Parliament, demonetisation and GST

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ABSTRACT

This paper exploits the property of random selection of questions for answering in Parliament to analyze the party-wise share of questions submitted, normalized by seat share, at two major economic policy events during the term of the Sixteenth Lok Sabha (LS16) – demonetization on 8 November 2016, and the introduction of the Goods and Services Tax (GST) on 1 July 2017. Parties are grouped into three: the ruling party (BJP); allied parties in the ruling NDA coalition; and parties in opposition. The paper also charts the change over time in the types of questions asked, and mines the official responses for information not normally available through the usual channels.

Introduction

Demonetization as a one-off event, and the introduction of the nationwide Goods and Services Tax (GST), were two major economic policies introduced during the first term (the Sixteenth Lok Sabha, LS16), of the National Democratic Alliance (NDA) government. The Bharatiya Janata Party (BJP) headed the NDA coalition, but had a single-party majority in the Lok Sabha. These coalition partners were not necessarily tied to a pre-poll alliance, and in some cases might even have been in opposition at the level of states. The Appendix table lists the coalition partners at the outset of LS16, where some parties dropped out of partnership within the duration of its term but without endangering the survival of the government (the Union government, popularly referred to as the Center).

The Goods and Services Tax (GST) introduced in India on 1 July 2017, unlike the demonetization of 86% of Indian currency in circulation on 8 November 2016, was a fully anticipated event. The Constitutional Amendment needed to enable the GST had been intensively discussed before passage in the two houses of Parliament.[1] The Amendment delegated formulation of the rules governing the tax to a GST Council, composed of all ministers holding the financial portfolio in the Center and states. Thus, both the legislative and design stages were fully inclusive and participatory.

Yet it was clear from the outset that the initial design of the tax carried severe compliance costs and was having a negative impact on the real economy; these issues are covered elsewhere.[2] Question hour in Parliament offered

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a channel through which the reactions of ordinary taxpayers, and suggested correctives, could be publicly raised. Demonetization, on the other hand, was an unanticipated event that offered no scope for reform or correction. Parliament questions could at best convey grievances, or ask for the motivation and process behind the decision.

Questions answered in Parliament during question hour are selected from the universe of questions submitted through a random computerized lottery, which enables inferences about the party composition of questions asked. This is the only platform which yields event-specific information about relative political positioning across and within parties, because on issues put to a formal vote in Parliament, every party-affiliated member is expected to vote in accordance with the party whip, pursuant to the Anti-Defection Law, enacted in 1985 through the 52nd amendment to the Constitution.[3]

The focus is confined to the Lok Sabha (LS), the house of directly elected members in the bicameral Parliament, although questions are also admitted with (differently configured) random selection in the Rajya Sabha, the council of states. Most Rajya Sabha (RS) members are elected from state legislative assemblies.[4] The six-year terms of RS members are not coterminous with the five-year term of the Lok Sabha. Their electoral compulsions are altogether different. RS members could waver in their loyalty to the ruling party of the state which elected them, according to their expectations of who would rule in the state when they come up for reelection. A further complication is that parties in alliance with the BJP at the Center, might be in opposition in the state from which they were elected.Section 2 briefly covers the process of selection of questions for answering in the Lok Sabha, with descriptive data on the time pattern of questions following demonetization, a wholly unanticipated one-off event, and the introduction of the GST.

Section 3 presents the breakdown by party of questions asked, in three groups: the ruling Bharatiya Janata Party (BJP), parties in coalition with the BJP, and parties in opposition.

Sections 4 and 5 investigate types of questions asked on demonetization and GST, respectively.

Section 6 presents a summary of the findings.

Sources and methods: the parliamentary setting in India

There are three Parliamentary sessions each year, Budget, Monsoon, and Winter, aggregating to 17 separately numbered sessions over the five-year term from May 2014 to May 2019 of LS16.[5] Of these, 8 sessions followed demonetization on 8 November 2016, and 6 sessions followed the introduction of GST on 1 July 2017. Both events happened when Parliament was not in session.

The Ministries at the Center are grouped into five clusters for response during question hour in the Lok Sabha, mapped onto the 5 days of the working week. Questions are selected from the universe of questions submitted to each cluster by random lottery through a computerized process.[6] In aggregate across all ministries in each cluster, 250 questions[7] are selected for answering during question hour on any given day.

During LS16, the Ministry of Finance responsible for both demonetization and GST fell in the Group E cluster, assigned for response on Fridays.[8] The ministerial grouping matters because it shapes the probability of selection to the fixed number accepted for answering in any given week. The probability of selection of questions on any one issue also changes from week to week, in accordance with public interest in issues falling within the ambit of other Ministries in the Friday cluster.

Where the questions coming through the selection process are the same or similar, they are grouped together into a single question, sometimes with multiple parts. This means that the number of member-questions will be higher than the number answered on any day. Even if members collude to ask the same question to maximize the chances of it getting selected, that merely reiterates the random nature of the process and does not contaminate it in any way. Once selected through a random process, questions on a theme can be aggregated into a single multi-part question by the secretariat after selection. Since this is done after, not before, it does not contaminate the random process of selection.

