

LOK SABHA

SYNOPSIS OF DEBATES
(Proceedings other than Questions & Answers)

Friday, September 18, 2020 / Bhadrapada 27, 1942 (Saka)

**THE TAXATION AND OTHER LAWS (RELAXATION AND
AMENDMENT OF CERTAIN PROVISIONS) BILL, 2020**

**THE MINISTER OF FINANCE AND MINISTER OF CORPORATE
AFFAIRS (SHRIMATI NIRMALA SITHARAMAN)** moved that leave be granted to introduce a Bill to provide for relaxation and amendment of provisions of certain Acts and for matters connected therewith or incidental thereto.

DR. SHASHI THAROOR *opposing the motion for introduction of the Bill,* *said:* The Bill would allow the Government to extend the time limit for completion of actions under the Act in events of force majeure, such as epidemic with retrospective effect. The Bill brings the PM-CARES Fund within the ambit of the same Clause that now governs the PM's National Relief Fund. This raises serious questions regarding the intention behind creating a duplicate fund, which has also been exempted from C&AG's audit and for which no reasons have been provided under this Bill. The Bill creates a double benefit of tax exemption for companies'

donation to the PM-CARES Fund. The Bill continues to extends benefits provided to tax evaders under the Direct Tax Vivad-se-Vishvas Act.

ADV. A. M. ARIFF: The Bill is part of an attempt by the Central Government to reduce powers of the States. This Bill gives income tax deduction to those who contribute to PM CARES Fund and not to those who pay in CMDRF.

SHRI ADHIR RANJAN CHOWDHURY: The salient features of the Bill are in conflict with the Article 266(2) of the Constitution. Secondly, when an amendment is suggested, it should have a purpose, but this is simply adding PM CARES without any particular statement. The Government has to make it clear as to who benefits from this action. This is a question of accountability.

PROF. SOUGATA RAY: The PM already has a National Relief Fund and he also has the Prime Minister's National Relief Fund for Cancer Treatment. Now, what is the need of this PM CARES Fund?

SHRI MANISH TEWARI: The Bill makes substantive amendments to eight different Acts, some of which should have to be standalone amendments because they end up changing the character of the principal Act itself. My second objection is with regard to the PM CARES Fund. Since the name of the institution of the Prime Minister is attached to it, it would have been more appropriate if this fund were created through legislation. Finally, the Bill allow force majeure to be operationalised retrospectively.

SHRIMATI NIRMALA SITHARAMAN *replying said:* The Government is not going to reduce the powers of the States by using the force majeure clause. We will definitely pay them whatever is their due. We are also not bypassing the GST concept. It is relevant to know the tax payment, tax filing and filing of returns etc. are within the limits of the Central Government's terrain. As regards Vivad se Vishwas scheme, I would like to say that this is not an amnesty scheme. Instead it is a dispute resolution scheme.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS(SHRI ANURAG SINGH THAKUR) *intervening said:* Some of the members from the Opposition have raised questions on PM CARES Fund. I would like to remind them that several Courts of the country have overruled all of their objections and given verdict in favour of the PM CARES Fund. Even the poorest of the poor has contributed to it, some people like to question even their good deeds. These people don't put a question on the hon. Prime Minister's view but on the 138 crore people of India. In 1948, the then Prime Minister Nehruji ordered for creation of a PM national relief fund. But, it has not been registered till date since 1948. How did it get FCRA clearance and registration under 12(a)? How exemption under 80(G) was granted to it? On the other hand, PM CARES Fund is a constitutionally registered public charitable trust.

The Bill was introduced.

***MATTERS UNDER RULE 377**

- (1) **SHRI SUNIL KUMAR SONI** laid a statement regarding need to develop the operation theatre of Leprosy Research Institute, Raipur, Chhattisgarh.
- (2) **SHRI M.K. RAGHAVAN** laid a statement regarding shelving of the Nirdesh project at Chaliyam.
- (3) **SHRI HIBI EDEN** laid a statement regarding Draft Environment, Impact Assessment 2020 Notification.
- (4) **SHRI RAJMOHAN UNNITHAN** laid a statement regarding establishment of AIIMS in Kasaragod district, Kerala.
- (5) **SHRI S.R. PARTHIBAN** laid a statement regarding allocation of funds for establishment of 'Tamil Nadu Defence Industrial Corridor'.
- (6) **SHRI MAGUNTA SREENIVASULU REDDY** laid a statement regarding sanction of one Kendriya Vidyalaya at Kanigiri, one Navodaya Vidyalaya at Darsi and Sainik School at Cumbum.
- (7) **SHRI RAHUL RAMESH SHEWALE** laid a statement regarding alleged harassment of SC/ST employees of BARC.

