

13.54 hrs.

Title: Statutory Resolution regarding Disapproval of Taxation Laws (Amendment) Ordinance, moved by Shri Ajay Chakraborty (Resolution withdrawn) and Discussion on the Taxation Laws (Amendment) Bill, 2001 .(Bill passed)

MR. CHAIRMAN: Now, the House shall take up Item Nos. 11 and 12 together.

SHRI AJOY CHAKRABORTY (BASIRHAT): Sir, I beg to move:

"That this House disapproves of the Taxation Laws (Amendment) Ordinance, 2001 (No.2 of 2001) promulgated by the President on 3 February, 2001. "

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, I beg to move:

"That the Bill further to amend the Finance Act, 2000 and the Income-tax Act, 1961, be taken into consideration."

SHRI AJOY CHAKRABORTY (BASIRHAT): Mr. Chairman Sir, I rise to oppose the Taxation Laws (Amendment) Bill, 2001 moved by the hon. Finance Minister. The method adopted by the Government in promulgating the Taxation Laws (Amendment) Ordinance, 2001 which ignores the Parliament and shows disrespect to it is highly objectionable.

All of us knew that the Budget Session was going to commence in the month of February. Just a few days earlier to it, there was no need for the promulgation of this Ordinance which has now been placed before the House for replacement. We cannot support this method.

It is not just in this case, but in so many other cases also the Government has issued ordinances by-passing and ignoring the Parliament. In an attempt to raise money to cope with the earthquake situation of Gujarat, the Government seems to have focussed only on the salaried class choosing to ignore the tax defaulters who owe to the Government a whopping Rs.62,392 crore. Adding some more burden on the already burdened middle-class people the Government has imposed two per cent surcharge on the income tax. This surcharge is expected to bring in Rs.1,300 crore to the exchequer.

If the Government was serious about collecting dues from the high and mighty, which include multi-millionaires, big industrial houses and multinational companies, it could have collected considerably a large sum of money. As I said, if one goes through the list of the top tax defaulters furnished by the hon. Minister of State for Finance in reply to an unstarred question, the amount stands at Rs.62,392 crore. Instead of targeting them, the Government has chosen to target the middle class salaried people in order to collect a small sum only. If only the Government was serious, it would have been more beneficial to the country and the Government could have easily met the cost incurred due to the losses suffered during the earthquake in Gujarat.

That is why I have brought the Statutory Resolution disapproving the promulgation of the Ordinance and therefore I oppose the Bill moved by the Minister.

SHRI YASHWANT SINHA: Mr. Chairman Sir, as the Members are aware, many areas of Gujarat have been devastated by a severe earthquake. Apart from the massive loss of life, large scale destruction of property and infrastructure has also taken place. In order to mobilise additional revenue required for rehabilitation of quake-hit areas, it was decided to increase the surcharge by two per cent on the income tax payable for the financial year 2000-2001 by persons having income above Rs.60,000 and by domestic companies. It was further decided to provide that donations made on or before 30th September, 2001 to charitable institutions registered with the Income Tax Department would be entitled to 100 per cent deduction if such donations are applied for providing relief to the earthquake victims. 100 per cent deduction would also be available to any fund set up by the State Government of Gujarat to provide relief to earthquake victims.

As Parliament was not in session, and since there was urgency of mobilising resources, the Taxation Laws (Amendment) Ordinance, 2001 was promulgated on the 3rd of February, 2001 to achieve the aforesaid purpose. The Taxation Laws (Amendment) Bill, 2001 seeks to replace the Taxation Laws (Amendment) Ordinance, 2001.

I commend the Bill for the consideration of this august House.

MR. CHAIRMAN : Motions moved:

"That this House disapproves of the Taxation Laws (Amendment) Ordinance, 2001 (No.2 of 2001) promulgated by the President on 3 February, 2001. "

"That the Bill further to amend the Finance Act, 2000 and the Income-tax Act, 1961, be taken into consideration."

14. 00 hrs.

SHRI RAMESH CHENNITHALA (MAVELIKARA): Sir, I rise to support the Bill which is piloted by the hon. Finance Minister.

Sir, normally, it is not a good practice to come here to replace an Ordinance. When the Parliament is in Session, the Government could have straightaway come to the Parliament with an amendment and pass the Bill. But this is an extraordinary situation which we also understand.