There were altogether 61 Parliament weeks covering the full five-year term of LS16 and thus 61 Fridays for questions to the Finance Ministry, of which 34 came after demonetization (starting with week 28), and 23 came after the introduction of GST (starting with week 39).

From the summary in Table 1, it can be seen that Parliamentary questioning was more intense for GST than demonetization. The similarity of questions asked during demonetization makes for a smaller number of grouped

Table 1. Questions on demonetization and GST: Sixteenth Lok Sabha (61 weeks).

Event	Demonetization	GST
Total questions (grouped)	74	240
Questions per effective week	2.2	9.2
Total member-questions (ungrouped)	208	372
Total of members asking one or more questions	136	186
Total Lok Sabha seats	543	543
% Members	25%	34%

Source: Author's calculations based on data sourced from www.loksabha.nic.in
Notes: The totals shown are for the full period of 61 weeks; the average per effective week for demonetization is for the 34 weeks following the event, 23 for GST. Of the 240 grouped questions on GST, 29 preceded the actual introduction of the tax on 1 July 2017 (62 of the 372 member-questions). The average per week of the full span of LS16 for GST (an anticipated event), was 3.9.

questions than the number of members asking questions. Even so, individual MP engagement was much lower for demonetization, amounting to 25% of the total strength of the Lok Sabha (543 seats), as compared to 34% for GST.

Figure 1a and b below show the incidence of (grouped) questions over time starting from week 28 for demonetization, and covering the full 61 weeks for GST, which was an anticipated event. Surprisingly, week 28, the first after demonetization, saw no questions about the event, and the buildup to the peak of 10 questions took another 4 weeks. It is possible that members were engaged in replenishing their own cash balances and meeting what must have been a deluge of appeals from their constituencies. The decline from the peak is rapid.

By contrast, week 39, the first after the introduction of GST, saw a peak of 14 grouped questions, a peak repeatedly attained in the weeks that followed. The sustained interest in GST is in marked contrast to the decline in questions on demonetization.

Figure 2a and b show the corresponding number of member-questions (individual members asking questions). The single peak is even sharper for demonetization, at 50 members in a single week, and falls off much more

a: Grouped questions on Demonetisation over weeks 28 to 61.
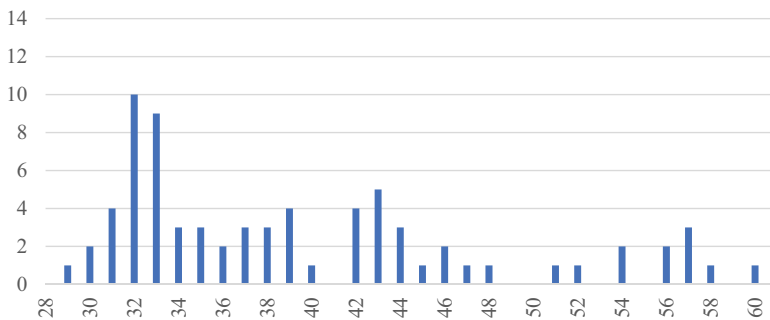
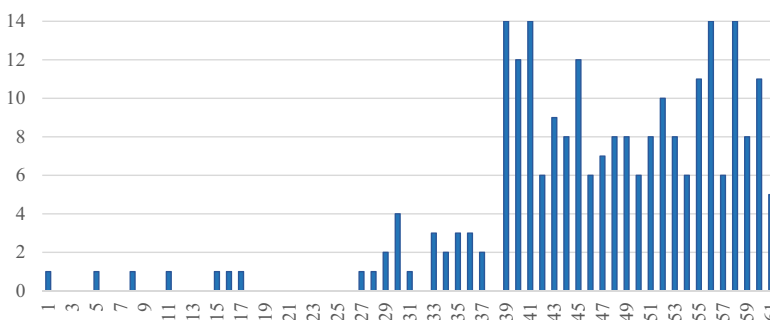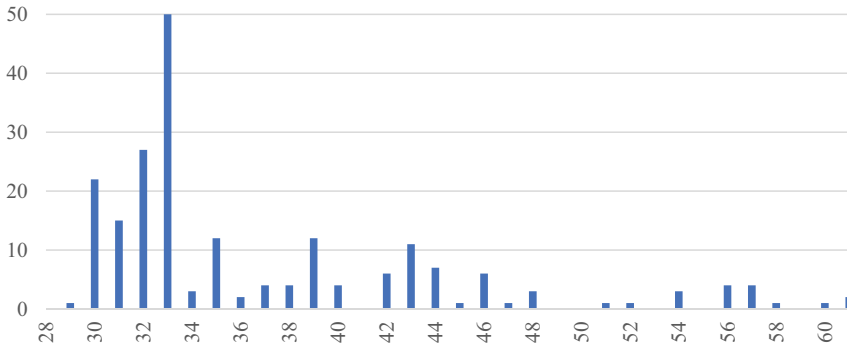b: Grouped questions on GST over 61 Parliament weeks.

