GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 3632

TO BE ANSWERED ON MONDAY, AUGUST 8, 2022/SRAVANA 17, 1944 (SAKA)

‘BUDGET FOR MAKING INDIA SELF-RELIANT’

3632: SHRI SUKHBIR SINGH JAUNAPURIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has fixed any budget for making India self-reliant during ongoing Covid-19 pandemic;

(b) if so, the details thereof, State and district-wise;

(c) whether the Government has set any target to offer tax rebate for startups to provide maximum employment opportunities for youths in the country; and

(d) if so, the details thereof, State and district-wise along with the number of youths benefitted from the same?

ANSWER
MINISTER OF STATE (FINANCE)
(SHRI PANKAJ CHAUDHARY)

(a) and (b): The Government of India had announced ‘AatmaNirbhar Bharat Package (ANB)’, a special comprehensive economic package of Rs. 20 lakh crore to fight the COVID-19 pandemic and to make India self-reliant, in three phases, with the first phase announced between 13th May-17th May 2020 and the second and third phases announced on 12th October 2020 and 12th November, 2020 respectively. A Statement indicating features of the package along-with sectors covered and funds allotted, wherever applicable is at Annexure-I. ANB comprised of schemes/programmes which were to be formulated/implemented by various Ministry/Departments of the Government of India, out of funds provided to them in Budget Estimates or by seeking additional funds in Revised Estimates, wherever necessary. State-wise/District-wise budget was however not provided for schemes under ANB. Production Linked Incentive Schemes worth Rs. 1.97 Lakh Crore in respect of 14 champion sectors have also been announced for enhancing India’s manufacturing capabilities. Further, for AatmaNirbharata in electronics and semiconductors, ‘Semicon India Programme’ with an outlay of Rs.76,000 crore has also been launched which aims to provide financial support to companies investing in semiconductors, display manufacturing and design ecosystem.

(c) and (d): The Government has provided various tax concessions to Start-Ups under the Income-Tax Act, 1961. Also, certain concessions are available to technology start-ups by way of exemption from GST.A Statement indicating details of these concessions is at Annexure-II.

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ANB Announcements

A. Announcements made on 13.05.2020
1. Rs. 3 lakh crore Emergency Working Capital Facility for Businesses, including MSMEs.
2. Rs. 20,000 crore Subordinate Debt for Stressed MSMEs
3. Rs. 50,000 crore equity infusion through MSME Fund of Funds
4. New Definition of MSME and other Measures for MSME
5. No Global tenders for Government tenders of upto Rs.200 crore.
6. Extending the Employees Provident Fund Support for business and organised workers for another 3 months for salary months of June, July and August 2020
7. EPF Contribution to be reduced for Employers and Employees for 3 months to 10% from 12% for all establishments covered by EPFO for next 3 months
8. Rs. 30,000 crore Special Liquidity Scheme for NBFC/HFC/MFIs
9. Rs. 45,000 crore Partial credit guarantee Scheme 2.0 for Liabilities of NBFCs/MFIs
10. Rs. 90,000 crore Liquidity Injection for DISCOMs
11. Relief to Contractors given by extension of up to six months for completion of contractual obligations, including in respect of EPC and concession agreements
12. Relief to Real Estate Projects the registration and completion date for all registered projects will be extended up to six months.
13. Tax relief to business as pending income tax refunds to charitable trusts and non-corporate businesses and professions to be issued immediately
14. Reduction in Rates of ‘Tax Deduction at Source’ and ‘Tax Collected at Source” by 25% for the remaining period of FY 20-21
15. Due Dates for various tax related compliances extended

B. Announcements made on 14.05.2020
16. Free food grains supply to Migrants for 2 months.
17. Technology system to be used enabling Migrants to access PDS(Ration) from any Fair Price Shops in India by March,2021-One Nation one Ration Card
18. Scheme for Affordable Rental Housing Complexes for Migrant Workers and Urban Poor to be launched
19. 2% Interest Subvention for 12 months for Shishu MUDRA loanees- Relief of Rs. 1500 crore
20. Rs. 5000 crore Credit facility for Street Vendors.
21. Rs.70,000 crore boost to housing sector and middle income group through extension of Credit Linked Subsidy Scheme for MIG under PMAY(Urban)
22. Rs. 6,000 crore for Creating employment using CAMPA funds
23. Rs. 30,000 crore Additional Emergency Working Capital for farmers through NABARD
24. Rs. 2 lakh crore concessional credit boost to 2.5 crore farmers under Kisan Credit Card Scheme

