

LOK SABHA

SYNOPSIS OF DEBATES
(Proceedings other than Questions & Answers)

Saturday, September 19, 2020 / Bhadrapada 28, 1942 (Saka)

THE OCCUPATIONAL SAFETY, HEALTH AND WORKING
CONDITIONS CODE, 2019

AND

THE INDUSTRIAL RELATIONS CODE, 2019

AND

THE CODE ON SOCIAL SECURITY, 2019

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI SANTOSH KUMAR GANGWAR) moved that leave be granted to withdraw a Bill to consolidate and amend the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment and the matters connected therewith or incidental thereto.

And

"that leave be granted to withdraw a Bill to consolidate and amend the laws relating to Trade Unions, conditions of employment in industrial establishment or

undertaking, investigation and settlement of industrial disputes and for matters connected therewith or incidental thereto."

And

"that leave be granted to withdraw a Bill to amend and consolidate the laws relating to social security of the employees and the matters connected therewith or incidental thereto."

SHRI N. K. PREMACHANDRAN *opposing the Bills, said:* My objection to withdrawal of the Bills is purely on technical grounds. The matter has already been referred to the Departmentally Related Standing Committee on Labour. The Committee has already submitted the Reports. The Government is withdrawing the Bills on which the Committee has already submitted its Reports. At that time, there was no Departmentally Related Standing Committee. Without referring the matter to the Standing Committee, how can the Bill be withdrawn? After the presentation of the Reports in the House, these Bills are being withdrawn. Definitely, the opinion of the Standing Committee has to be taken before withdrawing the Bills. Now, the Government is going to introduce new Bills. Why the Chairperson and the Committee have not been consulted before withdrawing the Bills? That should be respected. I would like to urge upon the hon. Speaker to provide hard copies of the Bills. How will we be able to have a reading of the Bill online? These three Bills are very important Bills as far as the labour community in the country is concerned.

SHRI SANTOSH KUMAR GANGWAR *replying said:* Hon. Member is talking about technical issues and I have no objection. I want to say that in the Bills were introduced in the year 2019 and were referred to the Parliamentary Standing Committee on Labour after introduction. The Committee have made discussion on all the three Bills in detail. The Standing Committee has made recommendations in the interest of labourers which we have accepted. They have made 233 recommendations of which 174 recommendations have been accepted. Thus, a number of changes have been made in the original Bill after introduction. Therefore, new Bills are being introduced in place of old ones. We are going to change 29 labour laws into 4 Codes. This House had passed the first Code unanimously.

The Bills were withdrawn.

THE OCCUPATIONAL SAFETY, HEALTH AND WORKING

CONDITIONS CODE, 2020

THE INDUSTRIAL RELATIONS CODE, 2020

THE CODE ON SOCIAL SECURITY, 2020

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI SANTOSH KUMAR GANGWAR) moved that leave be granted to introduce a Bill to consolidate and amend the laws regulating the

occupational safety, health and working conditions of the persons employed in an establishment and the matters connected therewith or incidental thereto.

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"That leave be granted to introduce a Bill to amend and consolidate the laws relating to social security of the employees and the matters connected therewith or incidental thereto."

I wish to inform the House that the Government was working for drafting these four labour codes through a process of wide consultation. Under this process, the Government consulted the trade unions, employers associations, State Government, experts, international labour organization and the common people. These labour codes were drafted keeping in view the suggestions received from them. Subsequently, the Bill was referred to the Parliamentary Standing Committee. The Government has incorporated 74 per cent of the suggestions given by the Committee and now these labour codes have been presented before the House.

SHRI MANISH TEWARI *opposing the introduction of the Bill, said:* The hon. Minister has correctly submitted that the Standing Committee has considered all these legislation extensively. The stakeholders, the labour unions, the unorganised sector should have been, once again, re-consulted with regard to the substance of the Bill since the Bill has undergone a substantive transformation after going through the Standing Committee process. My second objection is that the Government has not followed the pre-legislative consultative policy which mandates that every Bill must be put in the public domain, for at least 30 days. My third objection is that the Code on Social Security is discriminatory. My fourth objection is that too much has been left to delegated legislation in the Bill. My final objection is that there are definitional nightmares in the Bill.