Figure 1. (a) Grouped questions on demonetization over weeks 28 to 61. (b) Grouped questions on GST over 61 Parliament weeks.

a: Member-questions on demonetisation over weeks 28 to 61

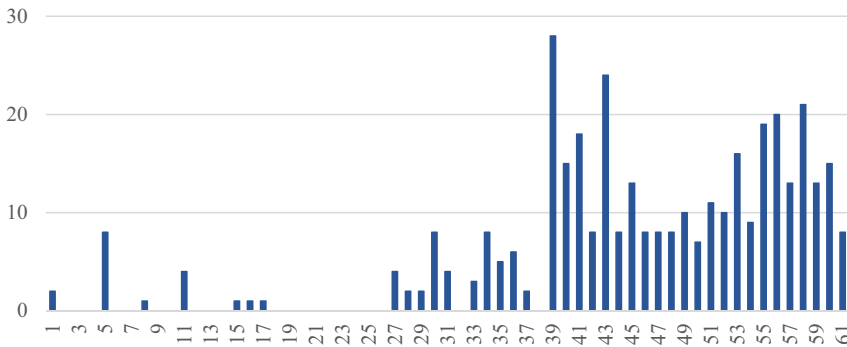b: Member-questions on GST over 61 Parliament weeks

Figure 2. (a) Member-questions on demonetization over weeks 28 to 61. (b) Member-questions on GST over 61 parliament weeks.

rapidly. By contrast, the peak of 28 members in the first week after the introduction of GST is followed by sustained questioning, never falling below 7 members in any of the weeks following.

Party-wise propensity to ask questions

The party propensity to ask questions is calculated as the share of party members in the total number of member-questions asked (Table 1), normalized by the seat share of the party in Parliament. These calculations are done for three groups: the BJP (the majority party); BJP allies in the NDA coalition; and the Opposition (including three independent members). Other confounding factors, which could influence the propensity to ask questions at the level of individual MPs might be age, gender, education, attendance record in Parliament, and the region represented. Since data on the complete vector of MP attributes were not at hand, the assumption made, as in any RCT study was that the distribution of those attributes is uniformly distributed across the

categories being studied. It was for this reason that parties in the NDA coalition and in opposition were aggregated into groups instead of being taken as individual parties. Figure 3 shows the scatter of these calculated propensity coefficients for demonetization and GST as two independent series, against absolute (initial) seat strength in Parliament (see Appendix).

The coefficients shown are the adjusted propensity after reducing the denominator (seat strength) by those party members disallowed from asking questions in Parliament, by virtue of being in Ministerial positions in Cabinet, or occupying positions in the House such as Speaker or Deputy Speaker.[9] These appointments are variable in their duration, so the adjustment was done only for positions held up to the end of calendar year 2018. The adjustment brings down the effective percentage of seats for the BJP, and raises the effective percentage for BJP allies and the Opposition, where effective refers to seats eligible to ask questions (the denominator in the calculation). Correspondingly, it raises the propensity coefficient for the BJP and reduces the other two.

The relative placement of the three groups, and the calculated coefficients, are remarkably identical between the two issues. The propensity is highest among BJP allies, at 1.54 (demonetization) and 1.58 (GST). The BJP, the ruling party, has the lowest propensity, at 0.60 (demonetization) and 0.69 (GST). The opposition is strung in between, at 1.27 (demonetization) and 1.11 (GST). Opposition parties were slightly more active in questioning demonetization than over the GST issue.

The greater propensity of BJP allies to ask questions shows up the differences between coalition partners and the ruling party on these two policies. It could also reflect the displeasure of allied parties at not having been consulted on demonetization or the configuration of GST before it was introduced, or at not having enough ministerial positions in the Cabinet. Of the 56 seats
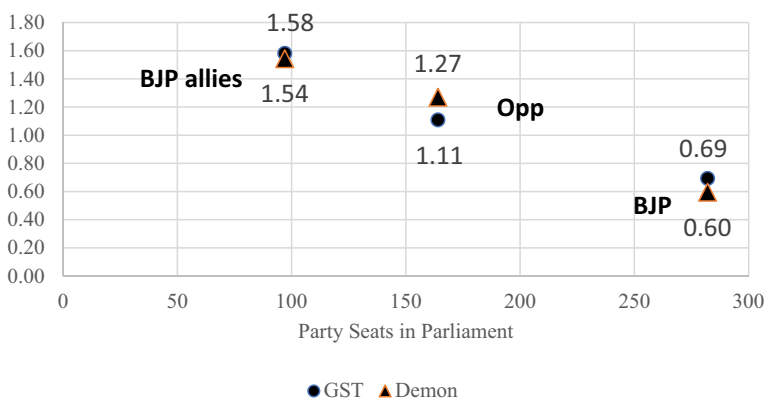

Figure 3. Scatter of propensity to ask questions against party seats in parliament: Demonetization and GST.

disallowed from asking questions at the end of 2018, 50 were BJP members (49 Ministers and one Speaker) and 6 were from coalition parties (5 Ministers and one Deputy Speaker). This is a roughly 8:1 ratio for the BJP to non-BJP coalition partners in terms of formal selection into positions of authority, as opposed to the roughly 3:1 ratio of BJP to allies in terms of seats in Parliament. This denial of policy consultation or proportional representation in executive power might in turn have resulted from the BJP enjoying a seat majority, and therefore not actually needing its coalition partners for Parliamentary survival.

