

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 3302
TO BE ANSWERED ON AUGUST 9, 2021

WAGE BILL FOR LARGE COMPANIES

3302. SHRI MANISH TEWARI:
SHRI JASBIR SINGH GILL:

Will the MINISTER OF FINANCE be pleased to state:

- (a) whether it is true that the wage bill for large companies grew by over 5 per cent in FY 21 in contrast to the almost 10 per cent contraction seen among MSMEs;
- (b) whether this high liquidity in the system has allowed the large companies to deleverage over the past five years without any growth in capital investment despite public commitments made by industry captains;
- (c) whether this has resulted in the Indian economy taking a sharp oligopolistic turn across several sectors; and
- (d) whether all of these facts do not exacerbate the Indian growth story making it evident that India is going to have a K-shaped recovery rather than a V-shaped recovery?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) As informed by Ministry of Corporate Affairs (MCA), information on wage bills is not captured in MCA filings.
- (b) & (c) As per Estimates of National Income released by Ministry of Statistics and Programme Implementation, the trend in Gross Fixed Capital Formation in the economy – an indicator of capital investment, may be seen in Table-1:

Table-1 Gross Fixed Capital formation of the past five years

| Year | Gross Fixed Capital Formation (Rs. crore) (at constant 2011-12 prices) |
|------------------------------|--|
| 2016-17 | 37,87,568 |
| 2017-18 | 40,83,079 |
| 2018-19 (2 nd RE) | 44,86,205 |
| 2019-20 (1 st RE) | 47,30,416 |
| 2020-21 (PE) | 42,20,508 |

Note: RE = Revised Estimates, PE = Provisional Estimates. Source: MoSPI

- (d) As per the latest estimates released by National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), India's real Gross Domestic Product (GDP) is estimated to have contracted by 7.3 per cent during Financial Year (FY) 2020-21. This contraction reflects the unparalleled effect of the Covid-19 pandemic and the containment measures that were taken to control the pandemic. The fundamentals of the economy remain strong as gradual scaling back of lockdowns, along with the astute support of Atmanirbhar Bharat Mission has placed the economy firmly on the path of recovery from the second half of FY 2020-21.
