

LOK SABHA

SYNOPSIS OF DEBATES* (Proceedings other than Questions & Answers)

Thursday, July 18, 2019 / Ashadha 27, 1941 (Saka)

STATEMENT BY THE MINISTER

Re: ICJ Judgement on the Kulbhushan Jadhav case

THE MINISTER OF EXTERNAL AFFAIRS (DR. SUBRAHMANYAM JAISHANKAR): I rise to apprise the House of certain developments that have taken place pertaining to Shri Kulbhushan Jadhav, an Indian citizen in the illegal custody of Pakistan.

The House will recall that Shri Jadhav was awarded a death sentence by a Pakistani military court on fabricated charges. This was done without providing Indian representative consular access to him, as envisaged by international law and diplomatic practice. We made it clear even at that time that India would view very seriously the possibility of an innocent Indian citizen facing death sentence in Pakistan without due process and in violation of basic norms of law and justice. To

* Hon. Members may kindly let us know immediately the choice of language (Hindi or English) for obtaining Synopsis of Lok Sabha Debates.

ensure Shri Jadhav's well-being and safety and to secure his release, the House is aware that we approached the International Court of Justice to seek appropriate relief. That body stayed the execution of the death sentence as a provisional measure. The matter was thereafter taken up in the ICJ for more permanent relief.

The International Court of Justice yesterday delivered its judgement on the Jadhav case. Significantly, the Court unanimously found that it had jurisdiction on the matter and by a vote of 15-1, pronounced on other key aspects of the case. The sole dissenting Judge was from Pakistan.

The Court pronounced that Pakistan breached relevant obligations under the Vienna Convention on Consular Relations. It did so by not notifying India without delay of the detention of Shri Jadhav, thereby depriving us of the right to render consular assistance. Pakistan was also found to have deprived India of the right to communicate with Shri Jadhav, have access to him, visit him in detention and arrange his legal representation. The Court declared that Pakistan is under an obligation to inform Shri Jadhav without further delay of his rights and to provide India consular access to him. It stated that the appropriate reparation in this case was for Pakistan to provide, by means of its own choosing, review and reconsideration of the conviction and sentence of Shri Jadhav. It bears noting that the Court has re-emphasized that the review and reconsideration of the conviction and sentence must be effective. A continued stay of execution, in the judgement of

the Court, constitutes an indispensable condition for the process of effective review and reconsideration.

In 2017, Government made a commitment on the floor of this House to undertake all steps necessary to protect the interests and welfare of Shri Jadhav. Government has made untiring efforts in seeking his release, including through legal means in the International Court of Justice. I am sure that this House will join me in appreciating the efforts of all those involved, especially the legal team led by Shri Harish Salve. Yesterday's judgement is a vindication not only for India and Shri Jadhav but for all those who believe in the rule of law and sanctity of international conventions.

The House, I am sure, would join me in welcoming this landmark judgement. The sentiments I express on this matter are those of the entire House – indeed of the entire nation.

Shri Kulbhushan Jadhav is innocent of the charges made against him. His forced confession that too without legal representation and due process will not change this fact. We once again call upon Pakistan to release and repatriate him forthwith.

I am confident that the House will join me in expressing its strongest solidarity with Shri Jadhav's family. They have shown exemplary courage in difficult circumstances. I can assure the House that the Government will

vigorously continue its efforts to ensure Shri Jadhav's safety and well-being as well as his early return to India.

***MATTERS UNDER RULE 377**

- (1) **SHRI VISHNU DATT SHARMA** laid a statement regarding monitoring of Agriculture colleges in the country.
- (2) **SHRI SATYADEV PACHAURI** laid a statement regarding need to link Anwarganj - Mandhana railway line to Panki in Uttar Pradesh.
- (3) **SHRI MANSUKHBHAI DHANJIBHAI VASAVA** laid a statement regarding completion of Dandi Heritage Route.
- (4) **SHRI ARUN KUMAR SAGAR** laid a statement regarding completion of construction of NH-24 in Uttar Pradesh.
- (5) **SHRIMATI RAMA DEVI** laid a statement regarding construction of road and bridge between Nandwara and Bairganja in Sitamarhi district, Bihar.
- (6) **SHRI PARBHUBHAI NAGARBHAI VASAVA** laid a statement regarding need to appoint local people as postman.