In the next two sections, the nature of the questions asked is investigated. All the questions, in whichever category, challenged the government about the intent of the measure, or its potential to do damage to this or that group. None of them could be characterized as laudatory, or designed to highlight the government's achievement. It is important to state this upfront, since it lends significance to the finding that BJP allies had the highest propensity coefficient.

Demonetization concerns

As shown in the earlier section, questions on demonetization were slow to take off,[10] but built up rapidly to a peak of 50 members on a single day (3 Feb 2017). There were two categories of concern. The first was on the difficulties faced by the public in getting replacement currency. The second category queried the government on the objectives of demonetization, how far these had been realized, and on the impact on the real economy. Many multi-part questions covered both categories (Q2845 on 2 December 2016 is an example).

Questions on cash insufficiency faced by assorted groups were initially directed to the website of the Finance Ministry. However, subsequent responses provided more detail (Q4977 on 16 December 2016) on cash access for farmers and agricultural traders, and special provisions for those without a bank account in which to deposit demonetized notes.

To one of the several questions on the impact on the real economy, the response was that there was no "reliable macroeconomic information" (Q4970 on 16 Dec 2016). A question on bank liquidity after the inrush of cash deposits (Q4953 on 16 December 2016) was answered in some detail, and revealed that recourse was taken to the Market Stabilization Scheme to withdraw liquidity from the system.[11]

The number of questions fell off sharply after the peak. However, well after the event and the problems it brought in its wake, there continued to be interested in the process leading up to the decision, and in whether the objectives had been met.

On the role of the RBI (Q 144 on 27 July 2018), the response given was that the decision was taken " ... based on the recommendation of the Central Board of the Reserve Bank of India" as laid out in Section 26(2) of the RBI Act

of 1934. In the event, a direct request through the Right to Information channel proved more effective in placing in the public domain the minutes of the RBI meeting where the resolution of the Central Board was passed.[12] Item 4.1 of the Minutes of the RBI Board meeting on 8 November 2016 reads " . . . a copy of the letter no. F. No.-10/03/2016-Cy.l dated November 7, 2016 received from the Ministry of Finance, Government of India . . . submitted to the Central Board for consideration . . ., " and suggests that the RBI Board supported a decision already taken.

Two years after the event, Q68 on 14 December 2018[13] asked "whether the RBI rejected two key justifications of demonetisation, ie curbing black money and counterfeit notes while giving approval to this decision." The answer was an emphatic denial: "No Sir. RBI's Central Board passed a resolution passing two key justifications of demonetisation ie curbing black money and counterfeit notes." [The response also gave the value of counterfeit currency from a study by the Indian Statistical Institute (ISI) as Rs. 411 crores in the year 2014–15.] However, the resolution as recorded in the minutes of the RBI meeting, supporting the government's decision, does specifically question those justifications.[14]

The ISI estimate of the value of fake currency in circulation works out to 266 pieces per million of the total high denomination currency demonetized.[15] In response to question 1069 on 8 Feb 2019, the number supplied of fake currency pieces recovered in 2016–17, the year of demonetization, works out to 32 pieces per million,[16] a mere 12% of the total estimated to be in circulation.

On unaccounted wealth, the expectation was that unaccounted currency hoards would not find their way back into the banking system, but in fact the RBI Annual Report for 2017–18 (cited in response to Q4023 on 8 Feb 2019) stated currency of value Rs 15.31 lakh crore returned out of Rs 15.41 lakh crore worth of specified notes in circulation on November 8, 2016, implying just 0.65% of unreturned currency.

GST concerns

The questions on GST were more varied and changed in focus over time, by virtue of this being a tax open in principle to continued examination and reform, unlike the one-off demonetization event.

Figure 4 below shows the changing composition of questions over the 23 weeks following the introduction of the GST, by four categories. Clarificatory questions declined after an initial burst but remained in play at roughly 1–5 questions per day. Execution damage and price concerns were also settled at roughly 2–3 questions per day. By contrast, evasion/revenue concerns rose from no questions in the first 5 weeks, one question per day in the next 8 weeks, to 3–5 questions over the last 10 weeks, suggesting a greater
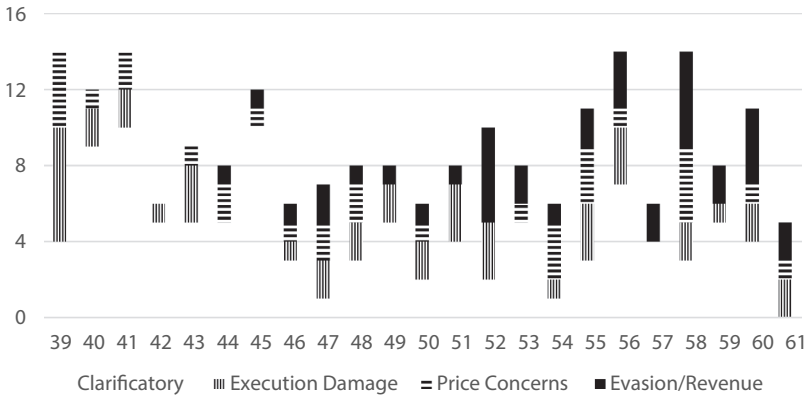
Figure 4. Questions on GST by type: 23 weeks following introduction of GST.

