

## **Lok Sabha passes bill to help marble, garment sectors for creating jobs**

The Lok Sabha on Wednesday passed the Taxation Laws (Amendment) Bill, 2016, that seeks to amend the Income Tax Act of 1961 and the Customs Tariff Act of 1975.

The new law will essentially enable the government to raise custom duties on marble and granite to about 40 per cent from the existing 10 per cent while it will also give incentives to the garment sector.

Answering queries from several members, including Congress' Deepender Singh Hooda and Trinamool Congress' Sugata Bose, Union Finance Minister Arun Jaitley said the new bill will address various issues of demerger of companies and related matters.

The bill will help create jobs and protect domestic industry from import surge, he said.

"We need economic development which generates job. One of the provisions in the Income Tax Act is that if you generate employment for a minimum of 240 days in a year, there are certain tax rebates you will be entitled to," Jaitley said

He said in the apparel sector, that is, the textile and garment sector, particularly the exporters, jobs are created but the nature of the trade has become "seasonal".

Jaitley said the changes in the Income Tax Act will give effect to the conditions attached to the transfer of shares by the government.

He said the new bill will empower the central government to make use of land belonging to the erstwhile Videsh Sanchar Nigam Limited, which has remained with the government following privatisation of the telecom public sector undertaking, 14 years ago.

The bill was passed by a voice vote after a brief debate, wherein among others Trinamool MP Sugata Bose said that the government should not encourage protectionist policies.

He said the government should take adequate steps to encourage manufacturers to be competitive in price as well quality of their products.

Asaduddin Owaisi (AIMIM) accused the government of harming the powerloom industry. "Your policy is benefitting only small corporates but it is destroying the powerloom industry of Malegaon and Bhiwandi (in Maharashtra)," he said.

Nishikant Dubey of the Bharatiya Janata Party repeatedly slammed what he said was the "policy paralysis" of the Congress-led UPA regime from 2004 to 2014 and insisted that the new bill as brought by Jaitley will help the garment and marble industries.

As regards the garment sector, Jaitley said the bill eases the condition for availing tax incentives under the relevant sections of the Income Tax Act, 1961.

"The incentive is aimed at making Indian apparel industry competitive, so that they are able to make the cost advantage", the minister said.

As far as customs duty on marble and granite is concerned, he said the measure will give flexibility to the government to raise the duty to World Trade Organisation-bound rate of 40 per cent.

Deepender Singh Hooda (Congress) alleged that the government seemed to be in hurry to push the bill.

Sushmita Dev, also from the Congress, said the biggest promise of Modi government was job creation. "However, we feel that India is heading towards jobless growth," she alleged.

Among others, Congress member Adhir Ranjan Chowdhury also opposed the bill.