The earthquake which occurred on 26th January, 2001 is the saddest incident in the history of our country and enough funds are needed for the rehabilitation and reconstruction of the earthquake affected areas of our country. Even though it is not a good practice, I welcome this piece of legislation. In such an extraordinary situation, it was the Government's compulsion to promulgate an Ordinance. In an ordinary situation, the Government would not have opted for this kind of a measure which will not help us in our parliamentary practice. It is better to avoid that kind of an Ordinance. But, as the Finance Minister stated very clearly, this is for collecting funds for reconstruction and rehabilitation of earthquake victims.

There is no need for an elaborate discussion on the Bill as there are only two points. One is, two per cent surcharge for the people who are having an income of more than Rs.60,000 including companies also. Secondly, it is regarding exempting those organisations and charitable institutions which are registered in the Income Tax Department for getting funds and 100 per cent exemption is given to them.

In this context, I would like to point out a very important aspect. After the occurrence of earthquake, lot of organisations, institutions, newspapers and other agencies have been coming forward to collect materials and money for the victims of the earthquake. There is no account kept for such relief materials collected. Huge amounts of money are collected by various organisations but there is no account of how much money they have collected and they are not accountable to anybody. There should be some kind of a restriction on this aspect. I do not want to cast aspersions on anybody but there are possibilities for misusing this sort of an opportunity. Sir, it is high time to think over on this aspect. I do not want to name any of the organisations. It is not proper to use this House for casting aspersions on anybody. But there are chances for misusing this money. People are generous. Even the international community has shown gestures. They have stood with us in this hour of crisis. Even our neighbouring country like Pakistan and other nations showed gestures and stood with us. They have shown solidarity and sympathy towards this natural calamity. They extended all kinds of help for proper reconstruction and rehabilitation for Gujarat earthquake victims. More money is needed. A lot of organisations are coming forward to help. It is no doubt a good thing. But at the same time, Government should apply its mind and restrict this kind of collections by various organisations. Certain doubts are created among the people in different corners.

So, my request to the hon. Minister is that there should be some kind of an inspection, some kind of a mechanism to regulate the collection of donations. Definitely, this will not come under the purview of the Finance Minister. But when we are discussing this very saddest incident, I would submit that the coordination machinery in respect of relief is not properly functioning in Gujarat. I do not want to blame anybody. So many agencies are bringing relief materials. So many agencies are bringing medicines, cash and other items for the proper relief measures to be undertaken in Gujarat. Unfortunately, the Government and the other machinery which are available there are not having proper coordination. They are not properly coordinating these efforts. I would, therefore, request the Government that some directions should be given to those agencies which are working there to coordinate the efforts properly. Actually those materials which are collected and sent through the railways are not reaching the people. Even now, the real people who are affected by the earthquake are not getting proper relief even though all the agencies are there. The presence of the international agencies can be seen there. So many organisations have contributed towards this cause. Unfortunately the relief materials are not properly distributed among the people. I am not blaming anybody....(Interruptions)

भारी उद्योग और लोक उद्यम मंत्रालय में राज्य मंत्री (डॉ. वल्लभभाई कथीरिया) : सभापति महोदय, इस बारे में एक बार बात हो गई है। इन्होंने देखा नहीं है और कह रहे हैं कि वहां चीजों का डिस्ट्रीब्यूशन नहीं हो रहा है। यह हाउस को मिसगाइड कर रहे हैं। (ब्यवधान) He is misguiding the House. What is this?

सभापति महोदय : आप अपना आसन ग्रहण कीजिए।

SHRI RAMESH CHENNITHALA : I do not want to cast aspersions on anybody. My point is that proper coordination is needed and proper rehabilitation is needed.

समापति महोदय : माननीय मंत्री जी, सरकार की तरफ से अपनी बात कहने में सक्षम हैं।

SHRI RAMESH CHENNITHALA : As early as possible, rehabilitation measures have to be geared up. For that, better coordination is needed. More money and more assistance should be given to the State of Gujarat so that it can implement these programmes speedily. Definitely, this is a welcome step. By this amendment, I am sure more money can be collected and more money can be made available for proper rehabilitation of the State.

With these few words, I conclude.

SHRI KHARABELA SWAIN (BALASORE): Sir, I rise to support this Bill. In the Statement of Objects and Reasons in this Bill, it has already been mentioned that the two per cent surcharge would be levied from persons having income above Rs.60,000 and by domestic companies. It has been further said:

"It is further decided to provide that donations made on or before 30th September, 2001 to charitable institutions registered with the Income-tax Department would be entitled to 100 per cent deduction if such donations are applied for providing relief to the earthquake victims."