C. Announcements made on 15.05.2020
25. Rs. 1 lakh croreAgri Infrastructure Fund for farm-gate infrastructure for farmers
26. Rs. 10,000 crore scheme for formalisation of Micro Food Enterprises (MFE)
27. Rs. 20,000 crore for Fishermen through Pradhan Mantri Matsya Sampada Yojana (PMMSY)
28. National Animal Disease Control Programme
29. Setting up of Animal Husbandry Infrastructure Development Fund – Rs. 15,000 crore
30. Promotion of Herbal Cultivation : outlay of Rs. 4,000 crore
31. Beekeeping initiatives –Rs. 500 crore
32. From ‘TOP’ to TOTAL- – Rs. 500 crore [Operation Greens Scheme TOP to TOTAL provides 50% subsidy on transport and storage of notified fruits and vegetables if prices of such fruits or vegetables are below the trigger price.
33. Measures for Governance and Administrative Reforms for Agriculture Sector
   i. Amendments to Essential Commodities Act to enable better price realisation for farmers
ii. Agriculture Marketing Reforms to provide marketing choices to farmers

iii. Agriculture Produce Price and Quality Assurance

D. Announcements made on 16.05.2020

34. Commercial Mining introduced in Coal Sector
35. Diversified Opportunities in Coal Sector
36. Liberalised Regime in Coal Sector
37. Enhancing Private Investments and Policy Reforms in Mineral Sector
38. Enhancing Self Reliance in Defence Production
39. Policy Reforms in Defence Production
40. Efficient Airspace Management for Civil Aviation
41. More World-Class Airports through PPP
42. India to become a global hub for Aircraft Maintenance, Repair and Overhaul (MRO)
43. Tariff Policy Reform in Power Sector; Privatization of Distribution in UTs
44. Boosting private sector investment through revamped Viability Gap Funding Scheme in Social Sector
45. Boosting private participation in space activities
46. Reforms in Atomic Energy Sector

E. Announcements made on 17.05.2020

47. Rs. 40,000 crore increase in allocation for MGNREGA to provide employment boost
48. Increased investments in Public Health and other health reforms to prepare India for future pandemics
49. Technology Driven Education with Equity post-COVID
50. Further enhancement of Ease of Doing Business through IBC related measures
51. Decriminalisation of Companies Act defaults
52. Ease of Doing Business for Corporates
53. Public Sector Enterprise Policy for a New, Self-reliant India
54. Increase borrowing limits of States from 3% to 5% for 2020-21 only & promoting State level reforms

F. Announcements made on 12th October 2020

55. LTC Cash Voucher Scheme- cash payment to employees in lieu of one LTC during 2018-21, (full payment on Leave encashment and tax-free payment of LTC fare)
56. Special Festival Advance Scheme- interest-free advance of Rs. 10,000, in the form of a prepaid RuPay Card, to be spent by March 31, 2021.
57. Capital Expenditure Boost for States- A special interest-free 50-year loan to states for Rs. 12,000 crore capital expenditure
   • Rs. 200 crore each for 8 North East states
   • Rs. 450 crore each Uttarakhand, Himachal
   • Rs. 7,500 crore for remaining states, as per share of Finance Commission’s devolution
58. Capital Expenditure Boost for the Centre-Additional budget of Rs. 25,000 crore (in addition to Rs. 4.13 lakh crore given in Budget 2020-‘21) provided for capital expenditure on roads, defence, water supply, urban development and domestically produced capital equipment.

