

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 20**  
TO BE ANSWERED ON 14.09.2020

**IMPACT OF COVID-19 PANDEMIC AND LOCKDOWN OF ECONOMY**

20. SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR:  
SHRIMATI MALA ROY:  
SHRI BENNY BEHANAN:  
SHRI ASADUDDIN OWAISI:  
SHRI N.K. PREMACHANDRAN:  
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:  
SHRIMATI SANGEETA KUMARI SINGH DEO:  
ADV. ADOOR PRAKASH:  
DR. JAYANTA KUMAR ROY:  
SHRI SYED IMTIAZ JALEEL:  
SHRI K. NAVASKANI:

Will the Minister of FINANCE be pleased to state:

- (a) the details of financial crisis in the country due to lockdown and restrictions imposed due to Covid-19 indicating the fall in economy in last quarter along with the sectors affected due to lockdown and unlock process and the action taken in this regard;
- (b) the details and status of stimulus package including AtmaNirbhar Bharat and Pradhan Mantri Garib Kalyan Yojana as announced and implemented by the Government for various sectors/ individuals to overcome the economic slowdown, Sector-wise along with their utilization and the manner in which the Government is planning to raise funds for stimulus package;
- (c) the details of assistance given to those who have lost their livelihood due to lockdown and the steps recently taken by the Government for the welfare of the workers of unorganized sector;
- (d) whether the Government has analyzed the progress of programmes and schemes implemented as stimulus package and if so, the details thereof along with the future strategy likely to be adopted for reviving the economy of the country;
- (e) whether the Government proposes to extend the period of moratorium and also to write off the interest of loans during the moratorium period considering the Covid-19 and there is any demand for restructuring of loans and if so, the details thereof along with the steps taken in this regard; and
- (f) whether it has come to the notice of the Government that it is impossible to pay the interest even after the lifting the moratorium and if so, the action taken for protection from the penal actions of the banks and financial institutions?

**ANSWER**

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

(a) As per the Estimates of Gross Domestic Product for the First Quarter (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 the first quarter of 2020-21 (as against a 5.2 per cent growth in Q1 of 2019-20). On the demand side, private consumption spending fell by 26.7 per cent and Investment demand also declined by 47.1 per cent. On the supply side, the decline in Gross Value Added (GVA) was broad-based with fall of 50.3 per cent seen in construction followed by services like trade, hotels, transport and communication,

manufacturing and mining. Agriculture emerged as the bright spot, growing at a healthy rate of 3.4 per cent.

(b) to (d): The Government has announced a special economic and comprehensive package of Rs. 20 lakh crores - equivalent to 10% of India's GDP – to combat the impact of the COVID-19 pandemic in India. The details of the major components of the package along with the status are attached at Annexure.

Under the "Aatma Nirbhar Bharat Abhiyan", an additional Rs. 40,000 crore has been allocated for MGNREGS to help generate nearly 300 crore person days to address the need of work of returning migrant workers. Under Prime Minister Garib Kalyan Package (PMGKP), financial assistance has been extended to building & construction workers (BoCW). 31 State and UT Governments have announced cash benefits, ranging from Rs.1000/- to Rs.6000/- to around 1.82 crore workers and total amount disbursed is Rs. 4987.18 crore as on 7th September, 2020.

Government of India launched a massive rural public works scheme 'Garib Kalyan Rojgar Abhiyaan' on June 20, 2020 to empower and provide livelihood opportunities to the returnee migrant workers and rural citizens. 25 schemes of the government have been brought together under this programme and villages across 116 districts in the six states viz. Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Jharkhand, and Odisha through the Common Service Centres and Krishi Vigyan Kendras. A total of 26.34 crore person days have been generated and expenditure of an amount of Rs.22761.15 crore has been incurred under the programme as on 8th September 2020.

The implementation of the package is reviewed and monitored regularly.

(e) & (f) The Reserve Bank of India has announced certain regulatory measures wherein, in respect of all term loans (including agricultural term loans, retail and crop loans) outstanding as on March 1, 2020, all lending institutions regulated by the Reserve Bank were permitted to grant a moratorium of six months on payment of all instalments falling due between March 1, 2020 and August 31, 2020. Subsequently, the Reserve Bank of India has provided a framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership and personal loans. Under the Plan, lending institutions may, inter alia, grant moratorium upto two years.

The Government has constituted an Expert Committee for making an overall assessment of the impact of waiving of interest and waiving of interest on interest on the COVID-19 related moratorium on the national economy and financial stability.

