREENIVASULU REDDY: The provision of 15 per cent of the rate of tax for the new companies will give a lot of boost to the Andhra Pradesh economy. The move to reduce corporate tax in our country is a good move. However, it should be allowed to companies with less than Rs.400 crore turnover as well. Every time, we are also asking for a Special Category Status for Andhra Pradesh. So, if we have these kinds of concessions for the companies whose turnover is up to Rs.400 crore, at least, our State would also grow in that form. I have another request to make to the hon. Finance Minister with regard to individual income tax. If she exempts up to Rs.20 lakh, about Rs.2 lakh crore tax will be reduced. But it will reduce the number of returns also. About 5,50,00,000 assesseees will be reduced. Hence, the cost of collection would also get reduced. If there is no income tax up to individual income of Rs.20 lakh, their purchasing capacity of those persons would also go up.

SHRI ARVIND SAWANT: The Government claims that it is taking several measures to increase employment opportunity, but our GDP has come down to 4.5 per cent for the first time after 2013. This problem started due to demonetization. Demonetization led to job losses. There is slow down in every sector. Coal production has almost stopped. Sale of tractors and other goods transport vehicles is down. Our export is also down. Nobody clarifies why BPCL

is being divested despite being a profit-making company. I welcome the move to incentivize the Indian manufacturers. When we allow rebate to the corporate, we should also see as to how many employment opportunities they have created. The Government should take steps to provide relief to the farmers also.

SHRI KAUSHLENDRA KUMAR: Through this Bill, the Government proposes to reduce the corporate tax from 30 per cent to 22 per cent. This will promote economic development, investment and job creation in the country. This was necessary to support the economy. We can expect improvement in the sectors which are facing slowdown. The trade war between America and China is a reason for the global slowdown. There are apprehensions that this rebate will reduce the revenue share of the States. The Union Government should compensate the States for this.

SHRI BHARTRUHARI MAHTAB: As most of us are aware, corporate tax rates across the globe are declining. With the introduction of the Taxation Laws (Amendment) Bill, 2019, India has tried to bring its tax rate in line with the other countries and has given domestic companies a level playing field. The estimated revenue impact of Rs. 1.45 lakh crore, if it comes to pass, can reduce the tax-transfer share to the States. This needs to be addressed. The impact of the changes in corporate tax rates depends primarily on how the tax benefits will be utilised by the corporate sector. If the benefits are converted into additional dividends, it will give a demand side effect. I would insist that rather than addressing the supply

side, the Government needs to focus on the demand supply. Therefore, I would say that economic instruments need to put more money in the hands of the consumers by way of tax cuts. Along with cutting income tax, the Government needs to make land, labour, railway, freight rates and electricity as cheap in India as it is in other neighbouring Asian countries. There is also need for uniformity and stability in tax rates.

SHRI GIRISH CHANDRA: The main objective of this Bill is to reduce fiscal deficit and boost the economy. The corporate tax for indigenous companies of manufacturing sector must be reduced. Concrete steps should be taken by the Government to increase the benefit of industries by reducing tax. On the one hand the Government is taking measures to lower the fiscal deficit and on the other side the efforts of the Government are proving a failure due to corruption and tax evasion. Therefore, the Government should put a check on corruption. This taxation Bill is in the interest of the country. Therefore, I support this Bill.

DR. G. RANJITH REDDY: The economy has been going through a turbulent phase. As we know, the GDP was five per cent in the first quarter which fell down to 4.5 per cent in the second quarter. With these amendments, the mood of the investment community will definitely improve. Looking at the revenue, we come to see that 69 per cent of the revenue is collected from 29 per cent of the companies. I would like to give a suggestion that we should not merely reduce the tax but also advertise so that the investors may come and invest in this country.

These amendments will come into force from 1st April, 2020. I feel that there is a very little time to implement all these things. I would want the Minister of Finance to ease personal Income Tax slabs because crores of people are paying the taxes.

SHRIMATI SUPRIYA SADANAND SULE: I stand here on behalf of the Nationalist Congress Party in support of this Bill. I appreciate the honesty with which the Minister mention that India has slowed down but still we are not in recession. But that is where we are headed eventually if we do not take all the right steps right now. Has the direct tax collection substantially dropped? How are we going to cover this? The Hon. Member from the treasury talked about the GST and he defended demonetisation. They also talked about black money. I would like to know how much black money was collected. One of the several reasons why India has slowed down on growth is the bad implementation of GST as well as demonetisation. I am not saying that the intention was bad. But there are some decisions which are taken just out of emotions. Inflation is going up. Even food inflation has gone up. So, How are you going to control it? The corporate tax is reduced to 24 per cent vis-a-vis 42 per cent of the bracket. If things are so good in our country, why are people choosing to be Non-Resident Indians? The rural economy, which is absolutely in doldrums, needs the biggest push. So, India is waiting for the right direction taken by the Government.