DR. SHASHI THAROOR: The Occupational Safety, Health and Working Conditions Code fails to specify explicit provisions to safeguard the overall interest of the unorganized sector workers with a special emphasis on safety and health aspects as prescribed by ILO. Secondly, the Code fails to incorporate an exclusive chapter on Inter-State migrant workers as prescribed by the Standing Committee. Thirdly, the Code permits the Central Government to reinvent rules in an arbitrary manner by failing to define some key terms. Fourthly, the Code gives sole discretion to the Central Government to decide the quantum of wages. The Code fails to include effective provisions for women welfare. Finally, the Minister has not circulated the copies of the Bill two days before introduction. The same is the

position with all the three Bills. The Industrial Relations code violates the constitutional principle of separation of powers. The Code severely restricts the right of workers to strike. The Code on Social Security violates the fundamental right to equality under Article 14. The Code fails to provide maternity benefits for women workers in the unorganised sector. It also violates the principle of separation of powers by assigning a legislative function to the executive. I would urge the Minister to consider the Standing Committee's recommendations and bring the Bill back to the House.

SHRI KALYAN BANERJEE: You can definitely create a new convention of speaking on the merits of the Bill at the time of its introduction. Ultimately we get less time at the time of discussion on the Bill.

ADV. A. M. ARIFF: The main point is that all the meetings of the Standing Committee have been held during the COVID period. Many Members of the Committee could not attend these meetings. So, I request the Minister to send all the three Bills to the same Standing Committee for a wide discussion.

SHRI SANTOSH KUMAR GANGWAR *clarifying, said:* I have already informed the House that the Government has undertaken a wide consultative process for drafting these Codes. I would like to request the Members to kindly allow me to introduce them and the Government will definitely consider the suggestions which are received during the consideration of the Bill.

The Bills were introduced.

SUBMISSION BY MEMBER

*Re: Migrant labour from West Bengal not getting Central assistance during
lockdown.*

**THE MINISTER OF FINANCE AND MINISTER OF CORPORATE
AFFAIRS (SHRIMATI NIRMALA SITHARAMAN)** *responding to the issue
raised by an hon. Member, said:* When the migrant workers returned to their
respective States, the hon. Prime Minister announced the Prime Minister Garib
Kalyan Rozgaar Scheme in 116 districts of the country. Only those districts were
selected under this scheme where more than 25,000 migrant workers had arrived
by May 13. The district mentioned by the hon. Member would have been selected
under this scheme if 25,000 migrant workers had reached there. But the
Government did not receive any information from the State Government of West
Bengal in this regard.

***MATTERS UNDER RULE 377**

- (1) **SHRI K. MURALEEDHARAN** laid a statement regarding collapse of a under construction bridge at Thalassery, Kerala.
- (2) **SHRI VE. VAITHILINGAM** laid a statement regarding need to extend Medical, Manpower, Management and Financial Assistance to UT of Puducherry to combat Covid Pandemic.
- (3) **SHRI T. N. PRATHAPAN** laid a statement regarding recent legislations in Agriculture Sector.
- (4) **SHRI GAUTHAM SIGAMANI PON** laid a statement regarding need to reconsider the construction of a new 8 track road from Salem to Chennai.
- (5) **DR. BEESETTI VENKATA SATYAVATHI** laid a statement regarding according administrative sanction to provide amenities and infrastructure to handicraft workers.
- (6) **SHRI HEMANT PATIL** laid a statement regarding grant of reservation to Maratha community.

* Laid on the Table as directed by the Chair.

STATUTORY RESOLUTION

Disapproval of the Taxation and other Laws (Relaxation of Certain Provisions)

Ordinance, 2020 (Ordinance No. 2 of 2020)

And

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

SHRI N.K. PREMACHANDRAN moved that this House disapproves of the Taxation and other Laws (Relaxation of Certain Provisions) Ordinance, 2020 (Ordinance No.2 of 2020) promulgated by the President on 31 March, 2020.

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN) moved that the Bill to provide for relaxation and amendment of provisions of certain Acts and for matters connected therewith or incidental thereto, be taken into consideration.

SHRI N. K. PREMACHANDRAN *initiating said:* I cannot understand the logic to have a separate fund namely PM-CARES Fund when we have a similar fund which is Prime Minister National Relief Fund. Further, I would like to seek clarification from the hon. Minister as to why the Government is evading the C&AG audit.

