

transaction or transactions during the previous year exceeds the amount as may be prescribed; or

- (ii) Systematic and continuous soliciting of its business activities or engaging in interaction with such number of users as may be prescribed, in India through digital means.

In order to prescribe the thresholds as mentioned above, suggestions/comments of stakeholders and the general public have been invited.

(b) *Vide* communication in F.No. 370142/11/2018-TPL dated July 13, 2018, comments of stakeholders and general public have been invited in order to prescribe the thresholds to establish significant economic presence of a non-resident in India. The comments and suggestions so received are under consideration.

(c) and (d) If digital businesses operated by non-residents are structured to artificially avoid establishment of a "business connection" or "permanent establishment" in India, including by way of claiming the activities carried out in India to be preparatory or auxiliary in nature, the GAAR provisions under the Income-tax Act may become applicable to the income of such digital businesses in India.

(e) No, signing of the Multilateral Instrument is unlikely to address the broader tax challenges of digitalisation of economy owing to the redundancy of physical presence-based nexus.

(f) The imposition of Equalization Levy has led to increase in tax collection. The collection under the Equalisation levy exceeded ₹ 550 crore for FY 2017-18. Further, the introduction of taxation based on significant economic presence is also expected to increase tax collection as it seeks to widen the tax base in India by establishing business connection and charging to tax income earned by digital businesses which operate out of jurisdictions with which India has not entered into a Double Taxation Avoidance Agreement (DTAA). However, in respect of digital businesses operating out of jurisdictions with which India has already entered into a DTAA, significant economic presence will only be effective after renegotiation of such DTAA which will be based on international consensus.

#### **Amaravathi Capital City construction**

960. SHRI G.V.L. NARASIMHA RAO: Will the Minister of FINANCE be pleased to state:

- (a) the money given to Andhra Pradesh so far for the construction of capital city at Amaravathi;

- (b) the money given by way of Central assistance for establishing new capital cities in Raipur of Chhattisgarh, Ranchi of Jharkhand and Dehradun of Uttarakhand;
- (c) whether it has come to the knowledge of the Ministry and CBDT that a lot of black money has been invested in buying lands in and out of Amaravathi;
- (d) the type of capital gain exemptions given to sellers of land in Amaravathi; and
- (e) whether they have been extended even to the profit motivated investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) The Central Government has released Central Assistance of ₹2500 crore for construction of capital city under Section (6) and Section 94 (3&4) of the A.P. Re-organisation Act, 2014 to the Successor State of Andhra Pradesh. Of which, ₹1500 crore has been released by Ministry of Finance and ₹1000 crore has been released by Ministry of Housing and Urban Affairs.

(b) Central Assistance for construction of capital cities of the States of Chhattisgarh, Jharkhand and Uttarakhand was not envisaged in their respective Reorganisation Acts. However, the Twelfth Finance Commission had recommended ₹ 200 crore each for the capital cities of Jharkhand, Chhattisgarh and Uttarakhand post their formation. Further, the Thirteenth Finance Commission had recommended ₹550 crore for the creation of New Capital City "Naya Raipur" of Chhattisgarh and ₹88 crore for construction of New Legislative Assembly Building in Uttarakhand.

(c) Complaints regarding black money, containing *inter-alia*, allegations regarding investments in land etc., are received at different levels including CBDT and the field offices of the Income-tax Department. Such complaints contain information that is subject to verification. However, sector-wise/station-wise details of such complaints received across the country by various offices of the Income-tax Department are not maintained centrally.

(d) and (e) Section 10(37A) of the Income-tax Act, 1961 (the Act), *inter alia*, provides that an individual or Hindu undivided family who was the owner of land as on 2nd June, 2014, and has transferred such land under the land pooling scheme notified under the provisions of Andhra Pradesh Capital Region Development Authority Act, 2014, capital gains arising in respect of said persons from the following transfer shall not be chargeable to tax:

- (i) Transfer of capital asset being land or building or both, under land pooling scheme.

- (ii) Sale of Land Pooling Ownership Certificates by the said persons received in lieu of land transferred under the scheme.
- (iii) Sale of reconstituted plot or land by said persons within two years from the end of the financial year in which the possession of such plot or land was handed over to the said persons.

Further, section 49 of the Income-tax Act, *inter alia*, also provides that where reconstituted plot or land, received under land pooling scheme is transferred after the expiry of two years from the end of the financial year in which the possession of such plot or land was handed over to the said assessee, the cost of acquisition of such plot or land shall be deemed to be its stamp duty value on the last day of the second financial year after the end of financial year in which the possession of such asset was handed over to the assessee.

**Borrowings by PSUs to buy Government stakes in State-owned entities**

961. SHRI HUSAIN DALWAI: Will the Minister of FINANCE be pleased to state:

- (a) the list of PSUs buying Government stakes in other State-owned entities, including the quantum of stakes bought and corresponding State-owned entities, since 2014;
- (b) the details of PSUs accruing debt by borrowings to make such transaction, including the quantum of debts;
- (c) whether Government treats this as disinvestment and uses that to bridge its fiscal deficit target, if so, the reasons therefor; and
- (d) whether the Ministry has considered if borrowings PSUs for the same would also put pressure on bond yields, if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) Oil and Natural Gas Corporation (ONGC) acquired 51.11 per cent paid up equity of Government of India held in Hindustan Petroleum Corporation Ltd. (HPCL) at a consideration of ₹ 36,915 crore in January, 2018.

NBCC (India) Ltd. has bought the 100% stake of Government of India holding in HSCC Ltd. during November, 2018 for ₹ 285 crore.