

	1999-2000	2000-01 (P)	2001-02 (Q)
(as percent of GDP at current market prices)			
Gross domestic Investment*	25.2	24.0	23.7
Public Sector	6.9	6.4	6.3
Private corporate sector	6.5	4.9	4.8
Household sector	10.3	11.2	11.3

\* Gross domestic investment denotes gross domestic capital formation adjusted for errors & omissions.

The Government has been conscious of the need for higher investment to accelerate the growth momentum. Recent initiatives by the Government include higher public investment in National Highway Development Project and emphasis on infrastructure development. The scope for private sector participation and investment has also been enlarged in a number of sectors. The Budget 2003-04 has proposed to provide a major thrust to infrastructure, principally to roads, railways, airports and seaports, through innovative funding mechanism. The cost of these projects is estimated at about Rs. 60,000 crore. These initiatives are expected to result in higher growth of investment.

### **Amendment of Stamp Duty Act**

2063. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government propose to amend the Securities Contract Regulation Act, Income Tax Act and Stamp Duty Act, during the current session of Parliament;

(b) if so, the details thereof;

(c) whether the proposed amendments would embrace the recommendations of Justice Kenia Committee Report and if not, the reasons therefor; and

(d) by when, the proposed amended legislature are expected to be put in place?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) The Securities Contracts (Regulation) Act, (SCRA), 1956 is to be amended, *inter alia*, to convert the mutualised stock exchanges into demutualised stock exchanges and make this transition tax neutral.

The Finance Bill, 2003 has proposed, *inter alia*, the following amendments in the Income Tax Act, 1961:

- (i) An amendment in section 47 to provide that any transfer of a membership card by a member in exchange of shares and trading/clearing rights on account of a scheme of demutualization or corporatisation of the recognized stock exchange, as approved by the SEBI, shall not be treated as transfer for the purpose of capital gains.
- (ii) An amendment in section 55(2) to clarify that the cost of acquisition of the trading and/or clearing rights acquired by a member on demutualization or corporatisation, as approved by the SEBI, would be deemed to be nil, since the entire cost of the original membership is attributed to the shares allotted on corporatisation as per provisions of section 55(2)(ab).
- (iii) Amendment in section 2(42A) to provide for inclusion of the period for which a person was a member of the recognized stock exchange, prior to its demutualisation or corporatisation, as per the scheme approved by SEBI, while calculating the period for holding of trading/clearing rights and shares in the successor company for the determination of whether such asset is a short term or a long term capital asset.

The Draft Stamp Bill proposes to adequately define the scope of papers and instruments, simplify the procedures, put in place a proper and responsive machinery and rationalize the structure of stamp duty rates.

(c) Yes, Sir.

(d) With respect to SCRA and Stamp Duty Act, it is proposed to put the legislative amendments in place during the current session of the Parliament. Amendments to the Income Tax Act, 1961 have already been incorporated in the Finance Bill, 2003.