

1	2	3	4	5	6	7	8	9	10
CFPI	29.6	1.3	1.7	1.6	-0.4	-1.2	-0.2	-1.2	-3.0
Food and beverages	36.3	1.7	2.1	2.0	0.4	-0.3	0.7	-0.2	-1.7
Fuel and light	5.6	2.6	3.8	6.3	7.0	9.2	8.8	8.8	8.8
Transport and Communication	9.7	4.0	4.8	5.7	6.1	5.3	5.9	7.2	5.1

Note: P - Provisional, CFPI - Consumer Food Price Index Source: Central Statistics Office (CSO).

(c) No Sir.

(d) Question does not arise.

### **Gains and pains from demonetisation**

2102. SHRI VAYALAR RAVI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government claimed long term gain and expected short term pain due to demonetisation; and

(b) what are the short term pains experienced and what are the long term gains achieved two years after this action?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) and (b) The Government of India decided to cancel the Legal Tender Status of ₹ 1000 and ₹ 500 denomination currency notes on 8th November, 2016 with several objectives: (i) flushing out black money, (ii) eliminate Fake Indian Currency Notes (FICN), (iii) to strike at the root of financing of terrorism and left wing extremism, (iv) to convert non-formal economy into a formal economy to expand tax base and employment and (v) to give a big boost to digitalization of payments to make India a less cash economy.

The Economic Survey 2016-17 stated that that Demonetisation has been an unprecedented step with short term costs and long term benefits. There may have been some short term costs of demonetization in terms of inconvenience and hardship, especially for the cash intensive sectors. In the short-run, economic activity may be affected, temporarily, by demonetisation on account of formalisation of economy; the economy is now growing at a robust pace.

The Economic Survey 2017-18 indicated that implementation of GST and demonetization led to increase in number of new taxpayers (income tax), increase in voluntary registrations in the indirect tax. The Economic Survey 2017-18 Volume 1 noted that there was around ₹ 2.8 lakh crores less cash (1.8 per cent of GDP)

and about ₹ 3.8 lakh crores less high denomination notes (2.5 per cent of GDP) in circulation post-demonetisation, as of 19th January, 2018. The Survey observed that there has been a substantial increase in digitalization across all categories. And even though the immediate post-demonetization surge has moderated in some cases, the level and pace of digitalization are still substantially greater than before demonetization.

#### **Conceptualization of 59 minutes loan for MSME**

2103. SHRI KAPIL SIBAL: Will the Minister of FINANCE be pleased to state:

(a) the details regarding the persons who conceptualized 59 minutes loan for MSME;

(b) the details of experts/committee/Government officials who examined and finalised the modalities;

(c) whether it is a fact that 59 minutes loan for MSME is being facilitated by a private website, if so, the details thereof;

(d) the reasons/criteria of selecting a private website for facilitating loans; and

(e) the details of safeguards against data theft/leak of MSME applying for loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) Recommendations made during the Public Sector Banks (PSBs) Manthan held in November, 2017 involving Whole Time Directors (WTDs), General Managers (GMs) of PSBs and senior officials from Government resulted in a reforms agenda aimed at Enhanced Access and Service Excellence (EASE). The concept of a contactless loan platform evolved as part of EASE of financing Micro, Small and Medium Enterprises (MSME) based on “enhanced due diligence, better risk management and faster turnaround time for Loan Applications” through use of financial technology (Fin Tech). The digital platform so conceptualized involved linking of distributed data points through a consent based architecture to facilitate faster decision making.

The project was a collaborative effort of several Public Sector Banks (PSBs)/ Financial Institutions (FIs) and their associate companies who finalised the modalities of implementation. Committees comprising of WTDs, Heads of Departments, GMs and Deputy General Managers (DGMs) of PSBs, Small Industries Development Bank of India (SIDBI) and their associate companies assessed various options, with external valuation at various stages.

(c) The 59 minutes loan for MSMEs is facilitated through [www.psbloansin59minutes.com](http://www.psbloansin59minutes.com), an online lending portal run by “Online PSB Loans Limited”, a public limited