congruence of interests between the executive and members about the revenue impact, and the need to tackle evasion. The e-way bill by which to monitor large-scale movement of goods within and between states was mooted as a way by which to tackle evasion, and there were many queries on this.

This sequence of movement over time in the nature of the questions asked was, not surprisingly, reflective of the evolution of the GST. The initial design carried high compliance costs on account of both poor design and the unanticipated failure of the electronic platform.[17] The initial questions seeking clarification and pointing to execution damage are a reflection of that. Price concerns reflected the ill-designed initial effort to set tax rates at the pre-GST cascaded levels, thus defeating the very purpose of the GST. Even after the rates were brought down,[18] questions continued, quite legitimately, to be asked on whether the rate reductions were being passed through to the consumer. The final rise in the share of questions on revenue and evasion were of a piece with the larger fiscal concerns, which came to the fore after the initial compliance difficulties had been largely, though not entirely, corrected.

Of the four question categories, the clarificatory group called for routine replies, the questions on price met with a standard response about the creation of a National Anti-Profiteering Authority, and the ones on revenue were responded to with revenue data, which for a time were very valuable as the only official data on revenue collected.

The category of particular interest is execution damage, and fell under two broad subject heads:

1. Compliance difficulties with the GST Network (GSTN), and whether these were being monitored.

2. The impact on small traders and exporters.

The initial response to questions on compliance difficulties was that a feedback and review committee (FAR) had been set up to receive and collate complaints.[19] After the twenty-second and twenty-third meetings of the GST Council (October and November 2017), there was a routine listing of measures taken at those meetings to ease compliance by lifting the turnover threshold for the composition scheme;[20] quarterly in place of monthly filing under the regular channel for small businesses below a prescribed turnover threshold, and reduction of penalties for late filing. However, there continued to be denied as reflected in the response to Q163 answered on 15 December 2017: "The implementation of GST has been smooth so far."

Specific questions, on the other hand, were answered in useful detail. For example, to Q1187 dated 9 February 2018, on the malfunctioning of the GST Network (the filing and payment portal) the answer dealt with the multiple causes for access failure, and provided helpline numbers. Likewise, the answer to an earlier question (Q2261 on 28 July 2017) on the security of the GSTN portal set out in detail the security features of the system, and their conformity with international standards for information security. Another question (Q4711 on 23 March 2018) elicited very useful information on the problems identified through a taxpayer survey, and the measures taken in response. Foremost among these were a new facility to preview and correct errors in returns filed; improvements in capacity limitations of the portal (a major defect); contextual help in place of generic instructions; and attempts to improve response at the helpdesks.

The second category of queries relating to small traders (below the registration turnover threshold, or registered but on the composition scheme) as sellers of intermediate inputs to larger-registered enterprises.[21] A reverse charge mechanism (RCM), whereby the buyer could transmit the tax directly (instead of transmission by the seller), and claim input credit based on that transmission, was part of the initial design of the GST. An excellent provision, it neutralized the bias of the buyer toward sellers who could provide certification for input credit (although it shifted the incremental working capital requirement from the seller to the buyer). But the RCM remained in force for only a few months,[22] and was replaced through an amendment to the relevant section of the Central GST (CGST) Act to be a product-specific provision, for which very few products have been notified so far. If the original provision had been retained, there would not have been the collateral damage among small manufacturing units, with adverse growth and employment impacts, which was and remains a key concern with the GST.

Likewise, unregistered traders buying from larger enterprises, say retailers from wholesale, suffered in comparison with larger buyers who could provide transaction-specific certification of the tax paid. These buyers also typically

took consignments on credit and returned unsold stock to the wholesaler, a relationship which wholesalers terminated owing to procedural complications with the GST.

The answer to the very first query on the impact on small traders, Q1069 on 21 July 2017,[23] the first Parliament Friday after the introduction of GST, was abrupt and dismissive. One of the three MPs asking the (grouped) question was Om Birla, a BJP MP, who became the Speaker of the subsequent Lok Sabha (LS17); to that extent, there seems no evidence of punitive action taken against ruling party members asking questions of their own government.

A year later, questions on small traders were taken more seriously, and a detailed answer was provided on measures taken to help them. The response to Q2980 on 3 August 2018 listed these in detail,[24] along with the decisions of the GST Council at its 28th meeting on 21st July, 2018, including *inter alia* a lifting of the turnover threshold for optional quarterly filing of returns (although monthly interim payments for this category remained as before).[25]

From the evidence of the responses, there is little to suggest that Parliamentary questions provided the impetus for the changes made after the introduction of the GST. Those seem to have been driven by trade and industry lobbies.