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

ANNOUNCEMENT BY THE SPEAKER

Re: Moving the cut motions

Hon. Members, Supplementary Demands for Grants were presented on 14th September. Thereafter, the copies were made available on the Publication Counter for distribution to the Members. The notice about availability of the copies at the Publication Counter was also displayed there for general information of the Members. Members could have given their notices of cut motions during the period from 14 to 17 September. Now, the notices of cut motions will not be accepted as they have become time barred and now there is no time to scrutinize and circulate them.

OBSERVATION BY THE SPEAKER

Hon. Members, you all have discharged your duties and constitutional responsibilities in an exemplary manner. During the COVID pandemic crisis, you have put across an effective message to the people in the country that we are not individuals but an institution. Each Member here represents about 15 lakh people and our message goes to one and all in the country. I, therefore, request the hon. Members that we should put across our facts, take part in debates and discussions and debate pros and cons of the issues under discussion, however, we should avoid making baseless allegations against anyone. All hon. Members are equally

important and respectable to me and it is my duty to extend my protection to all the Members. If, at times, I say something, it is only with a view to ensuring smooth conduct of the business in the House.

SUPPLEMENTARY DEMANDS FOR GRANTS (FIRST BATCH) 2020-2021

AND

DEMANDS FOR EXCESS GRANTS (2016-17)

SHRI JAYANT SINHA *initiating said:* We are passing through a very grave crisis. Our hon. Prime Minister is leading us to safety, security and self-reliance. When the hon. Minister of Finance had presented the budget in the month of February and she had told that the total budget outlay will be about Rs. 30.42 lakh crores. Our Government is now seeking supplementary demands for grants to the tune of Rs. 2.35 lakh crore out of which additional expenditure amounts to Rs. 1.66 lakh crore. During the year 2018 or 2019, the supplementary demands for grants was made for 11,000 crore rupees only. This time, our Government is seeking Rs. 2.35 lakh crore which will help in bringing about fundamental changes in the country leading it to self-reliance. Let us cast a look at the Supplementary Demands for Grants in the field of healthcare. A sum of Rs. 46,602 crore has been given for disaster response. A huge portion of this money has been given to the States to meet the Covid related expenditure. A sum of Rs.

620 crore has been given for railway coaches and a sum of Rs. 745 crores has been allocated for pensioners. As on 30th January, we were able to conduct 10 tests per day, now we can do 10 lakh tests per day. The number of labs has reached about 1000. Isolation beds have increased 22 fold and ICU beds 14 fold. The work relating to development of vaccine is going on at a fast pace. Now, ICUs and Ventilators have been set up in all districts. We have made arrangements for it in Hazaribagh, Ramgarh and other places. We manufactured only 48 thousand ventilators in last 70 years. Now, we have manufactured about 50,000 ventilators just in 70 days. Foodgrains are being provided to all people under the public distribution system. A sum of Rs. 4,860 crore has been allocated under Garib Kalyan Yojana to provide gas cylinders to the poor. A sum of Rs. 30,957 crore has been transferred directly to the Jan Dhan bank accounts of the people and the Jan Dhan bank accounts have served their purpose. Two instalments to the tune of Rs. 4,000 has been directly transferred in the bank accounts of the farmers under the Pradhan Mantri Kisan Samman Nidhi. In rural areas, 10-12 thousands rupees have been transferred to the bank accounts of each family. MSME was mandated to disburse 3 lakh crore automatic credit. About 1.63 lakh crore rupees have already been allocated. Rs.288 crore have been provided for the street vendors in this Supplementary Demands for Grants. Workers had to return to their homes from a number of towns and they needed employment. Therefore, Rs.60 thousand crore

were allocated in the budget for MGNREGA, for which Rs.40 thousand crore has been further allocated.