My submission is that donation to Central Government shall not be counted as a mandatory CSR contribution since they have already been exempted under Income Tax. Another point is that the PM-CARES Fund lacks transparency and is not

audited by the Comptroller and Auditor General of India. Even Right to Information Act is also not applicable. Many representations have been filed seeking information as to the total amount collected so far and the amount distributed so far. The answer people are getting is that the Right to Information Act is not applicable to this fund. That is quite unfortunate because immediately after the commencement of the PM-CARES Fund, the PM-CARES Fund coming into a controversy in itself is not a good signal as far as the fund is concerned. In terms of GST Clause 2 of Section 168A provides retrospective effect to the notification. Kerala State alone, 7,000 crores of rupees are due as GST compensation. But a new provision is incorporated, thereby, GST compensation can be taken away with the permission of the GST Council with retrospective effect for which also I have strong objection.

SHRI SUBHASH CHANDRA BAHERIA: At the outset, I would like to congratulate the hon. Minister of Finance that tax refunds amounting to Rs.1,06,000 crore have been made to the taxpayers in the pandemic circumstances during the period from 1 April, 2020 to 15 September, 2020. The Government wants to increase the number of taxpayers, give all facilities to the taxpayers, ensure that honest taxpayer is respected and the taxpayer is not harassed unnecessarily. The MSMEs are under the focus of the Government and the exemption relating to tax audit has been increased from one crore rupee to five crore rupee to the MSMEs. The dividend distribution tax has been withdrawn.

The private companies have been given 22 per cent tax liability under the assessment. A new set of rules have been framed this year for those who do not pay their taxes honestly. If an Indian citizen as a resident makes some earning in a country where no taxes are charged then he has been made the resident of India under the income tax. The last date under the Viswas Yojana has been extended from 30 June to 31 December, 2020. A decision was taken in the 14th March GST Council Meeting that no interest will be charged on the GST payable which is debited via ITC. Its notification was issued later but the taxpayers falling in between the period are in a dilemma, therefore, a clarification should be issued. There are certain rules under the CGST which are crossing the CGST laws which ought to be corrected. A provision has been made in the Bill that empowers the Government to constitute a taxpayers charter. The taxpayers charter mandates that the taxpayer should be treated with dignity and respect. Ordinary citizens should be trusted and if an ordinary citizen submits something then it should be relied upon. Earlier, this was not the situation and the system believed that the taxpayer just cannot be honest. Earlier, the taxpayer used to think that it would have been better had he not paid the tax because in that case he would not have faced the harassment. Now, it has been provided under the taxpayer charter that he can lodge the complaint. Faceless assessment has been introduced.

SHRI B. MANICKAM TAGORE: I rise in Opposition to the Bill. The issue of contention is amendment to Section 86(g) of the Act. The Government

takes money in the name of the hon. Prime Minister, it will have to tell the Parliament about how and where the money has been spent. This fund is not meant for Defence purposes or for purposes of any classified national interest for which the Government can hide behind a 'secrecy clause'. The Government is hiding its failure behind the excuse that it was a private Trust and so the Government will not answer where the money was spent. The Trustees of this fund are the Ministers and the Parliamentarians. There will be conflict of interests of those Trustees who are performing Government roles in private Trusts. Any persons can make a donation to the PM CARE Fund and get income tax exemption and no questions will be asked. This is institutionalization of corruption where you take money in the name of public service and no agency or officer can ask any questions. Even C&AG is not allowed to audit the fund. The Government has appointed an independent auditor without any advertisement for an interview.

SHRI GAUTHAM SIGAMANI PON : By encouraging tax exemption to donate to PM-CARES, all companies will be interested in donation to PM-CARES Fund rather than investing in localities and it will lead to unemployment of locals. The Prime Minister Cares Fund is now clearly a private trust with the Prime Minister and few Ministers as Trustees. I want to know whether the details of money collected will also be tabled before this House. Everything has been made online but the necessary infrastructure has not been put in place. TDS has been

reduced from 10 to 7.5 per cent but the rate of tax itself has not been reduced to give some relief in these testing times.

SUSHRI MAHUA MOITRA: This Bill is deeply problematic because it further weakens the rights and resources available to the States by taking away the statutory promises made under the new GST regime and on the other hand, it corners public funds for PM CARES to the direct detriment of State Relief Funds. PM CARES is steeped in non-transparency, and is discriminatory in nature. So unfair treatment of identical contributions to the PM CARES Fund and to the State Relief Funds is against public interest and against public policy. It completely disincentivizes corporate contributions which the State Governments would otherwise have got. Almost 70 per cent of the Fund's Corpus comes from the 38 PSU donations.