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

- (7) **SHRI JANARDAN MISHRA** laid a statement regarding alleged harassment of truck drivers in Rewa Parliamentary Constituency, Madhya Pradesh.
- (8) **SHRI BIDYUT BARAN MAHATO** laid a statement regarding need to include 'Malla Kshatriya' and 'Danda Kshatri' castes of Jharkhand in the list of Scheduled Castes.
- (9) **SHRI C. P. JOSHI** laid a statement regarding licence to opium farmers in Chittorgarh, Rajasthan.
- (10) **DR. SUKANTA MAJUMDAR** laid a statement regarding restoration of drinking water facility in two blocks of Balurghat Parliamentary Constituency in West Bengal.
- (11) **SHRI P. P. CHAUDHARY** laid a statement regarding need to include Rajasthani language in the Eighth Schedule to the Constitution.
- (12) **DR. NISHIKANT DUBEY** laid a statement regarding pending irrigation projects of Godda Parliamentary Constituency.
- (13) **SHRI ASHOK KUMAR RAWAT** laid a statement regarding need to develop Naimisharanya in Uttar Pradesh as a tourist place.
- (14) **SHRI NIHAL CHAND** laid a statement regarding inclusion of Rajasthani language in the Eighth Schedule to the Constitution.

- (15) **SHRI DEEPAK BAIJ** laid a statement regarding need to review the construction of Polavaram dam.
- (16) **KUMARI RAMYA HARIDAS** laid a statement regarding construction of Mannuthy - Vadakkumchery six lane road project.
- (17) **DR. M. K. VISHNU PRASAD** laid a statement regarding development of Gingee Fort in Tamil Nadu under PRASAD Scheme.
- (18) **SHRI D. RAVIKUMAR** laid a statement regarding need to take measures to boost export of gold jewellery.
- (19) **DR. BEESETTI VENKATA SATYAVATHI** laid a statement regarding development of Kondakarla lake in Anakapalle Parliamentary Constituency of Andhra Pradesh.
- (20) **SHRI PRASUN BANERJEE** laid a statement regarding dredging of river Hooghly, West Bengal.
- (21) **SHRIMATI PRATIMA MONDAL** laid a statement regarding new railway line from Jaynagar to Moipith, West Bengal.
- (22) **SHRI RAHUL RAMESH SHEWALE** laid a statement regarding funding for real estate development in Mumbai.
- (23) **SHRI SUNIL KUMAR PINTU** laid a statement regarding need to repair NH 77 connecting Sitamarhi - Muzaffarpur district Headquarters.

- (24) **SHRI P.R. NATARAJAN** laid a statement regarding issues of local candidates and creamy layer in Chennai Petroleum Corporation Ltd.
- (25) **SHRI NABA KUMAR SARANIA** laid a statement regarding progress in cases relating to Bodoland movement.

THE FINANCE (NO. 2) BILL, 2019

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN) moved that the Bill to give effect to the financial proposals of the Central Government for the financial year 2019-2020, be taken into consideration.

SHRI N.K. PREMACHANDRAN *raising the point of order, said:* I rise to object the Motion for consideration of the Finance (No. 2) Bill under Rule 219 (1) of the Rules of Procedure and Conduct of Business in Lok Sabha and under Article 110(1) and Article 117 of the Constitution of India as well as Rule 376 of the Rules of Procedure and Conduct of Business in Lok Sabha as Clauses 135 to 181 and Clauses 187 to 192 of the Finance (No. 2) Bill, 2019 will not come within the purview of the Finance Bill. These proposals should be the financial proposals for the Financial Year 2019-20, and nothing else. The Government can come with a Financial Bill without having the non-taxation proposals only on two conditions. If it is consequential upon or incidental to the taxation proposals, the Government

