

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 123
TO BE ANSWERED ON 14.09.2020

INDIAN ECONOMY

123. SHRI V.K.SREEKANDAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Indian economy has suffered to its lowest level since our independence due to an act of God till now during the current financial year;
- (b) if so, the details thereof;
- (c) whether it is a fact that the GDP has been at minus 24 per cent and that the GST collection has been eroding quarter after quarter;
- (d) if so the details thereof; and
- (e) the steps proposed to be taken by the Government to revive our economy?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (d) As per the Estimates of Gross Domestic Product (GDP) for the First Quarter of April-June (Q1) of 2020-21 released by the National Statistical Office on 31st August 2020, the real GDP in India contracted by 23.9 per cent during Q1 of 2020-21 (as against a 5.2 per cent growth in Q1 of 2019-20). GST collections for Q1 of FY 2020-21 were 59% of the revenue collected during the same quarter last year. However, GST collections for the month of August recovered to Rs. 86,449 crore, reaching 88% of collections in the same month of previous year.

(e) Government has implemented several measures to mitigate the negative impact of COVID-19 on the economy 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 collateral-free lending program with 100 percent credit guarantee, subordinate debt for stressed MSMEs with partial guarantee, partial credit guarantee scheme for public sector banks on borrowings of non-bank financial companies, housing finance companies (HFCs), and micro finance institutions, Fund of Funds for equity infusion in MSMEs, additional support to farmers via concessional credit, as well as a credit facility for street vendors (PM SVANidhi), amongst others.
- (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.