SHRI SHRINIWAS DADASAHEB PATIL: GST compensation to the States for the period from April to July, 2020 is yet to be paid. Over Rs. 2.18 lakh crore collected by the Central Government as cess for specific purposes such as education, sanitation, infrastructure have either not been transferred to dedicated funds or remain unutilised. Can the Government release this unutilised cess to the States who are waiting for their GST compensation? More than Rs. 4.15 lakh crore is locked up in indirect tax related disputes at various courts. Measures need to be taken to resolve these disputes early and release the funds thus received to the States.

SHRI E. T. MOHAMMED BASHEER: With regard to donations to the PM CARES, giving 100 per cent exemption to the donors is not at all acceptable because it may create room for misuse. Ease of doing business related laws should be encouraged, and that may be the need of the hour also. But, It should not be an escape route for the tax payers and the Government to use the public money according to their will and pleasure. I oppose the Bill.

SHRI GOPAL SHETTY: Foreign funds generally invest in the Indian securities market by locating their business in offshore locations due to availability of various income tax concessions. It is proposed to provide those concessions to these funds as available to them in the offshore locations. To bring accountability and transparency to the income tax assessment process 'Faceless Income Tax Assessment' scheme has been launched. To increase the liquidity in the economy, it is proposed to reduce the rate of TDS on non-salary payments and the rate of TCS to 7.5 per cent for the period from 14th May, 2020 to 31st March, 2021. In view of the COVID-19 pandemic, the date for payment under the Direct Tax Vivad se Vishwas Act, 2020, is proposed to be extended to 31st December, 2020.

SHRI BHARTRUHARI MAHTAB: In order to provide more funds to the taxpayer, the rates of TDS and TCS have been proposed to be reduced by 25 per cent which shall remain in force in 2020-21. This measure will release a liquidity of around Rs. 50,000 crore. These policy initiatives are commendable as they are

aimed at improving the liquidity in the economy. The delay in statutory compliances has also given breathing space to taxpayers.

PM-CARES is set up with the objective of being a dedicated National Fund to deal with any kind of emergency or distressed situation and I believe that this fund is not only created for Covid-19 situation but this fund will also be there to tackle different calamities which this country always faces. All the States are being benefited by this fund. CSR fund is being utilized and in an emergency situation like this, CSR fund needs to be utilized for this and I fully support this Bill.

SHRI ARVIND SAWANT: The Bill provides for amendments to the Income Act, 1961 as well as various tax exemptions. Under this bill, a rebate under Section 80G has also been provided for PM Cares Fund. We are all aware that Maharashtra is the worst affected state by the corona epidemic. Our respected Chief Minister is making endeavours to combat Corona under the able guidance of the Hon'ble Prime Minister. Therefore, the Government of Maharashtra's Covid-19 2020 Fund should also be provided exemption under Section 80. Similarly, in respect of MSMEs, it needs to be provided interest subvention.

SHRI LAVU SRIKRISHNA DEVARAYALU: With regard to this Bill, my first point is treat donations to CM Relief Funds as CSR activity as well. Right now the donations made to PM Cares fund has been made eligible for tax deductions under Section 80 of the Income Tax Act. It is because of these benefits, individuals and corporate are diverting donations from CM Relief Funds to PM

CARES Fund. Additionally, give some sort of a provision for the MPs as well wherein the corporate can donate as part of CSR activity and get tax deduction under Section 80 of the Income Tax to the MP funds. This will help make up for the Rs.5 crores lost to the MPLADS that has been taken away. My second point is about rationalization of tax collection targets on officials. The tax collection targets should be reviewed and reduced because the economy is suffering. Finally, an amount of Rs.581 crore is still pending from the Government of India. I hope the Government will try to release it as soon as possible.

SHRI DILESHWAR KAMAT: As a result of the Covid-19 epidemic and the lockdown across the country, taxpayers have faced many challenges in fulfilling statutory and regulatory compliances in all sectors. The Ordinance was promulgated by the Government to reduce the burden of taxpayers. Under this, amendments were made to certain Acts, Financial Acts, Central Excise Act, Customs Act and Benami Transactions (Prohibition) Act. Also, the date of passing of orders or issuing notices by authorities under various direct taxes and Benami law has been extended. The dates of various types of payments have also been extended. The ordinance amended the provisions of the Income Tax Act to give equal status to the PM's Cares Fund as the Prime Minister's Relief Fund. I thank the Government for announcing the extension of the time limit for depositing income tax, compliance with GST, linking PAN to Aadhaar and meeting other

statutory provisions in view of the crisis of Corona infection among the masses. Finally, on behalf of my party, I support this welfare Bill.