can definitely come with a Financial Bill. So, contents of the Finance Bill No. 2 of 2019 may kindly be examined. Similarly, various amendments will never come within the ambit of the Finance Bill for which a separate amendment Bill is required. These amendments are incorporated in the Finance Bill with an intent to avoid threadbare discussion and scrupulous scrutiny of the Bill. It is against the basic principles of legislation. Unless absolutely consequential to that of the taxation proposals, that will only be included or incorporated in the Finance Bill. I do agree that under Article 110 (5) of the Constitution, Speaker has ample authority and discretion to declare this Bill as a Money Bill. But this is absolutely a backdoor legislation and it cannot be allowed under the pretext of Finance Bill. The legislative supremacy of the Parliament is being questioned. I appeal to you to uphold the democratic conventions and precedence and the spirit of the Constitution and the Rules framed thereunder.

SHRIMATI NIRMALA SITHARAMAN *responding said:* With regard to the objection raised by the hon. Member, I would like to say that the primary object of the Finance Bill is to give effect to the financial proposals. But it does not rule out the possibility of including non-taxation proposals in the Finance Bill. So, when this Rule does not explicitly exclude, I cannot see, why objections should come. While even referring to other Bills, it also gives room when it says that unless it is imperative. And, the Government considers what we are doing now as absolutely imperative. The Finance Bill, obviously, is looking at various taxation

proposals. The taxation proposals are given in detail with the Budget documents. Under direct taxation, about seven Acts are being amended keeping in mind the "Make-in-India" and furthering its agenda. We want to incentivise people to produce things in India. Apart from that, there are several measures under the Direct Taxation that we are taking up. Now, under the Indirect Taxation, seven Acts are being amended so that Indirect Taxation related matters will have a greater simplicity and be effective. Similarly, the GST alone has five different amendments which will have to take place. As a result, there will be an ease of compliance for MSME sector. There will also be an ease of paying taxes. More simplified measures will come in for prompting digital payment and for improving compliance. Again, financial markets are being addressed through about eight Acts which are getting changed. Finally, we are also amending a fund-based Act, the Central Road and Infrastructure Fund Act which will bring greater clarity into that Act. So, in all, Direct Taxes, Indirect Taxes, PMLA, Financial Market and the Central Road Fund: these are the five major categories under which various different amendments are happening.

Thereafter, the Speaker gave the following Ruling:

HON. SPEAKER: A point of order has been raised by an hon. Member under the provisions of the Rule 219 of the Rules of Procedure and Conduct of Business in Lok Sabha and Article 110 of the Constitution. It has also been

contended that non-taxation proposals could not be included in the Finance Bill as per Article 110 due to its being a Money Bill and the inclusion of non-taxation proposals in this Bill was beyond the mandate inherent in the long title of the Bill. According to Rule 219, the primary objective of the Finance Bill is to give effect to the financial proposals of the Government. At the same time, the Rule does not rule out the possibility of inclusion of non-taxation proposals in the Finance Bill. In the past, the then Speakers have given rulings that in accordance with the well-established practice, non-taxation proposals should not be included not only in a Finance Bill but also in other Bills involving taxation unless it is imperative to include such proposals on statutory or legal grounds. Every effort should be made to separate taxation measures from other matters unless it is impossible on statutory or legal grounds or some such unavoidable reasons, to do so in a particular case.

I would also like to state that non-taxation proposals have been included in the Finance Bills even in the past. Similar objections were also raised against the inclusion of certain non-taxation proposals in those Bills during the consideration and passing of the Finance Bills of the year 2017 and 2018 respectively and the then Speaker disallowed the point of order on the aforesaid grounds.

Hence, I disallow the point of order on the ground that the Rule 219 does not specifically prohibit the inclusion of non-taxation proposals in the Finance Bill.