G. Announcements made on 12th November 2020

59. Aatma Nirbhar Bharat Rozgar Yojana- to incentivize job creation during COVID-19 recovery. If EPFO-registered establishments take in new employees without EPFO numbers or those who lost jobs earlier, the Yojana will benefit these employees.
60. Emergency Credit Line Guarantee Scheme for MSMEs, businesses, MUDRA borrowers and individuals (loans for business purposes), extended till March 31, 2021. Credit guarantee support scheme launched for Healthcare sector and 26 sectors stressed due to COVID-19. Entities will get additional credit up to 20% of outstanding credit; repayment can be done in five years (1 year moratorium + 4 years repayment).
61. Production Linked Incentive worth Rs. 1.46 Lakh Crore offered to 10 champion sectors.
62. Rs. 18,000 Crore Additional outlay for PM Awaas Yojana – Urban
63. Support for Construction & Infrastructure – Relaxation of Earnest Deposit Money & Performance Security on Government Tenders
64. Income Tax relief for Developers & Home Buyers
65. Platform for Infra Debt Financing
66. Support for Agriculture: Rs. 65,000 Crore for subsidized fertilizers
67. Boost for Rural Employment: Additional outlay of Rs. 10,000 Crore is being provided for PM Garib Kalyan Rozgar Yojana. Funds can be used for MGNREGA or for Gram Sadak Yojana, this will help accelerate rural economy.
68. Boost for Project Exports Rs. 3,000 Crore boost to be given for project exports through assistance given by India to developing countries under Indian Development and Economic Assistance Scheme (IDEAS Scheme). This will help EXIM Bank facilitate these Line of Credit development assistance activities and promote exports from India.
69. Capital and Industrial Stimulus Rs. 10,200 Crore additional budget stimulus will be provided for capital and industrial expenditure on defence equipment, industrial infrastructure and green energy.
70. R&D grant for COVID Vaccine; Rs. 900 Crore is being provided to Department of Biotechnology for research activities related to COVID-19 vaccine development. This does not include cost of vaccine or logistics for vaccine distribution (whatever is required for that will be provided)
Statement referred to in reply to parts (c) & (d) LSUSQ No.3632 for answer on 08.08.2022

Tax rebate for start-ups under the Income-tax Act, 1961:

1. 100% deductions to the profit of the start-up under section 80-IAC:

100% profit linked deduction to an eligible start-up, incorporated on or after the 1st day of April, 2016 but before the 1st day of April, 2023, for a period of three consecutive assessment years out of ten years beginning from the year in which it is incorporated, if the total turnover of its business does not exceed one hundred crore rupees in the previous year relevant to the assessment year for which the deduction is claimed.

2. Employee Stock Ownership Plan (ESOP):

In order to ease the burden of payment of taxes by the employees and to incentivize the eligible start-ups to retain skilled employees, Finance Act, 2020 amended section 191 (direct payment by the assessee) and section 192 of the Act deferring TDS deduction in respect of income pertaining to ESOPs of employees of eligible start-ups. It has been provided that in case of an employee of an eligible start-up, as referred to in section 80-IAC of the Income-tax Act, 1961 (the Act) having perquisite of the nature of ESOPs in any previous year relevant to the assessment year 2021-22 or subsequent assessment year, deduction/payment of tax on such income may be made within fourteen days–

(i) after the expiry of forty-eight months from the end of the relevant assessment year; or
(ii) from the date of the sale of such specified security or sweat equity share by the assessee; or
(iii) from the date on which the assessee ceases to be the employee of the eligible start-up;

whichever is the earliest, on the basis of rates in force of the financial year in which the said specified security or sweat equity share is allotted or transferred.

3. Exemption from capital gains for investment in start-up under section 54GB:

In order to incentivize the investment in the eligible start-up, section 54GB of the Act provides exemption of capital gains arising out of sale of residential property on or before 31st March 2022, if the same was invested in shares of eligible start-up.

4. Relaxation for carry forward & set-off of loss by start-up:

Section 79 of the Income-tax Act, 1961 contains certain restrictions for carry forward and set-off of losses in case of certain companies where there is change of majority shareholding. In order to facilitate the new investment in the start-up, Vide Finance (No.2) Act, 2019 the provisions of section 79 have been amended so as to allow an option to an eligible start-up, as referred to in section 80-IAC of the Act, to carry forward and set-off of losses even in the case of change in majority shareholding if the original shareholders continue to hold their shares.

5. Exemption from taxation of income for excessive share valuation:

Section 56(2)(viib) provides for taxation of income in the hands of the recipient of money in case the shares are issued at a price higher than the fair market value of such shares. In order to ease the compliance burden as well as to promote the start-ups, this provision has been relaxed in the case of recognised start-ups. Under this relaxed regime, the provisions of section 56(2)(viib) are not applicable to the start-up recognized by DPIIT and if it files a declaration. As this regime was notified in February, 2019, Circular No. 16/2019 was issued by the CBDT for making this regime applicable to the assessment completed in the past also.

Exemption from GST for Start-ups:

Certain concessions are available to technology start-ups by way of exemption from GST on services provided by incubatee, certain Government of India recognized Technology Business Incubator or Science and Technology Entrepreneurship or bio-incubators.