MRS. SANGEETA AZAD: I would like to request the Government to increase the income tax limit slab to Rs.10 lakh. The Government will get a revenue of lakhs of crores of rupees by introducing the *Vivad Se Vishwas* scheme, 2020 to settle the cases relating to direct taxes. This will also strengthen the economy. I request the Government to do away with the provisions relating to penalty on TDS and interest amount or the provision of imprisonment on the lines of *Vivad Se Vishwas* scheme. I would also like to request that the Government should provide details of the money deposited in the PM CARES fund.

SHRI NAMA NAGESHWAR RAO: I would like to thank the Government for providing tax exemptions during the Covid epidemic. I would once again urge that the Government should consider the GST payments of the States. The state of Telangana owes a total of Nine thousand crore rupees. At the same time, people should also be given interest-free loan moratorium. Similarly, like PM Cares, there should be provision for CM cares also.

ADV. A. M. ARIFF: The provisions of this Bill truly reflect the need of the hour. But newspaper reports suggest that hunger deaths are still happening across India, as several deserving families are out of the PDS system without a ration card. If the proposal of my party for directly crediting Rs.7,500 for all households outside the Income Tax bracket for six months had partially been

accepted, poor people of this country would have got at least one full mill a day. I request the Government to heed this genuine demand at least now. The Government had announced a moratorium on the loans taken from the banks. But this Government betrayed the people of this country by refusing to waive the interest on loans even after the Hon. Supreme Court emphasizing with the loanees. With regard to PM CARES Fund, no one knows the complete composition of the Trust. No one knows how much money has come as contribution till date. This Trust is an embodiment of opaqueness and high-handedness of this Government. I request the Government that necessary changes may be brought in to include contributions to the Chief Ministers' Distress Relief Funds also eligible as expenditure under Corporate Social Responsibility.

SHRI RAM MOHAN NAIDU KINJARAPU: I wish to make a few observations on some of the provisions of the Bill and wish to make a few suggestions. There is no doubt that the Government of India has taken some measures, but the main demand of the real estate sector is to give industry or infrastructure status. Secondly, GST is not giving them input tax credit. As a result of this the burden is falling on the home buyers. So, I would like to ask will the Government restore input tax credit and given industry or infrastructure status to the real estate sector? PM CARES Fund must be subjected to C & AG audit. In view of Covid Pandemic the Central Government should allocate more funds to the states by way of GST revenue.

SHRI P. RAVEENDRANATH KUMAR: I place my complete reliance in the utilisation of PM CARES Fund in the benefit of the citizens of the country. Further, I would like to request the Government to make CM Public Relief Fund eligible for receiving donations which are eligible for CSR funds on the lines of PM CARES Fund. Besides, Tamil Nadu Government deserves appreciation for containing the spread of Covid-19 through massive RT-PCR testing which involves nearly Rs. 4 crore per day in performing 80 thousand tests. Obviously, *the* expenditure involved is too high for the state of Tamil Nadu to bear on its own. Therefore, I request that 50 per cent of the cost may be covered under the PM-CARES Fund. I support this Bill.

SHRIMATI NAVNEET RAVI RANA: I demand that taxes should be levied only on the sale of cotton and imposition of RCM should be removed. This apart, late fee charged from the composition dealers with turnover of less than one and a half crore should be reduced to Rs. 500 and the exemption from GST available to big and small businessmen till June, 2020 may be extended for one more year. I must acknowledge that PM CARES Fund has gone a long way in providing medical facilities to the Covid patients of Maharashtra in time. I support this Bill.

SHRI THOMAS CHAZHIKADAN: I oppose this Bill. In the first place, PM-CARES Fund was not required as the Prime Minister National Relief Fund was already in place to take care of any force majeure. It must be brought under the

purview of RTI Act and be subjected to audit by C&AG. I further request the hon. Minister to amend the relevant provision of the Income Tax Act by allowing PF/ESI employees' contribution as a deduction if the same was paid before the due date for filing income tax returns. I would like to place on record that the state of Kerala has not so far received any substantial help either from PM-CARES Fund or from the Central Government during the Covid-19 pandemic.

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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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