PM CARES: A fund without a care for the RTI

Why in news?

The Government has recently claimed that the PM CARES Fund is not a public authority.

What is PM-CARES Fund?

- In March 2020, Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund or PM CARES Fund was set up to tackle distress situations such as that posed by COVID-19 pandemic.
- The fund receives voluntary contributions from individuals and organizations and does not get any budgetary support.
- Donations have been made tax-exempt, and can be counted against a company's corporate social responsibility (CSR) obligations.
- It is also exempt from Foreign Contribution (Regulation) Act, 2010, and accepts foreign contributions, although the Centre has previously refused foreign aid to deal with disasters such as the Kerala floods.
- The Prime Minister chairs the fund in his official capacity, and can nominate three eminent persons in relevant fields to the Board of Trustees.
- The Ministers of Defence, Home Affairs and Finance are ex-officio Trustees of the Fund.

What are the issues with the PM-CARES Fund?

- Neglection of other funds such as National Disaster Response Fund (NDRF),Prime Minister's National Relief Fund (PMNRF), etc.
- The PM CARES Fund was neither created by Constitution of India nor by any statute raising questions on what authority does it use the designation of Prime Minister, designated symbols of the nation, official (gov.in) website of PMO, tax concessions through an ordinance,etc.
- The amount collected by it does not go to the Consolidated Fund of India and hence it is not audited by CAG raising suspicions on accountability and transparency.
- There is no control of either the Central Government or any State Government in the functioning of the trust.

- If PM CARES Fund is unconnected with the Government, then the Fund could become an office of profit and could disqualify Prime Minister and the three Ministers from holding the constitutional offices.
- Section 19 of Indian Trusts Act mandates the trustees to present information regarding the trust property to the beneficiaries, thus PM CARES Fund should be accessible as per Section 2(f) of RTI Act.
- The substantial control exerted by the trustees is a test to determine its character as a public authority under the RTI Act as highlighted in *Thalappalam Service Coop. Bank Ltd. vs State of Kerala* case.
- The PMO is a public authority and has to give us answers about the fund under the RTI.

Source: The Hindu

Quick facts

National Disaster Response Fund (NDRF)

- It was established under the Disaster Management (DM) Act of 2005.
- The NDRF is mandated to be accountable and answerable under the RTI Act being a public authority.
- It is auditable by the Comptroller and Auditor General of India.
- The DM Act provided for a Disaster Response Fund — state and district level funds (besides the national level).

Prime Minister's National Relief Fund (PMNRF)

- PMNRF was set up in January 1948 originally to accept public contributions for the assistance of partition refugees.
- It is now used to provide immediate relief to the families of those killed in natural calamities and the victims of major accidents and riots and support medical expenses for acid attack victims and others.
- The PMNRF was originally managed by a committee which included the Prime Minister and his deputy, the Finance Minister, the Congress President, a representative of the Tata Trustees and an industry representative.
- However, in 1985, the committee entrusted the entire management of the fund to Prime Minister, who currently has sole discretion for fund disbursal.
- A joint secretary in the PMO administers the fund on an honorary basis.

- As of December 2019, the PMNRF had an unspent balance of Rs.3,800 crore in its corpus.
- States also have similar Chief Minister’s Relief Funds.
- PMNRF provides annual donation and expenditure information without any detailed break-up.

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