Secondly, it also seeks to provide hundred per cent deduction to donations in any fund set up by the State Government of Gujarat for providing relief to victims of the earthquake. By the imposition of the two per cent surcharge, the effective rate will be 22.4 per cent for the income ranging from Rs.60,000 to Rs.1.5 lakh, and above 1.5 lakh it is going to be 38.1 per cent. In the case of corporate tax, it will be 39.55 per cent.

On personal income tax from Rs.60,000 to Rs.1.5 lakh, there will be an additional annual burden of Rs.360 which will be paid in two monthly instalments and on personal income tax above Rs.1.5 lakh, it will be Rs.60 per every additional Rs.10,000. It will ultimately mop up Rs.1300 crore. It is not one point three hundred crores, as mentioned by Shri Ajoy Chakraborty.

I am happy and fully support the hon. Finance Minister who has brought this Ordinance. The severe earthquake took place on 26th January. The Parliament Session was almost one month away. The hon. Member said that the Government should have waited for one month to mop up additional resources. I do not understand his viewpoint. It is rather very good on the part of the Government that they have not waited for the formalities to be fulfilled and they have immediately gone for the proclamation of the Ordinance so that additional resources could be mopped up.

Now, all donations from India and abroad towards the earthquake victims will get 100 per cent tax relief. Any material produced by indigenous industries including steel, cement, blankets, and tents, intended for relief and rehabilitation will not be subjected to any duty. All materials including construction material imported for relief and rehabilitation measures will be exempted from customs duty. I appeal to the hon. Finance Minister that he should not have gone for only two per cent imposition of the tax, but he should have gone for some other methods for mopping up additional resources for the Gujarat earthquake victims. It is the two per cent additional taxes, I think, will not have any appreciable impact on the economy of the country or on the market.

I would like to make two or three suggestions. Take the example of Latur. When a severe earthquake took place in Latur many years ago, the national and international help poured in Latur and Latur did not face a problem of scarcity. It faced a problem of plenty. I think that is what is going to happen in Gujarat. I read in a newspaper that Gujaratis are being supplied with asparagus soup with Danish luncheon meat and the pineapple slices dipped in syrup. While the Gujarati people take rice, *dal*, *kadi* and *bhujia* and things like that, it has been reported that they have been given Kellogg's corn flakes. Most of the people could not know what were written on the tinned items. The tinned items were brought from several foreign countries and the details were written in Danish, French, and Arabic. I mean to say that there should be proper utilisation. There should not be a problem of plenty so that people will have 20 blankets in their houses and the same may be sold in the black market, as it happened in Latur.

In future also the problems like this could occur, how can we bridge the gap? Shall we just go on imposing tax every time a natural calamity occurs? This imposition of two per cent tax has created a very ill feeling in Orissa.

Now, the Oriyas feel that the Central Government has shown a parochial treatment towards the State of Orissa because when a natural calamity of high magnitude occurred in Orissa about one-and-a-half years back, the Government of India did not impose any tax, but when it happened in Gujarat the Government of India came forward

to impose an additional surcharge of 2 per cent. So, they are feeling that they have been neglected. Even though I belong to the same party to which the hon. Finance Minister belongs, I would appeal to him that he should dispel the misgiving among the people of Orissa.

Finally, I am happy that the Central Government has now constituted a National Disaster Management Committee. I would request that there should be another Committee at the Central level, just like in Andhra Pradesh, to immediately move in and help any State Government whenever any natural calamity of high magnitude takes place in any State.

डॉ. रघुवंश प्रसाद सिंह (वैशाली) : सभापति महोदय, श्री स्वेन ने इस बिल का समर्थन किया और कहा कि सरकार ने आर्डिनैस लाकर बहुत अच्छा काम किया है। सदन कब आहूत हुआ - 19 फरवरी से सदन शुरू हुआ है और 21 दिन पहले सदन आहूत हो जाता है मतलब एक तारीख से पहले राष्ट्रपति द्वारा सदन की शुरुआत की घोषणा कर दी गई। यह 3 फरवरी का आर्डिनैस लाए हैं। कोई सभ्य सरकार इस तरह व्यवहार करे कि सदन आहूत होने के बाद आर्डिनैस लागू कर दे, 15-16 दिन तक सदन की प्रतीक्षा न करे, कौन सी अफरा-तफरी थी, हम इस संबंध में सरकार से जवाब चाहते हैं।