SHRI ADHIR RANJAN CHOWDHURY *initiating said:* Firstly, Budget should be prepared in such a way that there must be generation of wealth. It should not be a high sounding and high blowing description of any political agenda. A plethora of amendments have been brought by the Government. It clearly indicates that the Government is not so serious for amendments in the Financial Bill because within a few minutes it is hardly possible to scrutinize all the amendments and react accordingly. The total transfer of Central resources to the States has gone at a lower rate than Centre's own receipts post devolution of States' share in taxes. Government is imposing cess and surcharge but it is not being devolved upon the States. So, it cannot be called a cooperative federalism. Similarly, Public Accounts are being randomly tapped to fund programmes that ideally should be funded out of the Consolidated Fund of India. The National Small Savings Fund is being used increasingly to meet Food Corporation of India's funding needs and keep procurement operations going. Both savings and investment rates have come down under this Government. Private investments remained elusive. The failure of Public Private Partnership (PPP) model has put enormous burden on the Government finances. Even the manufacturing sector is in the doldrum. Exports have not been going very well at all for many quarters. All this has undermined the fiscal honesty of the Government and economy is in a shamble. The growth from the present three-trillion US dollar to five trillion US dollar would require concrete efforts. If the Indian economy does not grow

annually at 8 per cent plus – I am talking of real GDP growth – it would be difficult for the Finance Minister to reach the targeted number. For that to happen, price level will have to remain the same as it is today and also the value of the dollar in terms of rupees will have to remain unaltered at the current ratio. It is lofty idea to emerge as the third largest economy of the world, but for that a direction and target has to be fixed. I am afraid that the Budget lacks that. The Congress Party contributed much to build the Indian economy through planned economic development from the 1st Five Year Plan upto 7th Five Year Plan and, thereafter undertook the massive liberalization programme in 1991-92.

DR. NISHIKANT DUBEY: This budget aims at taxing the rich and benefitting the poor by distributing it among them. Hon. Member said that in 1947 the budget amount was of Rs.171 crore. This is right but he did not tell the exchange rate of rupee against dollar at that time. Then, one rupee equaled one dollar which has now reached Rs.70 per dollar. He spoke about the economy and GDP. But, perhaps he is not aware of the fact that GDP was introduced in 1935-36 itself while he is talking about 1901-1902. China lagged behind us in 1947 and by 1980 the economies of China and India were equal. The biggest amendment has been made in the Benami Transactions Act. Entire scam money like that of Rose Valley, Sardha Chit Fund etc. have been invested through benami transactions. That is why, they are opposing the amendment brought by us in the Finance Bill. The second Act which has been amended is - Prevention of Money Laundering

Act. Earlier, there was no mechanism for exchange of information between various agencies like Income Tax Department, Enforcement Directorate and CBI. People used to exploit such loopholes to their advantage. That is why amendments have been brought in this Act. Today, the biggest question facing the country is about terror funding. NIA is either attaching the properties of a number of terrorists or filing a case against them. The biggest impact of demonetisation is that stone pelting and naxal activities have come to an end. The third biggest amendment is in the Black Money Act.

The Government of India has made an amendment 12AA about the round tripping and this will also check generation of black money. Real estate sector is also a major cause of corruption. Our Government was formed in the year 2014 and the corrupt people of the real sector have to face the consequences and people involved in corruption in this sector are being lodged in the jails. Over invoicing in the imports and exports facilitated siphoning off of huge funds out of the country and nobody paid any attention to it prior to the year 2014. During the Congress regime, capitation fee was charged in crores of rupees in MBBS and engineering courses, but the then Government did nothing to check it. Our Government is bringing NMC Bill to check corruption in this field. Corruption also takes place in the business of diesel and petrol. The Government has, therefore, given tax rebate on electric cars in this Finance Bill so that people's attention towards diesel, petrol and kerosene could be reduced. I had given a speech here in this House in the year

2011. The names of the three Members of Parliament of the Congress party had come in the Liechtenstein account. The then Government should have clarified in this matter. But, the then Finance Minister had said that nobody had any accounts therein. Thereafter, on the basis of my speech, a PIL was filed and in the year 2012 the hon. Supreme Court had given a verdict that even the Member of Parliament does not get correct answer to his question in the Parliament. Later, it was also proved that three Members of the Congress party had Liechtenstein accounts. Our hon. Prime Minister in the first Cabinet meeting on 26th May, 2014 set up the SIT. This SIT made several recommendations and many financial reforms also took place in the country.

