

Sixteenth Loksabha

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Title: Introduction of the Goods and Services Tax (Compensation to States) Amendment Bill, 2018.

THE MINISTER OF RAILWAYS, MINISTER OF COAL, MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRI PIYUSH GOYAL): I beg to move for leave to introduce a Bill further to amend the Goods and Services Tax (Compensation to States) Act, 2017.

HON. DEPUTY SPEAKER: Motion moved:

“That leave be granted to introduce a Bill further to amend the Goods and Services Tax (Compensation to States) Act, 2017.”

SHRI SUNIL KUMAR JAKHAR (GURDASPUR): Hon. Deputy Speaker, Sir, I rise to oppose the introduction of the GST (Compensation to States) Amendment Bill.

When the Constitution Amendment was moved to bring in the GST law, the States subsumed their sovereignty at the altar of the greater good of the country. But now as the things stand today, the States are being denied their share and I think the GST Council itself has constituted an Advisory Body which met in November, 2017. It was headed by an IRS officer. It had representatives from the States, trade and labour bodies. The report was submitted but it was never presented to the State Ministers. It was never discussed until after the amendments to the law were made. Only when the Punjab Government raised objection to this, a *post facto* kind of report was submitted. My submission is that this law is a hurried law which needs a wider consultation on the part of stakeholders, whether they are tax payers of the country or they are States which have subsumed or which have forfeited their sovereignty at the altar of the larger good of the country.

We, Punjab alone, stand to lose Rs.10,000 crore of revenue every year and we are left with this sunset clause of five years. As my hon. colleague from Akali Dal is only talking now that we are in a dire state. The hon. Finance Minister is here. He had moved the Insolvency Bill. At that time, they talked about the wilful defaulters. My submission to the hon. Minister is this. What do you do? You have a law against the wilful industrialists or wilfully defrauding industrialists. But what about the wilful

defaulters? The State Government is a wilful defaulter. Rs.31,000 crore was handed over to the Central Government by the previous Akali-BJP Government a day before the new Government was constituted in Punjab. On 11<sup>th</sup> of March, 2017, the Assembly chose the Congress Government with two-thirds majority. The day prior to that, the Akali Government came and submitted a cheque of Rs.31,000 crore on account of food grains. Sir, the Punjab Government today is paying an amount of Rs.3300 crore, which includes the interest as well. I think we have a claim to that. On the top of it, GST is hurting our sentiments as to what would happen after five years. During the GST Council meetings, the Finance Minister of Punjab very wisely said that there should be wider consultations before any such Act is introduced and I still stand by him.

Sir, there is another very important issue and that is of micro, small and medium scale industries. Around 90 per cent of our taxpayers come into that bracket. I think the hon. Finance Minister has all the figures today with him. The growth in the revenue collection is only in large and medium sectors. The micro and small-scale industries have seen minus 300 per cent fall in their revenue and their profit has gone down.

HON. DEPUTY SPEAKER: Please conclude.

SHRI SUNIL KUMAR JAKHAR : Sir, I beg your patience. I want to speak about suggestions.

Sir, when they constituted the Committee and held consultation process till last week, that is, 4<sup>th</sup> of August, hundreds of suggestions came from MSME sector. These suggestions are not included in the advisory report which this Council has submitted. As per the admission by the Council itself, they say that this needs a wider study. So, how can we leave such a large portion of micro, small and medium scale industries out of the ambit? So, I beg the hon. Minister to hold the horses because this is not going anywhere. They themselves are

admitting that 258 notifications have already been issued and there are serious flaws in the designs of the GST Act. I would kindly submit that let us have wider consultations. Let it be open to debate and then bring it with the amendments. Thank you, Sir.

SHRI PIYUSH GOYAL : Sir, I am extremely surprised that the hon. Member is raising an objection to certain amendments that are sought to be made, which are largely focussed to help the small, micro and tiny industries in the medium sector.