टैक्स बढ़ाने वाला और टैक्स बढ़ाने वाला प्रपोज़ल आर्डिनैस से हो, यह किसी सभ्य सरकार को शोभा नहीं देता।

जिस समय भूकम्प आया, अफरा-तफरी हुई, तबाही मची, विपत्ति आई, वित्त मंत्री बराबर दावा करते रहे कि हमारा वित्त बहुत दुरुस्त है, वित्त विधेयक की हालत बहुत दुरुस्त है लेकिन इनका विभाग एक भी धक्का नहीं सह सका। इन्होंने उस समय बयान दिया कि हम कोई टैक्स नहीं लगाएंगे, विपत्ति का मुकाबला बिना टैक्स लगाए करेंगे। प्रधान मंत्री जी को वित्त विभाग का इनसे ज्यादा ज्ञान है या इनको वित्त का ज्यादा ज्ञान है, प्रधान मंत्री जी ने बयान किया कि बिना टैक्स बढ़ाए काम नहीं चलेगा। सदन को किस तरह धोखा-धड़ी में रखने का काम हो रहा है। प्रधान मंत्री का बयान कुछ और वित्त मंत्री का बयान कुछ और है। ममता जी ने बयान दिया कि हम भाड़ा नहीं बढ़ाएंगे। प्रधान मंत्री ने उस समय बयान दिया था कि भाड़ा बढ़ाए बिना काम नहीं चलेगा। लेकिन जिदबाजी में ममता जी जीत गई और उन्होंने रेल का भाड़ा नहीं बढ़ाया। प्रधान मंत्री जी ने जो बयान दिया, उसका खंडन हो गया। लेकिन इसमें वित्त मंत्री जी ने जो बयान दिया कि हम टैक्स नहीं बढ़ाएंगे, ऐसे ही मुकाबला कर लेंगे, इनका खंडन हो गया और प्रधान मंत्री जी का बयान लागू करने के लिए यह बिल ले आए। हम कैसे इसका समर्थन करें। मौका पाकर कि गुजरात में भूकम्प है, इतनी बर्बादी हुई, इसमें कोई नहीं बोलेगा, टैक्स बढ़ा दो। यह आपका चुस्त-दुरुस्त वित्त विभाग है कि आप प्राकृतिक आपदा का एक धक्का नहीं सह सकते और आपको टैक्स बढ़ाना पड़ा। यदि भूकम्प पीड़ितों की सहायता करनी है, श्री स्वेन चले गए, उड़ीसा में दस हजार करोड़ रुपये की बर्बादी हुई थी और मदद पचास करोड़ रुपये की थी।

इनकी 20,000 करोड़ रुपये की बर्बादी हुई तो मदद 500 करोड़ रुपये की दी गई। अखबारों ने लिखा कि प्रधान मंत्री ने खजाना खोल दिया। इस देश में फंडरल स्ट्रक्चर है, केन्द्र सरकार से सब के साथ न्याय होता है, देश के हर हिस्से के साथ सम्यक दृष्टि रखी जाती है। इससे भी हमें लगता है कि भेदभाव होता है, कर लगाने में भी भेदभाव होता है। अब तो आफत है, अब इन्होंने पाले पटक दिये कि हमारे पास टैक्स बढ़ाने के सिवा कोई उपाय नहीं है तो हम लोग कैसे कहें कि टैक्स मत बढ़ाइये, गुजरात की त्राहि-त्राहि करती पीड़ित जनता इसी तरह छोड़ दिया जाये। हम लोग ऐसा काम नहीं कर सकते, इसलिए इसको जो ये आर्डिनैस में ले आये हैं, इसको डॉट-फटकार करके पास करने के अलावा सदन के पास क्या उपाय है, कोई उपाय नहीं है। इस परिस्थिति में इन्होंने पाले पटक दिये कि टैक्स बढ़ाये बिना कोई उपाय नहीं है। लेकिन जो टैक्स देने वाले लोग हैं, उन पर टैक्स बढ़ाया जाये और जो टैक्स चोरी करने वाले लोग हैं, उनसे टैक्स वसूल न करें, इसमें भी मैं सरकार की आलोचना करना चाहता हूँ। 52,000 करोड़ रुपया बड़े आदमियों पर इन्कम टैक्स का बकाया है ~~₹~~ (व्यवधान) वह बढ़कर 62,000 करोड़ रुपये हो गया, चक्रवर्ती साहब रिकार्ड बताते हैं। उसको कड़ाई से वसूल कर लें, लेकिन उससे आपूर्ति नहीं कर सकते। एन.पी.ए. में भी इनका 62,000 करोड़ रुपया हो गया होगा। उस समय 58,000 करोड़ रुपये था, अब वह भी 62,000 करोड़ रुपये हो गया होगा। बजट भाण में वित्त मंत्री ने दावा किया कि हमने 800 करोड़ रुपया वसूल कर दिया। इनका जो 62,000 करोड़ रुपया डूबा हुआ है, उसमें से ये कहते हैं कि 800 करोड़ रुपया हमने वसूल कर लिया। आप बहुत वाहवाही लूट रहे हैं कि बहुत बढ़िया बजट बनाया है।