DR. THAMIZHACHI THANGAPANDIAN: I thank you profusely for giving me this opportunity to make my maiden speech on the Finance Bill. I ascend from the land of Tamil Nadu, a land of the great Sangam poet, Kaniyan Poongundranar. I would like to congratulate our first fulltime woman Finance Minister for having presented her maiden Budget. I am doubly happy to congratulate her as she is the daughter of our soil. During the last stint, our hon. Prime Minister had made a lot of promises that all the black money would be brought back, ten crore jobs would be generated, but alas nothing concrete was done. With the unemployment rate of 6.1 per cent trumpeting of a \$5 trillion economy is a big farce. The Government has waived tax for corporate but no rebate in tax for middle class and common people. Increasing the import duty

from 10 per cent to 12.5 per cent on gold has hit the middle-class Indian women. I have a few queries to be clarified. My South Chennai constituency comprises a lot of fishermen populace. The Matsya Sampada Yojana announced in the budget will not be for the benefit of the indigenous fishermen but for the macro fishing industry magnets. Chennai's largest IT hub is in my constituency. What are the steps taken to sensitizes this industry towards opportunities that will open up due to 5G spectrums? There are major amendments in income tax, other direct taxes domain, indirect taxes, GST, etc.. How would a family with many members limit their electricity expenses within Rs.1 lakh a year? I want to draw the attention of the hon. Minister through you to the allocation of Rs.50 crores to appoint Hindi teachers in the non-Hindi speaking States which is a clear design to promote the Three Language Formula. I want to also emphatically state that the DMK Party upholds only two language formula.

SHRI P.V. MIDHUN REDDY: From national perspective, the Budget is full of hope, and a lot of good schemes have been inducted this time. However, from our State perspective, we are disappointed. There is no mention about the State of Andhra Pradesh. First, I would like to talk about the special category status for State of Andhra Pradesh. On March 2, 2014, in the Cabinet Meeting, the then Prime Minister generated a Cabinet Note saying that 'Special Category Status be given to Andhra Pradesh. But in the last five years nothing has been mentioned about special category status. 14th Finance Commission objecting to the special

category status is not a fact. A member of the Finance Commission clearly stated in a letter that Finance Commission has got nothing to do with special category status, and it is only a decision of the executive. Many thing promised in the AP Reorganization Act has not been fulfilled. The 14th Finance Commission projected that the revenue deficit would be Rs.22,000 crore between 2015 to 2020, and it was promised that the State would be given enough support but nothing has been done. Our state has been given package for backward districts under special development package, but even the funds allocated have not been allotted for the last two years. There is no mention of Dugarajapatnam Port or the Vizag-Chennai industrial corridor in the budget. We also request that total cost for Polavaram project be borne by the Central Government as it was promised. The 15th Finance Commission is taking the 2011 population Census for allocation of funds to the States. Our population has been controlled very well. If our population is down funds are going to be down. We wish that justice be done in this regard to ensure that States which effectively implement population measures are not at a disadvantage. I would request the Central Government to derive a mechanism whereby if the GST benefit does not reach the business community the officials should be prevented from imposing penalties on them.

PROF. SOUGATA RAY: In 2014, the Government had promised to recover the black money and provide two crore employment opportunities every year. Both those promises have not been fulfilled by the Government. The

Government should issue a white paper as to how many MSME units were closed because of demonetisation. The hurried implementation of GST has taken a huge toll on small businesses. The present economic scenario is very pessimist. As regards the tax proposals, we protest against all surcharges and cesses. The two per cent tax on cash withdrawals will hurt the tea gardens. I am also opposed to the imposition of the road and infrastructure cess, escalation in the customs duty on gold and precious metals and newsprint import. There are major legislative changes proposed in the Finance Bill. This Finance Bill is a Money Bill. It cannot be discussed in Rajya Sabha. So, it escapes the proper legislative scrutiny. The structural changes in our legal system which are unrelated to taxation should only be done through the established mechanism of scrutiny and deliberation by both the Houses of Parliament. The Government has also sought to bring amendments to the GST legislation through the Finance Bill. If you include GST amendment in a Finance Bill you are taking away the powers of the GST Council. I, therefore, strongly oppose this.

