

The threshold limit rate of tax will be suitably calibrated in the context of overall tax rates.

- xi. **General Anti Avoidance Rule (GAAR)** — The proposed GAAR provisions do not envisage that every arrangement for tax mitigation would be liable to be classified as an impermissible avoidance arrangement. It is only in a case where the arrangement, besides obtaining a tax benefit for the assessee, is also covered by one of the four conditions *i.e.* it is not at arms length or it represents misuse or abuse of the provisions of the Code or it lacks commercial substance or it is entered or carried on in a manner not normally employed for bona-fide business purposes, the GAAR provisions would come into effect.

The Revised Discussion Paper is available on the websites of the Ministry at: *finmin.nic.in* and *incometaxindia.gov.in*.

(c) No, Sir.

(d) Does not arise.

#### **Tax free infrastructure bonds**

899. SHRI B.S. GNANADESIKAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government has proposed to issue tax free infrastructure bonds with a minimum tenure of 10 years to help overhaul a crumbling infrastructure sector; and;

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) and (b) Yes, Sir. The Finance Act, 2010 has inserted a new section 80CCF in the Income Tax Act, 1961, which provides that an amount upto the extent of Rs. 20,000/- paid or deposited during the financial year 2010-11 as subscription to long-term infrastructure bonds shall be allowed as deduction in computing the income of an individual or a Hindu Undivided Family. This deduction will be over and above the existing overall limit of Rs. 1,00,000/- available under section 80C, 80CCC and 80CCD of the said Act on savings and other prescribed investments. This amendment takes effect from 1.4.2001 and is applicable for the subscriptions to eligible/notified infrastructure bonds made during the Financial Year 2010-11.

Consequent to this amendment, 'long-term infrastructure bonds' have been notified *vide* Department of Revenue, Central Board of Direct Taxes, notification No. 48/2010 [S.O. 1639 (E)] dated 9.7.2010, specifying the details such as the tenure, interest rate, agencies which can issue the bonds, etc.

#### **"CAG for more accountability of flagship schemes"**

900. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether Government's statutory auditor, the Comptroller and Auditor General (CAG)

has sought greater powers to audit the spending of the flagship schemes for bringing more accountability in the administration of such programmes; and

(b) if so, what is Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) A revised draft bill seeking to replace the existing Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 by a new law titled "Audit of Public Money and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 2010" has been forwarded by C&AG Office in June, 2010.

(b) The proposals in the draft bill impact various areas of governance and therefore a process of consultation has been initiated with concerned Ministries/Departments and State Governments, on completion of which the bill is likely to be placed in Parliament.

#### High Inflation rate in the country

†901. SHRI RAVI SHANKAR PRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn towards the news-item captioned "India's inflation highest among developing nations" appeared in a national daily;

(b) if so, whether it is a fact that inflation rate in India is almost on higher side in comparison to developing countries of the world; and

(c) if so, the reasons therefor and what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) Yes, Sir.

(b) and (c) Inflation has been showing varying movements — upward or downward— in the developing countries. The comparative movement of Consumer Price Index (CPI) based inflation rates of India and some developing countries are given in Table 1 below:—

*Table 1. Inflation (year-on-year) based on CPI in selective countries (%)*

Country	June-2010	June-2009
1	2	3
India*	13.7	9.3
Pakistan	12.7	13.1
Argentina	11.0	5.3
Egypt	10.7	10.0
Venezuela	31.8	27.4

†Original notice of the question was received in Hindi.