Certainly, the States have subsumed their sovereignty under the GST law, but so has the Centre. I think the Centre has subsumed a far greater sovereignty – if at all one were to take a calculation on both sides – than possibly the State of Punjab or any State for that matter. But this Government believes that what is good for the country is good for all the people of this country. It is *Sabka Saath, Sabka Vikas*. We believe that it will help 125 crore Indians. Punjab is an integral part of the country and the people of Punjab will also benefit. In fact, Punjab was at the forefront of introduction of GST when the laws were made.

As regards the point that was made about consultation on the Law Committee recommendations, there were widespread consultations which were held at different levels when the Law Committee made recommendations. There was a Law Review Committee, which set in to look at all those recommendations. A number of those amendments, I have sought to bring in through the current round of amendments. The GST is a new law, which has far reaching consequences. It affects trade, business and encourages one tax in the entire nation removing about 40 taxes and cesses for which, particularly the small people were in anguish. Obviously, there will be repeated rounds of improvement that will come from experience. Based on the experience of the last year or so, these were the important and impending changes that are required.

One very critical change that is sought to be done is to expand the composition scheme. The threshold limit is to be increased from Rs.1 crore to Rs.1.5 crore. Any further delay in bringing in these amendments would be detriment particularly to the MSME sector. Therefore, we believe that this is important and should be brought in now.

Sir, consultations were held with all the States. Officials of Punjab were an integral part of the Law Committee and the Review Committee. In both the meetings that I have chaired, Punjab has been an active participant. It is unfortunate that the Minister went away half way during the course of the first meeting. Possibly, he had some pressing engagement. But his officials were present in the meeting.

Every time any decision was taken, we consulted all the States including the representatives of Punjab who were in the meeting and the minutes of that meeting were approved in the meeting held on 4<sup>th</sup> of August after which these have been brought to the Parliament. Therefore, I think, it is very unfair to try and show that Punjab is in some way different from the rest of the country.

As regards the false allegation being made in this august House that some amount was handed over from Punjab to the Centre, I think, those were the dues that Punjab had on account of food grains procurement that they had done earlier. It is only that the Centre helped the State of Punjab regularise their irregular account. Otherwise, Punjab would have run into difficulty even in making day-to-day payments because of the irregularities in the accounts that they had built up over a long period of time. That is what was sought to be corrected when the Central Government actually assisted the State of Punjab by regularising that account. I think you need to first correct the facts before you make any allegation of this sort.

As regards the meeting held on 4<sup>th</sup>, it was held at the initiative of several States including the State of Punjab. We thought that after one year of GST implementation, let us take feedback from all across the country, let us have a meeting dedicated only to MSME sector and, I think, a great message has gone to the whole country that this GST Council which comprises the Central Government and all the States cares for the wellbeing, cares for a better future for the MSME sector. We brought in all the issues that were raised by different States and the issues that came up from all across the country. They were discussed and now a Committee has been formed. The Law Committee and the Fitment Committee will first examine all these requests. Then, a Committee headed by MoS Finance in the Union Government, in which the hon. Minister of Punjab is a member, will examine all these requests. But I would like to highlight some of the important things that we did in the Council relating to MSME sector.

मैं सभी माननीय सदस्यों को आपके माध्यम से बताना चाहूंगा कि छोटे लघु उद्योगों के लिए केंद्र सरकार और सभी राज्य सरकारों ने मिलकर जी.एस.टी. में कितने महत्वपूर्ण निर्णय लिये। कम्पोजिशन स्कीम्स में जो एलिजिबिलिटी है, उसको बढ़ाकर एक करोड़ से डेढ़ करोड़ किया है, जिसका कानून आप सबके समक्ष है। रिवर्स चार्ज मेकेनिज्म को हमने सितम्बर, 2019 तक डैफर कर दिया है। चूंकि छोटे उद्योग के लोगों को समझने में और उसको इम्प्लीमेंट करने में थोड़ी तकलीफ होती थी, इसलिए हमने उसको सितम्बर 2019 तक डैफर कर दिया है। इस कानून में हम यह भी प्रावधान लाये हैं कि अब जी.एस.टी काउंसिल यह तय कर सकती है कि आर.सी.एम. को कब और किस रूप में लाना है। इसी प्रकार से कम्पोजिशन स्कीम में एक बड़ी मांग यह भी रहती थी कि थोड़ा-बहुत अगर सर्विस का भी काम किया जाए, तो भी कम्पोजिशन में इलिजिबिलिटी किया