हमारा सरकार को सुझाव है कि फिजूलखर्ची को कम करके भी आफत से मुकाबला किया जा सकता है। फिजूलखर्ची में आपने क्या किया, कहते हैं कि हम अपने विभाग में सैक्रेटरीज की संख्या घटा रहे हैं। क्या फिजूलखर्ची का यही मैथ्यर है? आपके मंत्री सरकारी खर्च पर अखबारों में पूरे पन्ने के विज्ञापन निकालते हैं, क्या वह आपको फिजूलखर्ची नहीं लगती है? वे करोड़ों रुपया उसमें झोंक रहे हैं। उसकी तरफ इनका ध्यान नहीं जाता। हम इस बार हिसाब खोजेंगे कि एक-एक विभाग में कितने करोड़ रुपये ये लोग आडम्बर दिखाकर खर्च कर रहे हैं। आप उसको रोकने का काम नहीं करते। यह गरीब देश है। ये गरीबी के चलते कहते हैं कि आफत आई तो हम टैक्स पेयर पर टैक्स लगाएंगे। हम कड़ाई करेंगे, उसको बढ़ाएंगे, हम उससे ज्यादा पैसा लेंगे, लेकिन फिजूलखर्ची पर रोक लगाने का इनकी तरफ से कोई उपाय नहीं हो रहा है। लोगों की इनके साथ कैसे सहानुभूति होगी कि यह सरकार ठीक है। इसलिए ये तमाम सवाल हैं कि इस देश में विपदा का मुकाबला करने के लिए स्थाई व्यवस्था होनी चाहिए, जिससे इनको बराबर टैक्स बढ़ाने का मौका नहीं मिले, सरचार्ज बढ़ाने का मौका नहीं मिले, इसका प्रबन्ध होना चाहिए और देश की जनता पर कर का भार कम होना चाहिए।

इन्हीं शब्दों के साथ मैं अपनी बात समाप्त करता हूँ।

DR. B.B. RAMAIAH (ELURU): Mr. Chairman Sir, for this Ordinance that has come at the earliest possible opportunity that has happened after the calamity, we will have to congratulate the hon. Finance Minister and the hon. Prime Minister.

Here is a case where not only this country but rest of the world has reacted and responded. It is our duty, first of all everyone of us, to see that we give our best sympathy and contribution for this purpose. This two per cent tax is going to yield to some extent.

Sir, the Eleventh Finance Commission has suggested that we can always have a temporary tax for any national calamity. But I feel that we can have a permanent type of tax for this purpose because it has become a regular affair.

Somebody has blamed the Government today that Orissa had not been taken proper care of. I know there are States where natural calamities, like cyclone, earthquake, floods, droughts, etc. are quite frequent and these have

to be taken proper care of by us, irrespective of other countries" support to us. It is our responsibility to take proper assistance and proper support for them.

They have also said that so much donations would be exempted one hundred per cent. Today in the present conditions, if we say that 100 per cent exemption for donations, it means that the Government's contribution is 30 per cent and the contributor's contribution is 70 per cent. I feel that you can make it as 120 per cent so that there will be a lot of people who would come forward to help because more assistance is required for this type of calamity. Today for R&D, we are giving some special exemption, even 150 per cent. This is the case, where we require more people to come forward with more interest and they would be able to come forward and offer help for this type of assistance.

Other Members have also mentioned about the various assistance that has been given for the construction work. Excise duties have been exempted for those who contribute cement and other things to Gujarat, and even customs duties for those who contribute from outside were exempted. All these steps have been taken to assist people who come forward and offer help for this type of calamity.

