

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

LOK SABHA

**STARRED QUESTION NO. 345.
TO BE ANSWERED ON WEDNESDAY, THE 18TH MARCH, 2020.**

CLOSURE OF INDUSTRIES

***345. SHRI RAJENDRA DHEDYA GAVIT:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government is aware of the financial crisis faced by industries in some sectors and if so, the details thereof;
- (b) whether the Government is also aware of the closure of industries in some sectors and if so, the details thereof;
- (c) whether the Government has identified the reasons for the above;
- (d) whether the Government has conducted any study in this regard; and
- (e) the corrective measures being taken by the Government in regard to the position mentioned in parts (a) and (b) above?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

(a) to (e): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION
NO. 345 FOR ANSWER ON 18.03.2020.**

(a) to (e): Promotion of industrial growth is a continuous and ongoing effort and regular feedback is taken from multiple stakeholders as part of this exercise. The industrial growth process is accompanied by the formation of new enterprises and closure of old ones, in response to the prevailing financial and economic scenario.

Recently, Government has taken various steps, in addition to the ongoing schemes, to boost industrial production of India.

1. Infrastructure:

- (i) The National Infrastructure Pipeline (NIP) was launched in December, 2019, under which expenditure of Rs 102 lakh crore is proposed as capital expenditure in infrastructure sectors in India during the fiscals 2020 to 2025.
- (ii) Accelerated development of highways is being undertaken. This will include development of 2500 Km access control highways, 9000 Km of economic corridors, 2000 Km of coastal and land port roads and 2000 Km of strategic highways.

2. Reduction in Corporate Tax: A new provision has been inserted in the Income-tax Act with effect from FY 2019-20 which allows any domestic company an option to pay income-tax at the rate of 22% subject to condition that they will not avail any exemption/ incentive. For new manufacturing companies incorporated on or after 01.10.2019, the rate was brought down to 15 per cent. Budget 2020-21 announced that this reduction of corporate tax rate to 15 per cent for new manufacturing companies will be extended to new power generation companies as well.

3. Start-ups: The government proposes to provide early life funding, including a seed fund to support ideation and development of early stage Start-ups. Further, time period within which Employee Stock Options (ESOPs) can be issued by Startups recognized by the Department for Promotion of Industry & Internal Trade (DPIIT) to promoters or Directors holding more than 10% of equity shares, has been enhanced from 5 years to 10 years from the date of their incorporation.

4. Strengthening NBFCs and Banks Government announced capital infusion of Rs 70,000 crore into public sector banks, formulated a Partial Credit Guarantee scheme for the NBFCs after the Union Budget 2019-20, and merged 10 major Public Sector Banks into four.

5. Some Trade Policy measures were announced in Budget 2020-21 to promote domestic manufacturing such as increasing basic customs duties (BCD) on footwear, toys and furniture; modification of Customs Act for strict enforcement of Rules of Origin norms for sensitive imports; strengthening of safeguard duties and anti-dumping duty etc.

6. The Ministry of Micro, Small and Medium Enterprises (MSMEs) implements various schemes to support different sectors of MSMEs across the country. These include Prime Minister's Employment Generation Programme (PMEGP), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Scheme for Promotion of MSMEs in North Eastern Region and Sikkim, Tool Rooms and Technology Centers, Mission Solar Charkha (MSC), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Procurement and Marketing Support Scheme, Entrepreneurship Skill Development Programme (ESDP), Credit Guarantee Scheme for Micro and Small Enterprises (MSEs) and Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS).