SHRI JAYADEV GALLA: The proposed additional fiscal stimulus has been given to attract investment, generate employment and push the languishing

economy which is yet to tide over economic shocks of demonetisation and poorly implemented GST. It will help attract more investment. I would suggest the hon. Minister to extend this benefit of tax reduction to the service sector as well as new investment. Besides, the decision to sell stake in PSUs to bridge the fiscal deficit is not a good move. This move had really hit the State of Andhra Pradesh hard, which is on the verge of financial bankruptcy. With this move, investors will not find any extra incentive to invest in many districts of Andhra Pradesh. It is only loss of investment but States are also going to lose tax revenue since taxes are shared between the Union and the States. Therefore, I would request the Finance Minister to please explain how she is going to compensate the States for the lower tax revenue. Since the new Government has come in, the consumption, savings, industrial growth and employment has witnessed an all time low level. The highest reduction in tax revenue in India is now in Andhra Pradesh. This needs to be taken note of and something needs to be done.

SHRI AJAY MISRA TENI: Taxation Act, 1961 was already prevalent. But as the scenario of the entire world is changing rapidly the economy is also passing through recession. Therefore, as a immediate measure this Taxation Laws Amendment Ordinance, 2019 was promulgated on 20th September, 2019 under Article 123 of the Constitution of India. I have risen to support this Bill. The prime objectives of this Bill are to enhance the capital investment, create job opportunities and give an impetus to the economy. The world economy is facing

the depression and it is impacting several big companies in our country also. Owing to reduction in the tax will also lead to reduction in the estimated revenue collection to the tune of about Rs. 1 lakh crore in the year 2019-20. Several measures have been taken to include more and more people in the tax net. I would like to make a few humble suggestion to the hon. Minister of Finance. All out efforts should be made to check the purchases without bills so as to bolster the revenue collection. Digital payment system should be encouraged. Cash transactions are also needed to be discouraged.

SHRI GAURAV GOGOI: This government does not have the courage to face the data. When auto industries face the decline, the blame is put on the millennials. Consumer expenditure data is also being concealed. Nobody knows the actual figures of the fiscal deficit. I would like to know as to how much are the off book borrowings. When this government assumed power in the year 2014 then it must have helped the farmers. But this government instead went for demonetization and when our economy was showing revival signs after this shock, the GST was imposed on this country. This taxation bill is in fact a multi-layered corporate tax structure. Just like GST, it is a complicated tax structure and this taxation bill is also a complicated tax structure. Why does the government not give tax incentives to the companies of the North-East states where the industrial presence is less. Our fiscal deficit has increased by 102 per cent in September. There is a slump in about eight core infrastructure sectors. I would, therefore,

request the government to reduce the rate of interest as it has reduced the corporate tax. There is also need to reduce the mobile tariff, the penalties in the motor vehicle act and also the rates of GST. Today, there is an atmosphere of fear in the country and need to be removed because then only the confidence of the investors and the consumers will be strengthened.

ADV. A. M. ARIFF: The Government has written off the debt of corporates. As per the latest reports, all banks have written off a total of Rs. 2.75 lakh crore. What is noteworthy is the common man suffers for an early meal. All the profit-making public sectors, including BPCL, are being sold. The country's GDP is going down. All these relaxations are being given to the corporates. Tax reduction will push up the already strained fiscal deficit to four per cent, which will be highly inflationary and thus will be further eroding the purchasing power of a common man. If the intention of the Government is to effect a real growth in the economy, the Government should take measures to increase the purchasing power of the people.

SHRI E. T. MOHAMMED BASHEER: The Government's claim is that the reduction in corporate tax will boost the investment and will also help improve the growth of economy. I do not believe that we can attain this goal. I understand that the Government is ignoring the warning of the economists. The economists had warned the declined of the economy. The Government is living in a 'dream-island' of its own. The corporate fraud is increasing like anything. According to

the Financial Express, corporate frauds worth Rs. 26,757 crore were reported. Without addressing these kinds of things, the Government will not be able to save the country from the economic crisis. The country has become a land of broken promises. The PSUs contribution to the economy is a great thing. But six airports are also going to be privatized.

SHRI MANOJ KOTAK: The Government has taken a very bold step to improve the economy. It will primarily help create job opportunities in the manufacturing sector. New investors will come to the country. Our government is committed to common man and will ceaselessly work for them. Relief has been provided to those manufacturing companies which will be set up after 1st November 2019 and will commence their manufacturing before the year 2023. I have to make few small suggestions. Manufacturing companies contribute 24 per cent in our GST collections while our service sector contributes 57 per cent. Therefore, the service sector should be included under these provisions in the future so that new investment comes to India. Such industries include hotel industry and other service sector industries like film production and software development companies. The government must keep reviewing as to how many new manufacturing companies have come in the second and third quarters and how much benefits have accrued to the country.