Some people have expressed their anxiety about the way it is operating. I feel that an All-Party Committee should be formed in order to watch and guide in regard to utilisation of the assistance, that is the best way, so that nobody can blame anybody, nobody can suspect anybody, and nobody can say anything on this.

In the case of cyclone, we are getting advance satellite information. We may not be able to stop the cyclone but at least advance instructions about the cyclone would give us some time to take precautions to some extent. But, in the case of earthquake, nobody will be able to predict. It all happens in less than a minute. People always blame. It is easy to blame but it is very difficult to say what it is going to be. We need some sort of a system or mechanism by which we can at least predict or anticipate earthquake. I also feel that some sort of assistance can be obtained from Japan, which is prone for earthquakes quite often. They are able to survive and revive. That sort of technology is more important. We will have to see that we can get such sort of an assistance so that whatever that we are spending, that should be done properly for the future, and it is for the needy people to whom we are providing help.

At this juncture, I would like to point out that there are charitable institutions like Rama Krishna Mission and other organisations, which are really doing good service. I know that in quite a number of places, their services are really very commendable. We can also make use of their services for this type of calamity.

I would like to know whether there is any provision for giving exemption to Rama Krishna Mission and such other organisations but newspapers are collecting donations. In any case, you should recognise some of these organisations also, which are doing really a wonderful service. I am sure that the hon. Finance Minister would be able to take all these things into consideration.

It is a commendable type of Ordinance that has been brought in time and this august House should pass this Bill.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, I have already explained in my introductory remarks the reasons why the Government decided to go in for an Ordinance of this type and the urgency for it. It is true that the notification for convening both the Houses of Parliament was issued on the 31st of January, and this Ordinance was promulgated on the 3rd of February. It is very unusual and I would only say that if it had not been for an entirely unfortunate and unusual incident, the Government would have never taken recourse to a measure of this kind.

I am very acutely aware of the convention of the Constitution in this regard. Therefore, I would like to say on behalf of the Government that except in extremely exceptional and extraordinary situations, there is no desire on the part of the Government to take recourse to any Ordinance much less an Ordinance after the notice for convening the Session of Parliament has been issued. The reason why we could not wait for the Session of Parliament was that this financial year would come to a close on the 31st of March. All those who pay direct taxes including income tax and corporate taxes would start paying up now. If we had waited for the Parliament Session and brought a legislation, the chances would have been that we would not have, not only not collected all the money that we wanted to collect but also that the notice to the taxpayers would have been so short, would have been so inadequate that they would have been put to great inconvenience. That is why, it was essential that we take to the Ordinance route, try and raise money for the relief and rehabilitation work in Gujarat.

There have been other issues which have been raised. I would not like to go into them because this House, as indeed the other House, has debated in detail the relief and the construction work in Gujarat. The Prime Minister and my colleague, the Minister of Agriculture, have sufficiently replied to the issues which have been raised. There is no reason for me to take the time of the House on repeating those issues here.

But I would only like to touch one or two important issues which have been raised. Hon. Member, Shri Ajoy Chakraborty has opposed this Ordinance and the Bill on the ground that we are not collecting the arrears, and

perhaps, if the arrears of income tax had been collected, then there was no need for this legislation. Dr. Raghuvansh Prasad Singh has also referred to it. The very simple answer to that is that each rupee in this amount, each one of these demands is under litigation at some level or the other. The amount which has been quoted as Rs.62,000 crore sounds very impressive. Therefore, unless we have another form of Government which would just hold the gun and collect whatever it wants, in a democratic society with rule of law, we have to go through the legal procedure. And for that legal procedure, let me assure the House that the Government, especially my Ministry is taking all possible steps to ensure that no evader or avoider of tax is left without being pursued. We are pursuing this. So, we could not have waited to provide relief to the people of Gujarat in the hope that the tax arrears would be collected some day.

As far as the point raised by Shri Ramesh Chennithala is concerned, let me assure him that every rupee which will be collected under this surcharge or through this surcharge will be accounted for. In the Department of Income Tax, all surcharges are separately accounted for. We will know exactly how much money we have collected. Because this money is being collected for providing the relief and rehabilitation to the earthquake victims of Gujarat, when I come to Parliament with my accounts, it will be very transparent. We will be able to prove how the money has been deployed. Actually, why has the Government taken the tax route?