SHRI RAJIV RANJAN SINGH ' LALAN' : I would like to give advice to the Government to make the tax collecting agencies people friendly. The common public should have a feeling that no one will harass them if they pay the taxes regularly. There are many misconceptions with regard to the GST. My advice to the hon. Minister is that the GST related system should be simplified. We must see whether the person who has defaulted on his GST payment is a

willful defaulter or an innocent defaulter. If someone has filed a wrong GST return because of the lack of knowledge, he should not be harassed. I would also like to request the Government to provide financial help to the backward States and the Government should implement the report of the Raguram Rajan Committee for this purpose.

SHRI RAHUL RAMESH SHEWALE: I rise here to speak on Finance Bill and support the Budget. I also request to make additional allocation in respect of overall development of Mumbai. The Government should set up the Mumbai Development Plan Implementation Authority. A special package may be sanctioned and released for development of Mumbai. I request the hon. Finance Minister to allocate Central fund of Rs.2000 crore for smooth operation of Mumbai's public buses run by the BEST. For making India digital economy, the Government must adhere to a bottom up approach by educating the masses about the benefits of digital payments along with developing ways to incentivise digital payments. Slum Rehabilitation Authority is facing severe funds crunch. So, there is a need to take strong steps to bail out stuck slum redevelopment schemes else Mumbai will never be a slum free city. The real estate sector should be recognised as a priority sector by the Reserve Bank of India as well as by other banks and given the 'industry' status. This move will enable the buyers to avail tax benefits. I request the Government for additional allocation for my Parliamentary

Constituency Mumbai South Central as we need emergency medical care for rail accident victims and car rakes to reduce overcrowding in the Railways.

SHRI BHARTRUHARI MAHTAB: Income Tax reduction from 30% to 25% being extended to companies is beyond my comprehension whereas partnership firms and limited liability partnerships are still subjected to 30 per cent tax bracket. Customs duty of 10% on the import of newsprint would put a heavy burden on the industries and would affect the bottom line of newspapers. The economy is not growing as it is supposed to be. India is a high cost economy that cannot compete with the Asian peers. Land, labour, capital, electricity, freight rates, corporate tax, income tax all add up to the higher cost. We need to make our products competitive. The new peak income tax rate today in our country is 42.7 per cent income tax which is a clear disincentive. High taxation compels Indian businessmen to move to low tax haven countries. Corporate promoters would keep profits in companies instead of distributing them as dividends because of heavy tax burden. Data shows that when tax proceeds increase, the cess collected also rises. It is shocking that the funds raised through cess remained dormant till the year 2018.

SHRI RITESH PANDEY: I understand that 2 per cent surcharge on TDS has no foundation and is anti-farmer. I would urge upon the Government to do away with this provision. Surcharge on annual income between Rs.2 crore and Rs.5 crore has been increased to 25 per cent and the tax has since gone up to 39 per

cent vis-a-vis 35.88 per cent in the previous year. It is certainly going to result in brain drain from this country. With low rate of taxation, tax compliance is on the higher side and vice versa. By implication, in case of 42 per cent taxation, the affluent ones would tend to avoid paying taxes by exhausting the loopholes existing in the system. Exemption of capital gains tax to the political parties and on the income from voluntary contribution is a serious flaw.

DR. SANJAY JAISWAL: If we wish to successfully implement 'Make in India', we will have to impose tax on the imported goods in order that we may join the league of top 3 industrial nations of the world over the next 10 years. Earlier, tax payers had to suffer a lot in getting their refunds but now Income Tax and GST refunds get automatically transferred to the bank accounts of the assesseees. This Finance Bill provides for faceless interface which will lead to elimination of the element of corruption prevalent in the system. I support the Finance Bill for the year 2019-20.