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**Pradhan Mantri Garib Kalyan Package (As per press release dated 7<sup>th</sup> September, 2020)**

Around 42 crore poor people have received financial assistance of Rs. 68,820 crore so far, the details of which are as under:

- Rs. 17,891 crore front loaded towards payment of the first instalment of PM-KISAN to 8.94 crore beneficiaries.
- Rs.10,325 crore credited to 20.65 crore (100%) women Jan Dhan account holders as first installment. Rs. 10,315 crore credited to 20.63 crore (100%) women Jan Dhan account holders with second installment. Rs.10,312 crore credited to 20.62 crore (100%) women Jan Dhan account holders with third installment.
- Total Rs. 2,814.5 crore disbursed to about 2.81 crore old age persons, widows and disabled persons in two installments. Benefits transferred to all 2.81 crore beneficiaries in two installments.
- 1.82 crore Building & construction workers received financial support amounting to Rs.4,987.18 crore.
- Under Pradhan Mantri Garib Kalyan Ann Yojana, 37.52 LMT of food grains has been distributed to 75.04 crore beneficiaries in April '20, 37.46 LMT distributed to 74.92 crore beneficiaries in May '20, and 36.62 LMT distributed to 73.24 crore beneficiaries in June '20. Scheme was further extended for 5 months till November. Since then, 98.31 LMT foodgrains has been lifted by States /UTs so far. In July '20 36.09 LMT food grains has been distributed to 72.18 crore beneficiaries, in August '20 30.22 LMT distributed to 60.44 crore beneficiaries, and in September '20 1.92 LMT distributed to 3.84 crore beneficiaries as on 7th September, 2020. A total of 5.43 LMT pulses has also been distributed to 18.8 crore beneficiaries between April – June '20. 4.6 LMT Chana has been dispatched so far. In July 1.03 LMT Chana has been distributed to 10.3 crore beneficiary households, in August 23,258 MT distributed to 2.3 crore beneficiary households. As on 7th September,2020, 1475 MT of Chana distributed to 0.15 crore beneficiary households in September, 86 MT distributed to 0.008 crore beneficiary households for October, and 40 MT distributed so far to 0.004 crore beneficiary households for November.
- During the distribution period up to August, total 2.67 LMT of food grains was distributed to 5.32 crore migrants. This works out to an average of about 2.66 crore beneficiaries per month, which is nearly 95% of the estimated number of migrants. Total quantity of Chana distributed is 16,417 MT to 1.64 crore migrant households, which is 82 Lakh households on an average per month.
- Total 8.52 crore Pradhan Mantri Ujjwala Yojana (PMUY) cylinders have been booked and already delivered for April and May 2020 under this Scheme so far. 3.27 crore PMUY free cylinders delivered to beneficiaries for June 2020, 1.05 crore for July 2020, 0.89 crore for August 2020, and 0.15 crore for September 2020.
- 36.05 Lakh members of EPFO has taken benefit of online withdrawal of non-refundable advance from EPFO account amounting to Rs. 9,543 crore. 24% EPF contribution transferred to 0.43 crore employees amounting to Rs. 2476 crore. Benefits for March were given to 34.19 lakh employees amounting to Rs. 514.6 crore, for April given to 32.87 lakh employees amounting to Rs. 500.8 crore, for May given to 32.68 lakh employees amounting to Rs. 482.6 crore, for June given to 32.21 lakh employees amounting to Rs. 491.5 crore, for July given to 30.01 lakh employees amounting to Rs. 461.9 crore, and for August given to 1.77 lakh employees amounting to Rs. 24.74 crore.
- MNREGA : Increased rate of has been notified w.e.f 01-04-2020. In the current financial year, 195.21 crore person's man-days of work generated. Further, Rs 59,618 crore released to states to liquidate pending dues of both wage and material.

- Under District Mineral Fund (DMF), States have been asked to spend 30% of the funds, which amounts to Rs. 3,787 crore and that Rs. 343.66 crore has been spent so far.

### **Progress of Aatma Nirbhar Bharat Package – Progress So Far pertaining to Ministry of Finance and Ministry of Corporate Affairs**

- **Rs 3 lakh crore Collateral-free Automatic Loans for Businesses, including MSMEs and Rs 45,000 crore Partial Credit Guarantee Scheme 2.0 for NBFCs**

As per press release dated 3<sup>rd</sup> September 2020, an amount of Rs. 1.58 lakh crore has been sanctioned as on 31.8.2020 under the 100% Emergency Credit Line Guarantee Scheme (ECLGS), out of which more than Rs. 1.11 lakh crore has been disbursed in 24 lakh accounts. Under Partial Credit Guarantee Scheme 2.0, Bonds/CPs of Rs. 25,055.5 crore have been approved for purchase by Public Sector Banks so far, out of which Rs. 13,318.5 crore amounting to more than 53% of the portfolio pertains to Bonds/CPs rated below AA-, a crucial intervention for lower rated Bonds/CPs.