In fact, if hon. Members recall, in the last Session of Parliament itself, I had come with another amendment to the Finance Act and I had asked the House to permit me to levy a cess of one per cent. That one per cent cess was also for the National Calamity Fund which we had augmented so that we could meet the various calamities in other states.

In fact, Gujarat was an exception and I would like to inform my colleague Shri Kharabela Swain that when the Orissa supercyclone had come, this arrangement suggested by the Eleventh Finance Commission was not in place. But we still ended up making available to Orissa Rs.878 crore for the relief work; rupees eight crore went directly from what was then known as the National Calamity Relief Fund and रघुवंश प्रसाद जी इस बात को नोट कर लें, वह राशि 50 करोड़ रुपए नहीं थी, 828 करोड़ रुपए है, जो उड़ीसा को भारत सरकार के खाते से दी गई। इसके अलावा उड़ीसा के लिए वर्ल्ड बैंक से भारत सरकार ने बात की थी और 100 मिलियन डालर यानि 450 करोड़ रुपए उपलब्ध कराए गए, उड़ीसा के लिए वर्ल्ड बैंक द्वारा, which we had to make available as central assistance has been made available by the Planning Commission.

We had told the Government of Orissa that funds would be no constraint for relief and rehabilitation work. It was not something unusual that we did in the case of Orissa. I had personally spoken to the then Chief Minister of Orissa. I had told him not to look at the colour of the money, but to go and spend because we had told the Reserve Bank of India -- as we did in the case of Gujarat -- that the ways and means limit will not apply, and that the Orissa Government -- just as the Gujarat Government now, can draw any amount of money from the RBI for its relief work.

So, besides that, by way of loan reduction we postponed the realisation of loans from the Government of Orissa. That was an amount of Rs.547 crore with a moratorium of six months. Another amount of Rs.75 crore was made available from the Department of Foreign International Development Fund of the Government of the United Kingdom.

So, it will not be right at all to say that there was any unfavourable treatment which was meted out to Orissa. I am aware that it is very insidious to compare the agony, to compare distress. One should scrupulously, perhaps, avoid this kind of things but because the issue has been raised by Shri Kharabela Swain, I have been constrained to share these facts with the hon. House.

What is it that we are trying to do? I am glad that this Ordinance is coming up after I have presented my Budget because I have kept the surcharge on for the next year also. This year we are expecting that we would be able to get about Rs.1300 crore. We are expecting that a sum of Rs.1300 crore to Rs.1400 crore would be available under this Fund separately.

Hon. Members would recall that in my Budget I am levying one per cent levy on cigarettes and other tobacco products to raise money for the National Calamity Fund. We had raised -- I had set apart Rs.500 crore -- Rs.350 crore through this one per cent levy. Rs.850 crore was raised by the Government of India, though let me tell the House that under the Eleventh Finance Commission the whole arrangement had undergone a radical change. From Rs.6000 crore the States Calamity Relief Fund has been raised to over Rs.11,000 crore. And the Eleventh Finance Commission had put the responsibility directly on the State Governments to manage the calamities which unfortunately afflict the States. But this year we have raised Rs.850 crore and made this available to the States which were in need.

Gujarat came as a shock to all of us. The distress, which was caused in Gujarat, was unparallel and, therefore, the Government, in their wisdom, decided that they should levy the additional surcharge of two per cent. We will continue with it next year. The monies will be made available to the Government of Gujarat for relief and rehabilitation work.

Sir, I just end by pointing out again to Dr. Raghuvans Prasad Singh that there was no contradiction between what the hon. Prime Minister said and what I had said. We had a meeting with the hon. Prime Minister in an entirely different context. But because the meeting was held after the 26th of January, when the Gujarat earthquake had already happened, the media started speculating that we had met in order to levy some kind of surcharge. When the media asked me, I said: "I will not comment on speculation." आपने जो बात इतनी लच्छेदार भाा में कही कि मैंने प्रैस को क्या कहा। रघुवंश बाबू, मैं बहुत जिम्मेदार व्यक्ति हूँ और जिम्मेदारी के साथ हर जगह बोलता हूँ। वैसा मैंने कुछ नहीं कहा था, मैंने सिर्फ इतना कहा था कि यह आपका स्पेकुलेशन है, इस पर मुझे तत्काल कोई टिप्पणी नहीं करनी है। मीडिया ने जो स्पेकुलेशन किया है मैं उसके बारे में कुछ नहीं कहना चाहता। उसे मीडिया ने इस तरह रखा, जैसे कि हमने टैक्स लगाने के लिए मना कर दिया। उसके बाद सरकार ने फैसला किया और उसके बाद यह टैक्स लगा है, इसलिए इसमें कोई कॉन्ट्राडिक्शन नहीं है।