At their best, however, Parliament questions can provide episodic information on matters not regularly reported, and frequently impossible to source elsewhere, such as on the percentage of GST registrants not filing (Q4063 dated 4 Jan 2019), given below (Figure 5). Up to the end of Calendar 2018, the percentage of non-filers in the regular stream rose steadily to 30%. The percentage of non-filing composition payers, who pay quarterly, also rose to 25%. Information with which to extend the series into calendar year 2019 is not readily enabled by the monthly revenue reporting on GST collections, which does not carry a uniform template.
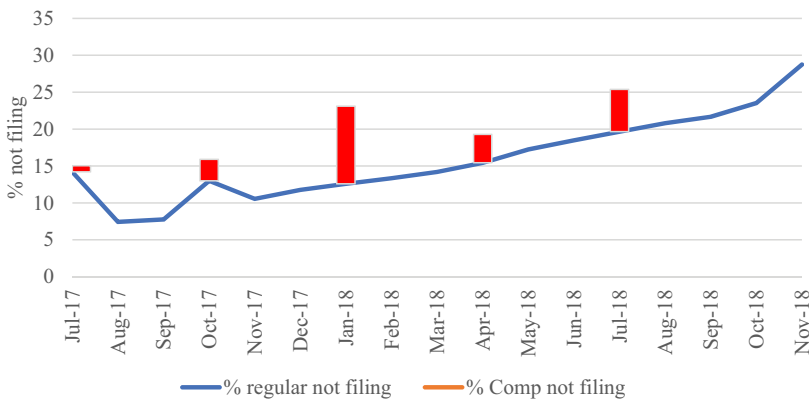

Figure 5. Percent non-filers among regular and composition GST registrants.

The revenue collection issue is not examined here.[26] Many of the questions on revenue later in the period of LS16 are about the related issue of revenue compensation to states, again a matter not centrally explored in this paper, although crucial in itself.

A supporting procedure to close evasion channels was the introduction of the e-way bill in June 2018. This was a measure developed on a separate portal (National Informatics), to provide for electronic documentation of large goods consignments above a certain floor value. It took some years before this was routinely looped in with the GSTN portal; initially, it seems to have been used merely as a supporting measure in cases of evasion. There were many questions about the functioning of the e-way bill, but an answer to question 1893 on 21 December 2018 reveals that its contribution to evasion discovery over the 6 months since its introduction was limited to roughly Rs. 11 crore, with an equivalent amount in penalty accumulated. That amounts to a negligible fraction of the total GST collection over that period, which is approximated by one lakh crore a month.[27] These are the kinds of data unearthed through Parliamentary questions, which are not routinely available from any official data source.

Summary of findings

In a Parliament where formal voting is mandated to be in accordance with the party whip (after the anti-defection law of 1985), question hour offers the only scope for MPs to express their individual stance, or the voice of their constituency, on matters other than those falling within the jurisdiction of the particular subject committees to which they might belong. Friday was the day of the week allotted to the Ministry of Finance.

Since questions responded to during question hour in Parliament are selected through a random computerized process, it is possible to infer the party-wise propensity to ask questions normalized by seat share from the selected sample. The values of the coefficients so calculated show remarkable stability across the two events studied. The highest was observed among parties allied to the BJP in the ruling coalition, in the range 1.54 to 1.58. The lowest propensity in the range 0.6 to 0.7 was among MPs of the BJP, which had a single party majority. The opposition was strung in between, at 1.27 (demonetization) and 1.11 (GST).

The higher coefficient for BJP allies showcases differences between coalition partners and the ruling party on these two policies, and perhaps reflects broader-based grievances as well. The questions asked challenged intent, or pointed to potential damage. None was laudatory or designed to highlight positive achievement, an important issue in light of the empirical finding of ranking by party propensity.

Parliamentary questioning was more intense on GST, a continuing tax, than on demonetization, a one-off event. Questions on GST averaged nine per week following its introduction, as against two per week following demonetization. Interest peaked 4 weeks after demonetization at 10 questions per day, and fell rapidly thereafter. By contrast, a peak of 14 questions was reached on the first Parliamentary Friday after the introduction of GST, and was repeatedly reached in the weeks following.

The number of MPs asking one or more questions on demonetization amounted to 25% of the total strength of the Lok Sabha, 34% for GST. These percentages are surprisingly low, for events that carried such universal salience.

Questions on demonetization, on the difficulty of obtaining replacement currency and on the impact on the real economy were directed to the Ministry of Finance website. Later, questions were asked whether the officially stated objectives for demonetization – curbing the unaccounted cash economy and counterfeit currency – had been achieved. The response to a question on whether the RBI had endorsed these objectives, is at variance with the official minutes of the relevant RBI meeting, obtained by a Right to Information activist. As against 259 fake currency pieces per million of the high denomination currency estimated to have been in circulation at the time of demonetization, the actual recovery of fake currency in the year of demonetization and the year following, stood at a mere 32 pieces and 22 pieces per million respectively. The amount of demonetized currency returned to the banking system accounted for all but 0.65% of that in circulation at the time of demonetization, where unreturned currency was initially posed as a measure of the amount of unaccounted wealth in the system.