- **Rs 30,000 crore Special Liquidity Scheme for NBFCs/HFCs/MFIs**

As per press release dated 24<sup>th</sup> July 2020, five proposals involving an amount of Rs. 3090 crore have been sanctioned as on 23<sup>rd</sup> July. Further, 35 more applications have been received seeking financing upto Rs. 13776 crore, which are under process.

- For local MSMEs, Department of Expenditure amended present Rule 161 (iv) of General Financial Rules (GFR), 2017 and GFR Rules relating to Global Tenders. Now, no Global Tender Enquiry (GTE) shall be invited for tenders upto Rs. 200 crore, unless prior approval is obtained from Cabinet Secretariat.

### **Relief to Contractors**

All central agencies like Railways, Ministry of Road Transport and Highways and CPWD will give extension of up to 6 months for completion of contractual obligations, including in respect of EPC and concession agreements. On the invocation of Force Majeure Clause (FMC), contract period may be extended for a period not less than three months and not more than six months without imposition of any cost or penalty on the contractor/concessionaire. Instructions were also issued to return the value of performance security to the contractor/ suppliers proportional to the supplies made/ contract work completed to the total contract value. The same is being implemented by various Departments/Ministries.

### **Rs 30,000 crore Additional Emergency Working Capital Funding for farmers through NABARD**

New front loaded special refinance facility of Rs. 30,000 crore was sanctioned by NABARD during COVID-19 to RRBs & Cooperative Banks to benefit 3 crore farmers, consisting mostly small and marginal farmers in meeting their credit needs for post-harvest and kharif sowing requirements. Rs. 24,876.87 crore out of Rs. 30,000 crore has been disbursed as on 06.07.2020, out of this special facility.

### **Support to State Governments**

Borrowing limits of States has been increased from 3% to 5%, for 2020-21 in view of the unprecedented situation, which will give States extra resources of Rs. 4.28 lakh crore. Additional borrowing of 2 per cent of projected GSDP will be given to the States in 2020-21 subject to implementation of specific State Level Reforms.

### **Rs 50,000 crore liquidity through TDS/TCS rate reduction**

TDS rates for specified payments to residents and specified TCS rates were reduced by 25% for transactions made from 14th May, 2020 to 31st March, 2021.

## **Other Direct Tax Measures**

- The Central Board of Direct Taxes (CBDT) has issued refunds worth Rs 71,229 crore in more than 21.24 lakh cases upto 11th July, 2020, to help taxpayers with liquidity in Covid-19 pandemic days, since the Government's decision of 8<sup>th</sup> April, 2020 to issue pending income tax refunds at the earliest, as stated in press release dated July 17, 2020. Income tax refunds amounting to Rs. 24,603 crore have been issued in 19.79 lakh cases to taxpayers and corporate tax refunds amounting to Rs. 46,626 crore in 1.45 lakh cases have been issued to taxpayers during Covid days.
- The Department also issued Notification dated 24.6.2020, the due date for income-tax return for FY 2019-20 (Assessment Year 2020-21) has been extended from 31st July, 2020 (for individuals etc.) and 31st October, 2020 (for companies etc.) to 30th November, 2020. Further, the due date for furnishing of tax audit report has also been extended from existing 30th September, 2020 to 31st October, 2020.
- The Department of Revenue has extended the time barring date for assessments getting barred by limitation on 30th September, 2020 to 31st March, 2021. Payment without additional amount under the 'Vivad se Vishwas' Scheme will be extended to 31st December, 2020 and the legislative amendments for the same in the Vivad Se Vishwas Act, 2020 (VsV Act) shall be moved in due course to time. Further, through the Notifications, compliance dates mentioned under the VsV Act falling during period 20th March, 2020 to 30th December, 2020 have been extended to 31st December, 2020.

## **Enhancement of Ease of Doing business through IBC related measures**

- Ministry of Corporate Affairs has raised the threshold of default under Section 4 of the IBC, 2016 to Rs 1 crore (from the existing threshold of Rs 1 lakh) i.e. "in exercise of powers conferred under Section 4 of Insolvency & Bankruptcy Code, 2016 (31 of 2016), the Central Government hereby specified Rs 1 crore as the minimum amount of default for the purposes of the said section" vide Notification dated 24.6.2020.
- Ministry of Corporate Affairs is finalising a special insolvency resolution under section 240A of the Code, to provide relief to the MSMEs and the same would be notified soon.
- Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020 has been promulgated on 5th June, 2020 thereby provided for insertion of Section 10A in the Insolvency and Bankruptcy Code 2016 to temporarily suspend initiation of Corporate Insolvency Resolution Process (CIRP) under Section 7, 9 & 10 of the Code for a period of six months or such further period, not exceeding one year from such date.

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