

Economic package to shore up demand

1014. SHRI K.R. SURESH REDDY:

SHRI M. SHANMUGAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the economic package announced by Government lacked fiscal measures needed to shore up demand;
- (b) if so, the efforts made by Government to raise the demand so that supply chains, employment and tax revenue would bounce back;
- (c) the growth potential anticipated in the next three years, including the current year; and
- (d) the steps taken to bolster the business and economic activities including MSME sector, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (d) Government has implemented a judicious mix of fiscal and monetary policies along with regulatory and structural reforms to mitigate the negative impact of COVID-19 on the economy. On May 12, 2020, Government announced the Atmanirbhar (AN) Package, a special economic and comprehensive package of Rs. 20 lakh crores - equivalent to 10 per cent of India's GDP with an aim to encourage business, uplift demand, attract investments, boost employment, increase revenue generating capacity and strengthen the resolve for 'Make in India'. Under the AN package, Government has implemented several measures, which, *inter-alia*, include:—

(i) Relief measures for households such as in-kind (food; cooking gas) and cash transfers to senior citizens, widows, disabled, women Jan Dhan Account holders, farmers; insurance coverage for workers in the healthcare sector; and wage increase for MGNREGA workers and support for building and construction workers, collateral free loans to self-help groups, reduction in EPF contributions, employment provision for migrant workers (Pradhan Mantri Garib Kalyan Rojgar Abhiyaan).

(ii) Relief measures for MSMEs such as Rs. 3 lakh crore collateral-free lending program with 100 percent credit guarantee for businesses including MSMEs, Rs. 20,000 crore subordinate debt for stressed MSMEs with partial guarantee, Rs. 45,000 partial

credit guarantee scheme 2.0 for non-bank financial companies (NBFCs), housing finance companies (HFCs) to do fresh lending to MSMEs, Rs. 50,000 crore equity infusion for MSMEs through Fund of Funds, additional support to farmers via concessional credit, as well as a credit facility for street vendors (PM SVANidhi), amongst others. Government is ensuring timely payment to the MSMEs by instructing all Government of India and Central Public Sector Enterprises to clear all receivables of MSMEs within 45 days. Procurement from domestic companies is being encouraged by disallowing global tender in government procurement tenders upto Rs 200 crore.

(iii) Regulatory and compliance measures: postponing tax-filing and other compliance deadlines, reduction in penalty interest rate for overdue GST filings, change in government procurement rules, faster clearing of MSME dues, IBC related relaxations for MSMEs, amongst others.

(iv) Structural reforms announced as part of the Atmanirbhar Package which, *inter alia*, include deregulation of the agricultural sector, change in definition of MSMEs, new PSU policy, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/ Land Bank and Industrial Information System, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake sector reforms.

The implementation of the package is reviewed and monitored regularly. The phased relaxation of the lockdown, supported by the enabling policies of the Government, has resulted in much higher level of activity in the months of July, August and September. This is evident in growth of high frequency indicators like PMI Manufacturing, index of eight core industries, E-way bills, Kharif sowing, power consumption, railway freight, cargo traffic and passenger vehicle sales. GST collections are also recovering and have reached Rs. 86,449 crore in August, 88 per cent of collections in the same month of previous year. These developments augur well for faster revival of the economy and uplifting its growth potential.

GST compensation to States

1015. SHRI P. WILSON: Will the Minister of FINANCE be pleased to state:

(a) the details of the revenue amount collected under Goods and Service Tax (GST) since its implementation from all States; year-wise and State/UTs-wise;