महोदय, मैं निवेदन करूंगा कि जो गुजरात की भूकम्प से प्रभावित जनता है, उसके पुनर्वास के लिए, उसे राहत पहुंचाने के लिए हमने यह कदम उठाया है और उस रास्ते उठाया है जो रास्ता 11वें फाइनेंस कमीशन ने हमारे लिए तय किया है, यह एक आवश्यक कदम था। मैं सदन के सारे माननीय सदस्यों से आग्रह करूंगा कि इस विधेयक को हम बिना किसी विवाद के पास करें।

SHRI M.O.H. FAROOK (PONDICHERRY): Mr. Chairman, Sir, I am not asking anything. I just want to know how long they are going to continue with this, whether for two years or three years. ...(*Interruptions*)

MR. CHAIRMAN : Please sit down. Shri Ajay Chakraborty. He is the mover.

...(*Interruptions*)

SHRI YASHWANT SINHA: Sir, there are two clarifications, which have, been asked.

This relates to the current year, the year, which will end on 31st March. As far as the next year is concerned, that provision has already been included in the Finance Bill and when we debate the Finance Bill, we will be taking up that issue.

As far as the Calamity Relief Fund to the States is concerned, under the Eleventh Finance Commission, already there is a provision that we contribute 75 per cent of that money, the States contribute only 25 per cent. That is in addition to the Centre's contribution in the case of a calamity of national proportions.

There is one more clarification, which Shri Kirit Somaiya has sought. I would like to say that there are two provisions in the Income-tax Act. One, which exempts the income of the Charitable Trusts, that is, 10 (23C) and under Section 11. There is another provision, which is 80 G, which exempts from income-tax contributions made to that Trust. So, there are two different things --the income of the Trust, contributions made to the Trust and their exemption. What we are seeking to do here is, as has been very aptly put forward by Shri Ramesh Chennithala, that under Section 80 G we are saying that there will be 100 per cent deductions under the Income-tax Act allowed. ...(*Interruptions*)

SHRI KIRIT SOMAIYA (MUMBAI NORTH EAST): Educational and medical institutions registered under Sections 10 and 11 of the Income-tax Act will not be allowed. That is why, I am asking this clarification. â€¦ (*Interruptions*)

SHRI YASHWANT SINHA: No, educational and medical institutions will have to registerd under Section 80 G in order to be able to get this benefit. ...(*Interruptions*) We have to be careful about this. As has been pointed out in this House, a whole lot of Funds have been created. They are collecting money. There is a danger of some of them misusing. But all those Funds which are registered with the Income-tax Act, if they also take the permission of the Income-tax Commissioner under Section 80 G, and those who make a contribution will be entitled to this deduction under the Income Tax Act.

SHRI AJOY CHAKRABORTY (BASIRHAT): Sir, I agree with the aims and objects of this Bill. We all know that the people of Gujarat are suffering a lot. We want immediate reconstruction and rehabilitation of Gujarat. There is no doubt about. But I have raised objection to the way and the method which is adopted by the Government. Secondly, the Minister has been very harsh to the working class and the middle-class salaried people. I request him to please take stringent steps against the defaulters. Most of them are big houses. He knows the names of the big houses and the persons who are defaulters of huge amounts. So, he should take stringent steps to collect money from the defaulters. This will be very helpful for the people of Gujarat.

The Minister has also been very harsh to the people of West Bengal. Anyhow, for the sake of the people of Gujarat, I withdraw my Statutory Resolution.

MR. CHAIRMAN : Has the hon. Member leave of the House to withdraw his Statutory Resolution?

The Statutory Resolution was, by leave, withdrawn.

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Finance Act, 2000 and the Income-tax Act, 1961, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: The House will now take up clause by clause consideration of the Bill. The question is:

"That clauses 2 to 9 stand part of the Bill."

The motion was adopted.

Clauses 2 to 9 were added to the Bill.

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

MR. CHAIRMAN: The Minister may now move that the Bill be passed.

SHRI YASHWANT SINHA: Sir, I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.