DR. G. RANJITH REDDY: This Budget fails to address the concerns of Telangana. The Government's focus has to be on developing social security, infrastructure and the rural economy. In this respect, our hon. Chief Minister of Telangana has done far better than the Union Government. When it comes to infrastructure development, *Har Ghar Jal* is a very good project which is being taken up by the Central Government but the Budget allocation is very little. Mission Kakatiya helps in rejuvenating all the tanks and lakes. NITI Aayog has

recommended Rs.24,000 crore for the State of Telangana, but not a single rupee has been given. Our Chief Minister dedicated the Kaleshwaram Project to the Centre. More funds should be allocated to Telangana. Our Chief Minister has come up with a 570 square feet Double Bedroom Housing Scheme for the poor. The share of States in the taxes should be passed onto the States. In case of companies, instead of turnover, profit should be considered while finalizing the tax net. Telangana has been asking for thousands of crores of rupees whereas quite little has been provided to complete our projects. I hope the Finance Minister will give a serious thought and take corrective steps.

SHRIMATI SUPRIYA SADANAND SULE: The hon. Members from the Treasury Bench have conveniently forgot the history and the continuous amount of work that several Finance Ministers have done for decades before. The first time the economy opened up in the year 1991. As regards the measures to curb corruption, the PMLA was first brought in by our Government and not by theirs. This is not a very flattering Budget. Even the stock markets had collapsed after the Budget. In the case of IL&FS, the whistle-blower was nearly put in jail. Even in Panama Papers case, little action is seen. So the hon. Members from the Treasury Benches cannot take moral high ground. Huge money collected as Cess is lying with the Government unutilized. It should be put to use in the States. There is a need for simplifying taxes instead of keep changing. The Government should clarify if there will be any conflict between RBI powers and NFRA powers. The

media report says that two lakh high net worth individuals have left this country in the last five years. If it is true, we should stop them. The GST collections are down. I would urge this Government to simplify all the tax proposals and make life easier.

SHRI KESINENI SRINIVAS: An amount of Rs.12000 crore was to be sanctioned for educational infrastructure as per Andhra Pradesh Reorganization Act. The fact remains that only Rs.845 crore has been sanctioned till date. Reduction of taxation for the companies from 30 per cent to 25 per cent and 30 per cent tax charged on MSME is discriminatory in nature. Maximum rate of income tax should be the same across all entities. TDS under income tax is to be at source of the income and not at the time of cash withdrawals. I would like to request the Government to withdraw this proposal.

SHRI SUBHASH CHANDRA BAHERIA: During the last five years the Government has brought several reforms in direct and indirect taxes. Hon. Prime Minister thinks that no tax law should be as complicated that honest taxpayer is subjected to any harassment. At the same time, he wants that tax-evaders face stringent action. This Finance Bill shows this direction. Faceless interface in tax assessment will curb corruption but enough caution needs to be exercised in this process. Imposition of 2 per cent tax on cash withdrawal of more than one crore rupees in a year from bank will have its practical problems. There are approximately 5000 small scale textile units in Bhilwara. If rate of GST on yarn is

fixed at 5 per cent, the problem of taxpayers will be eased. Service tax should also be allowed for refund under GST.

DR. S.T. HASAN: I would like to draw the attention of the Government towards export of handicrafts. Approximately 40 per cent of the total handicraft export of the country is from Moradabad. Presently, the exporters and other persons associated with handicraft industry in Moradabad are in distress. The exporters from Moradabad have an outstanding amount of refund of GST to the tune of Rs.1100 crore. For this very reason, many exporters want to close down their export companies. Earlier, the export from Moradabad was of upto Rs. 16,000 crores and now it has decreased to Rs. 5,000 crores. Craftsman of Moradabad are driving auto-rickshaw and working as daily wager. This is a sort of 'skill drain'. They are going to Nepal and Dubai in search of job. This is the responsibility of the Government to stop their migration.