Questions on GST varied more and changed in focus over time, by virtue of this being a tax open in principle to continued examination and reform. General questions on the compliance difficulties faced, or on the negative impact on small enterprises were initially met with outright denial, but specific questions elicited a better response on measures taken to improve the functioning of the online portal, on the security of the portal, and on measures taken to facilitate small enterprises by reducing filing frequency and penalties for late payment, along with supplementary regulatory forbearance extended by the RBI. Questions on evasion and revenue concerns gained in number over time, suggesting a greater congruence of interests on the GST issue between the executive and members, after the initial compliance difficulties had been taken cognizance of.

At their best, parliamentary questions, if pointed and granular, can elicit information about the functioning of government, not easily accessible in the public domain. The Right to Information Act offers another such channel, but Parliamentary questions have the added advantage of flagging public concern, rather than just the investigative interests of particular individuals. For the average citizen, they offer possibly the only indicator of whether their concerns are adequately conveyed by their representative in Parliament.

Notes

1. The first attempt at Constitutional Amendment moved in 2011 could not be completed before the change of government in 2014. The second attempt moved in December 2014 was finally passed as the 101st Amendment Act on 8 September 2016, and notified on 16 September.

2. Indira Rajaraman, "Shifting to a Nationwide Goods and Services Tax," in *Reforming India*, ed. Niraja Jayal (Delhi: Penguin Random House India, 2019), 62–78.

3. Roshni Sinha and Prachi Kaur, "Anti-Defection Law: Intent and Impact" (Mimeo December, PRS, Delhi, December 2019).

4. There are a few members nominated by the Central government for distinguished contributions in diverse fields (sports, performing arts, literature).

5. Some sessions were split into two for an assortment of reasons, and some though not all of these split sessions carried independent numbering.

6. Lok Sabha Secretariat, "Handbook for Members Lok Sabha: Sixteenth Edition May 2014", Chapter 1, http://164.100.47.194/Loksabha/Members/handbook.aspx (accessed March 25, 2020). The random element is sacrosanct; compliance with rules is vetted at the time of submission of the question, not after random selection. Questions on demonetization and GST would have been marked exclusively to the executing Ministry (Finance). Even if addressed to other Ministries, they would have been weeded out from that list and included in the universe of questions for the Finance Ministry. Questions in the Rajya Sabha are selected through a similar random lottery, but there are some differences from the Lok Sabha in the process, and in grouping of ministries. See Rajya Sabha Secretariat, "Rajya Sabha at Work: Third Edition 2017," https://rajyasabha.nic.in/rsnew/rsat_work/main_rsatwork.asp (accessed March 25, 2020).

7. Of these, 230 are unstarred (written answers) and 20 are starred (written and oral, with follow-up questions permissible time permitting). All questions satisfying the notice period prescribed are put to lottery, subject to admissibility criteria (formally stated, not discretionary), such as the cap for any single member (more stringent for starred questions, with some limited transferability to the unstarred list).

8. Other ministries in the group cover corporate affairs; indigenous systems of medicine; health; environment; and women and child development. In the Rajya Sabha, Finance was in Group II, answered on Tuesdays. These assignments and groupings could well change from one Lok Sabha to the next.

9. I am deeply grateful to M.R. Madhavan of PRS India for bringing this to my attention.

10. The first Parliamentary Friday after demonetization on 8 November was 18 November 2016. Surprisingly, the only question (Q508) asked that day, a grouped question asked by 36 members, was about a data breach in banks, described as the worst cyber-security attack on banks. The answer did not provide the specific details asked, but only reiterated the efforts of the RBI to improve cyber security in banks.

11. The Market Stabilization Scheme was introduced in 2004 as a way by which to sterilize large capital inflows into the Indian economy; the proceeds of the government securities sold are sequestered and therefore not used to finance government expenditure; the bonds are serviced with interest like any other normal bond.

12. "Minutes of the 561st meeting of the Central Board of Directors of the Reserve Bank of India," https://www.humanrightsinitiative.org/download/DeMon%201stattachment.pdf (accessed March 17, 2020).

13. Shivaji Adharkar Patil of the Shiv Sena (a coalition partner in LS16), representing Shirur constituency in Maharashtra.

14 On the grounds that the quantum of fake currency in circulation was not very high, and that unaccounted wealth was not held to any appreciable degree in currency.

15 The value (15.418 lakh crore) and number (2401.288 crore) of specified bank notes demonetized as given in response to Q 312, 3 Feb 2017 yields a mean value per currency piece of Rs. 642. This mean value converts the ISI value estimate of fake currency into 6.4 million fake pieces, which works out to 266 per million currency pieces of specified bank notes demonetized.

16 Sourced from RBI Annual Reports, 762,072 currency pieces reported recovered in 2016–17; and 22 pieces per million in the year following.