जाए, तो वह भी प्रावधान इसमें लाया गया है। अगर 10 प्रतिशत तक किसी का काम है या एक मिनिमम अमाउंट तक सर्विस देते हैं, तो भी वे कम्पोजिशन स्कीम में आ सकते हैं।

इसी प्रकार से हमने बहुत ही महत्वपूर्ण एवं फार रिचिंग चेंजेज रिटर्न्स में किये हैं। सहज और सुगम दो रिटर्न्स एक पन्ने में बड़ी सरलता से छोटे उद्योग चलाने वाले रिटर्न फाइल कर सकें, उसके लिए इन प्रावधानों में सहूलियत की गई है। इसके साथ ही एक बहुत महत्वपूर्ण बदलाव किया गया है, जिनका टर्नओवर 5 करोड़ रुपये तक है। ऐसे 93 परसेंट लोगों को अब महीने में टैक्स देना होगा, लेकिन तीन महीने में एक ही रिटर्न भरना, ये भी जी.एस.टी. काउंसिल में निर्णय लिया गया।

टेक्सटाइल सेक्टर में भी एक बहुत महत्वपूर्ण निर्णय लिया गया है। टेक्सटाइल सेक्टर में एक चिंता थी, लोगों को लगता था कि हम फैब्रिक में 5 प्रतिशत टैक्स भर रहे हैं, लेकिन जो आई.टी.सी. क्रेडिट है, चूंकि आई.टी.सी. प्रोडक्ट्स के टैक्स 12 प्रतिशत, 18 प्रतिशत थे, कुछ पैसा दो, ढाई, तीन परसेंट रह जाता था, जो उनको रिफंड नहीं मिलता था। माननीय उपाध्यक्ष जी, इस काउंसिल ने एक ऐतिहासिक निर्णय लिया जो करोड़ों लोगों को लाभ देगा कि उनको टेक्सटाइल में आईटीसी रिफण्ड के लिए भी एलिजिबल कर दिया। सबसे बड़ा लाभ छोटे उद्योगों, वीवर्स आदि को होगा। ... (व्यवधान)

**श्री वीरेन्द्र सिंह )भदोही( :** क्या टेक्सटाइल इंडस्ट्री में कालीन भी शामिल है?

**श्री पीयूष गोयल :** कारपेट्स के लिए भी इस काउंसिल ने कुछ सहूलियतें दी हैं, मुझे अभी 'ऑफ दि कफ' याद नहीं है। इसी प्रकार से छोटे शिल्पकार जो मूर्ति बनाते हैं, राखी बनाते हैं, अभी रक्षाबंधन आने वाला है, हमने राखी को जीएसटी से मुक्त कर दिया है। ... (व्यवधान) जो लोग पत्थर की मूर्ति बनाते हैं, जो लोग लकड़ी की मूर्ति बनाते हैं, उन सभी को भी इससे मुक्त किया गया है और शिल्पकारों का सम्मान किया गया। मैं समझता हूं कि अगर इन चीजों को गिनते जाऊंगा तो सप्लीमेंटरी डिमाण्ड्स के बदले यहां जीएसटी डिस्कशन शुरू हो जाएगा। मैं समझता हूं कि सभी माननीय सदस्य इस बात को स्वीकार करेंगे कि छोटे उद्योगों के प्रति समझदारी से, सूझबूझ से और संवेदना के साथ निर्णय लिए गए हैं। मैं समझता हूं कि पूरा सदन इसको स्वीकार करेगा

HON. DEPUTY SPEAKER: During discussion, all these issues can be raised. It is only the introduction of the Bill.

The question is:

“That leave be granted to introduce a Bill further to amend the Goods and Services Tax (Compensation to States) Act, 2017.”

*The motion was adopted.*

SHRI PIYUSH GOYAL: I introduce\* the Bill.