SHRI N. K. PREMACHANDRAN: The sanctity of the Budget is being challenged by the Government by promulgation of an Ordinance by which the tax

remission has been given to corporates and it is against the spirit of the Constitution. The Economic Survey, 2019 gave a clear indication to the Government that unemployment is growing at 6.1 per cent which is the highest during the last four and a half decades. It is because the purchasing capacity and the consumption power of the people is being lost. The only way by which the economy can be given a boost is by creating employment. The other point is that there cannot be any tax levied without the approval of the Parliament. Only 10 to 12 corporate giants will benefit by this tax reduction. I would like to say that this benefit should percolate to the small corporate companies. The Government will have to pump money for REGS - Rural Employment Guarantee Scheme. It is then that the people will have the spending capacity and unemployment will be eradicated.

SHRI ASADUDDIN OWAISI: Tax collection is needed to reduce the social inequality but you are doing the opposite. The growth in Indirect Tax collection is 5.80 per cent in 2017-18 while it was 21.33 per cent in 2016-17. The Government is constitutionally mandated to provide compensation to the States then why the Government is not doing so? The production of core sector has become -2.4 per cent. The growth in gross Central taxes for the period April-September, 2019 is only 1.15 per cent while it was 8.6 per cent for the same period last year. Automobile sector has seen a sharp contraction of -23.3 per cent. Retail inflation has increased to 4.6 per cent in October, 2019. Inflation in vegetable

prices increased to nineteen months high of 15.4 per cent in September, 2019 from 6.9 per cent in August, 2019. Inflation in onions rose to 66.4 per cent from 6.4 per cent over the same period and you are talking about *aam aadmi*. This clearly shows that this country is in recession. In World Happiness Index, the World Bank says that India has dropped to 140. We are worst than Pakistan.

***SHRI K. SUBBARAYAN**

SHRI THOMAS CHAZHIKADAN: India is facing an unprecedented economic slowdown. The unemployment rate is the highest over the last 45 years. The agriculture sector is in great distress all over India. The Government's fiscal policy has failed in every respect. The proposed Bill only favours large companies. The benefits for small and medium companies, which comprises almost 99 per cent of the total corporates in India, are negligible. Withdrawal of additional deductions and MAT neutralizes the concession in tax for the small and medium companies. The existing exemption limit on Long Term Capital Gains of the shares should be raised to, at least Rs.10 lakh as a boost for the ordinary investors. The Bill does not provide clarity in the case of business establishments in Special Economic Zones.

SHRI P. RAVEENDRANATH KUMAR: The Government has brought this Bill to encourage private investments in industry and thus it is another effort of the Government to boost industrial sector coupled with employment generation at

* Please see Supplement

the grassroots level. We are aware that at present the global economic condition is slowing down. Even the IMF has lowered its GDP growth estimate for our country in 2019 to 6.1 per cent. It is because of this fact the Government has reacted immediately and brought the Ordinance in September, slashing the Corporate Tax from 30 per cent to 20 per cent for companies not availing other tax breaks, from 25 per cent to 15 per cent for new manufacturing entities. The Ordinance has now become a Bill with necessary amendments in the main Act. I would also like to suggest the Government to take necessary action to increase foreign direct investment in the manufacturing sector because of the fact that the overall inflow of foreign direct investment has been decreased recently. The State Governments should also be encouraged to invite FDI. I support this Bill.

SHRI BENNY BEHANAN: In the last five years, the Government has given Rs.21 lakh crore to the corporate in the form of tax concessions. This Bill aims at adding to it. The hon. Minister said that this Bill is to attract investment and create employment. The backbone of our economy is not the corporate, it is the agricultural sector, the service sector, the small traders and the real estate. What is the position of these sectors? Farmers are committing suicide. The unemployment is at its peak. The Government is selling the Maharatna companies. Every economic indicator of GDP like employment, consumption, investment is in a very bad condition. We were told about 100 smart cities, 20 All India Institutes of Medical Sciences and Mumbai-Ahmedabad bullet train. What is their fate? The

Central Government is the Government for the corporates. The corporates are in minority but you are always there to help them. I oppose this Bill.

SHRI DAYANIDHI MARAN: The Government is selling the profit-making public undertakings which is a concern for us. The Salem Steel Plant is now going to be sold to private people. Also, BPCL is going to be sold. When the Government has to increase its spending where it is going to go for the money? We welcome the move, whenever the Government reduces tax. But sometimes it hurts as to why the corporates alone should get the benefit. Why cannot the common man also benefit from the reduction of tax? Today people are scared to save money because the interest rates for savings have come down so low. The present Finance Minister is trying to fight a sinking ship which is a legacy of the previous Finance Ministers. Such policies are need. But, I would like to say that the Government should take a holistic attitude. Do not try to only cure the headache, the entire body, the entire economy needs concentration. Please focus on the Indian businesses. They are the ones which will make us survive. We never depended on the international markets. We developed only Indian market. When the Prime Minister said about Make in India, he wants to ensure that our Indian small and medium enterprises are successful. So, kindly focus on them also.

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SNEHLATA SHRIVASTAVA
Secretary General

**Supplement covering rest of the proceedings is being issued separately.

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NOTE: It is the verbatim Debate of the Lok Sabha and not the Synopsis that should be considered authoritative.

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