In the supplementary Demands for Grants, the Government asked for Rs. 20,000 crore for recapitalization bonds for our Public Sector Banks and the Government asked for Rs. 1000 crore to provide partial credit guarantees for the NBFCs. The Government has stabilised the financial sector. There was a lot of panic. A lot of people were very worried about what is going to happen in the credit market. There is sufficient liquidity. It had reached upto Rs. 7-8 lakh crore. We are going through a very strong recovery. Today, power usage is at 100 per cent of pre-Covid levels. The petrol and diesel consumption, e-way bills and e-tolling rates are over a 100 per cent. The index of industrial productions, steel and PMI is close to 90 per cent right now. Our foreign exchange reserves are at 540 billion dollars while most other developing countries have seen their currencies depreciate. The world still has confidence in India. The world has confidence in our leadership. If we see the supplementary demand for grants, we are not only saving the people from calamity but also transforming the country.

SHRI ADHIR RANJAN CHOWDHURY: Through supplementary demand for grants, I have not found anything to come to the conclusion that some new services have been contemplated. It is a practice that the amount to be voted will be incorporated in the Appropriation Bill. The Budget passed in February, 2020 has estimated an expenditure of Rs. 30,42,234 crore for the year. The

supplementary demand for funds is about Rs. 1.67 lakh crore of which Rs. 1.62 lakh crore is the real revenue expenditure. Most of this amount relates to Covid relief announcement made earlier. This amount would be 0.23 per cent of GDP. This contradicts the false claims of the Prime Minister when he said that India would spend 10 per cent of its GDP as fiscal stimulus. It was a big lie. The fiscal stimulus was merely 0.23 per cent of GDP. The Government has sought an additional amount of Rs. 40,000 crore for MGNREGA. This is the real contribution. MGNREGA saves all. There has been complete breach of trust by the Centre as far as sharing of revenue with States is concerned. It is ironical that States are being made to borrow. This exposes the Government's double speak and the blatant attempts to expose our federal structure. Where is the Government's additional spending on infrastructure? The only way to revive the industrial activity and also to create jobs is by pumping huge amount in infrastructure spending. The Government is either clueless or does not intend to spend on infrastructure. So, the expenditure needs to go up to create more jobs. Push the money in the hands of the people so that consumption picks up. Therefore, we say to formulate a general grant scheme for poor migrant workers. The Government talks about data but they have no data about how many people have been died. The Government's response to the pandemic affected economy made the situation worse. We have asked to provide relief on indirect taxes like GST, extend the pay protection scheme to protect employment and wages; increase spending on

infrastructure projects; pay the arrears of tax devolution and GST to the States so that they may enhance their capital and welfare expenditure. If the above measures had been taken, they would have amounted to a significant fiscal stimulus to the economy. Another direct consequences of the closure of MSMEs is that of the 10 to 11 crore MSMEs in the country, it is estimated that all of them were closed in April, May and June, nearly 30 per cent have shut down permanently and despite Finance Minister's instruction, banks are not providing funds to MSMEs. Again, according to the official data released by the CSO, it is only agriculture and allied activities that have recorded positive growth in quarter one. But demand has not increased in the village. All other sectors of the economy have registered huge negative growth. So, this Supplementary Demands for Grants has not significance as economic condition of the country is getting worse.

SHRI DAYANIDHI MARAN: We find ourselves in the midst of the worst financial crisis the nation has witnessed in the last 40 years. We have been the worst affected among the large economies. If a State GST revenue grows slower than 14 per cent, such a loss of revenue must be taken care of by the Centre by providing GST compensation grants to the State. As on date, Rs.12,250.50 crore is due to Tamil Nadu as compensation for the shortfall in GST collection. This money belongs to the State Government and citizens of Tamil Nadu. At a time like this, that is during the pandemic, States need even more spending power. All the States have spent to their maximum capacity to handle the pandemic. After all,

as per the Constitutional provision, the Centre is accountable for providing GST compensation. If the Centre makes the States borrow loans for this purpose, then the financial burden would ultimately fall on the States. Again, this Government has not taken up economic reforms in the last six years. Now, the Government's data shows that the Indian economy has contracted to a record low of 23.9 per cent in the quarter ending June' 2020. So, I would urge the Government to release a White Paper on the economic crisis. Further, the Corona virus pandemic and lockdown have hurt the middleclass the most. This Government has done very little to help the middleclass. I would also like to say that in trying to thumps up the economy, Government has taken away the MPLADS funds for two-and-a-half years. If the Government is going to like this, let me tell that this Government will lose faith of the middleclass.

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SNEHLATA SHRIVASTAVA
Secretary General

**Supplement covering rest of the proceedings is being issued separately.

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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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