SHRI E. T. MOHAMMED BASHEER: A meticulous scrutiny by Standing Committees has not been done this time. Proposals like hike in the petroleum products and its impact are going to come before us. 10 per cent customs duty on newspaper has created a very difficult situation for the newspapers. I strongly appeal that the Government should do away with this tax. I would like to say that Direct Tax Code is very much required and it is a high time to do it. I appeal to the Government to increase the allocation for PMNRF and thus, save the poor patients.

SHRI P. RAVEENDRANATH KUMAR: I stand here to support this Finance Bill, 2019. I appreciate our hon. Prime Minister and the hon. Finance Minister for the initiative to convert our nation into an economic power in the world. I welcome the taxation proposals. Tamil Nadu's share of the total GST collection in India has been around 7.4 per cent of the total collection of GST since inception. I would request the hon. Finance Minister to consider clearing all dues for the State of Tamil Nadu, which would help our State significantly to implement various schemes.

SHRI N. K. PREMACHANDRAN: I rise to oppose the Finance Bill for the financial year 2019-20. The Budget aspires ambitious revenue estimates based on surcharge and cess besides big disinvestment proceeds. I support imposing superrich tax on the corporates and big people in the country. But at the same time, I strongly oppose the increase in the Special Additional Excise duty, and Road and Infrastructure Cess each by one rupee on petrol and diesel. It is putting a heavy burden on the common mass of the country. Fishing industry in our country is facing a big crisis. Imposition of road cess on fishing vessels is illogical and unjustifiable. When you are imposing surcharge and cess, the concern States will be denied the right to have the share of the Central Tax Revenue. It is against the basic principles of cooperative federalism. As far as cashew nut is concerned, 2.5 per cent Customs Duty is there. Kindly withdraw this Customs Duty also.

SHRI VE. VAITHILINGAM: The Government of Puducherry has implemented the Seventh Pay Commission recommendations to the employees with effect from 1st January, 2016. The Government of Puducherry has been urging the Government of India to release the Central assistance for meeting the additional financial implication arising out of the implementation of the Seventh Pay Commission recommendations. Kindly release the Central Assistance at the earliest.

SHRIMATI NIRMALA SITHARAMAN *replying said:* 'Make in India' needs to be given greater push. The benefit of reduced corporate tax rate of 25 per cent to all companies having an annual turnover up to Rs. 400 crore entailing the inclusion of 99.3 per cent companies. It is meant for the reduction of tax on corporates. Incentives have been provided for purchase of electric vehicles and it is proposed to provide deduction of an amount up to Rs. 1,50,000 for interest paid on loans taken for purchase of electric vehicles. Incentives for Start ups shall lead to changes in the Acts of Direct Taxes. A provision has also been allowed for exemption of capital gains arising from sale of residential property. The condition of minimum holding of 50 per cent of share capital has been relaxed to 25 per cent. It is proposed to provide a deduction of upto Rs. 1,50,000 for interest paid on loans taken for the purchase of an affordable house in order to boost affordable housing. This shall be in addition to the existing interest deduction of Rs. 2,00,000. We wish India to become a very big International Financial hub. Several direct tax

incentives are there for IFSC. The inter-changeability of PAN and Aadhar also requires certain kind of amendments, as much as for pre-filling of returns. For withdrawals by a person in excess of one crore rupees in a year from the bank account will be subjected to two per cent TDS. Electronic payment is being encouraged. Customs tariff is being amended because tariff lines for specific products will have to be brought in. Those decisions approved by the GST Council are becoming a part of this Finance Bill. The proposed amendment to the RBI Act is to strengthen RBI's regulatory powers - powers for regulating the NBFCs. The National Housing Bank should also be better regulated. None of the features of Central Road and Infrastructure Fund Act is being changed. The States will receive the money as usual. The intent of the Government is to ensure 'Minimum Government and Maximum Governance' with a clear vision.

The Bill, as amended, was passed.

SNEHLATA SHRIVASTAVA
Secretary General

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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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