17 The disastrous initial design of the GST (see endnote 2) remained in place until the compliance simplifications introduced at the 23rd meeting of the GST Council at Guwahati in November 2017.

18 Starting with the 21st meeting of the GST Council in September 2017, but continued into the 23rd, 25th, 31,[st] and 32nd meetings; see Indira Rajaraman, "The Evolving GST – Chelliah Memorial Talk" (Monograph #43, Madras School of Economics, Chennai, India 2019).

19 This committee may well have been key to the compliance simplifications introduced at the Guwahati meeting of the GST Council.

20 The composition scheme carries lower rates on turnover without input tax credit, and quarterly in place of monthly filing.

21 A composition scheme seller, paying a low rate on consolidated turnover without input credit, could not transmit the tax collected on each sale through form GSTR1, and therefore could not provide the documentation for claim of input credit by the buyer.

22 Notification 8/2017 on 28 June 2017 before GST even became operational, restricted the application of the relevant section of the Act (Section 9(4)) to transactions above Rs. 5000 per day in value, and another notification, 38/2017 on 13 October 2017, withdrew it altogether (temporarily, upto stipulated dates which kept getting extended). Subsequently, section 9(4) of the Act was formally amended with effect from 1 March 2019 (implementing a GST Council decision in July 2018) to become applicable to such goods as would be notified. A few such have since been notified, covering the real estate sector, including purchase of cement and capital goods for construction, but not goods of key relevance to small producers.

23 Asked by Chandu Lal Sahoo, Chandra Prakash Joshi, and Om Birla, all BJP MPs, representing the constituencies of Mahasamund (Chattisgarh), Chittorgarh (Rajasthan), and Kota (Rajasthan), respectively.

24 Most of these were about extending to domestic suppliers to manufacturer exporters the same exemptions by giving them the status of deemed exporters under the Act. Another issue was about moving payment of tax to the time of issuance of the invoice rather than the receipt of an advance; this was done, although there remains a long interval between issuance of invoice and actual payment by the buyer.

25 Those pertaining to the Reverse Charge Mechanism are dealt with in the text. In addition, the turnover threshold for quarterly filing by taxpayers in the regular channel was further enhanced from Rs. 1.5 crore to Rs. 5 crore.

26 Details on revenue collected upto March 2019 are obtainable from Rajaraman, "The Evolving GST".

27 Based on the revenue data reported by the Press Information Bureau; reported in Rajaraman, "The Evolving GST". Revenue numbers supplied in the answer to Q1010 on 8 Feb 2019 are lower because the latter do not include collections from the compensation cess.

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Disclosure statement

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Appendix. Political party seats in the sixteenth Lok Sabha

	Abbreviation	Initial seats
Bharatiya Janata Party	BJP	**282**
NDA Coalition Partners		
Apna Dal	AD	**2**
All India Anna Dravida Munnetra Kazhagam	AIADMK	**37**
All India N.R.Congress	AINRC	**1**
Jammu and Kashmir People's Democratic Party	JKPDP	**3**
Lok Jan Shakti Party	LJSP	**6**
Nagaland People's Front	NPF	**1**
National People's Party	NPP	**1**
Rashtriya Lok Samta Party	RLSP	**3**
Revolutionary Socialist Party	RSP	**1**
Shiromani Akali Dal	SAD	**4**
Sikkim Democratic Front	SDF	**1**
Shiv Sena	SS	**18**
Telugu Desam Party	TDP*	**16**
All India United Democratic Front	UDF	**3**
Total NDA Coalition partners		**97**
Opposition Parties		
Aam Aadmi Party	AAP	**4**
All India Majlis-e-Ittehadul Muslimeen	AIMIM	**1**
All India Trinamool Congress	AITC	**34**
All India United Democratic Front	AIUDF	**3**
Biju Janata Dal	BJD	**20**
Communist Party of India	CPI	**1**
Communist Party of India (Marxist)	CPM	**9**
Indian National Congress	INC	**44**
Indian Union Muslim League	IUML	**2**
Janata Dal (United)	JDU**	**2**
Janata Dal (Secular)	JD(S)	**2**
Jammu and Kashmir National Conference	JKNC	**0**
Jharkhand Mukti Morcha	JMM	**2**
Kerala Congress (M)	KC(M)	**1**
National Democratic People's Party	NDPP	**0**
National Congress Party	NCP	**6**

(Continued).

	Abbreviation	Initial seats
Pattali Makkal Katchi	PMK	**1**
Rashtriya Janata Dal	RJD	**4**
Rashtriya Lok Dal	RLD	**0**
Samajwadi Party	SP	**5**
Telangana Rashtra Samithi	TRS	**11**
YSR Congress Party	YSR	**9**
Independent	Ind	**3**
Total Opposition Parties		**164**
Grand Total		**543**

Source: PRS India.

Notes: Parties with zero initial seat strength are listed if they acquired seats through bye-elections in the course of LS16.

*The TDP was in the NDA coalition at the start in 2014 but opted out in 2018.

**JDU was in opposition but joined back in the NDA coalition in 2018.