

# No risk of recession or stagflation: FM



Finance Minister Nirmala Sitharaman PTI

## Says decision on GST taken by the Council, not by Modi government

### OUR BUREAU

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Finance Minister Nirmala Sitharaman said on Monday that Indian economy is not facing any risk of recession or stagflation. She also said decisions on GST are taken by the GST Council and not by the Central government.

Replying to a debate on price rise in Lok Sabha, Sitharaman said the macroeconomic fundamentals of the economy are strong. GST collection in July touched ₹1.49-lakh crore, which is the second highest since the introduction of the new tax regime. She also highlighted that the Purchasing Managers Index (PMI) in July was 56.4 which is an 8-month high. "Despite all the difficulties, India is poised to be the fastest growing economy in the world," she said.

### 'Sell in loose without GST'

Responding to criticism about GST levied on milk and food items, she said the decision was

taken in the GST Council, which has representation of all States and Union Territories. She added the decision was on consensus. Additionally, all these items when sold loose will not attract GST. Also, there is no GST on packages weighing more than 25 kg. "Retailers can buy and sell the products in loose without GST," she said. The minister clarified that the GST compensation to States till May has been paid; only June month's dues are pending. This, as revenue figures of some States are yet to be certified by the Comptroller & Auditor General. It may be noted that compensation to States will cease once the June amount is paid.

### 'Healthy banking sector'

She added that the banking sector is healthy compared to other countries. Gross NPAs of scheduled commercial banks have reached a six-year low of 5.9 per cent, she said, adding that the government's debt to GDP ratio has come down to 56.29 per cent in FY22. Efforts are being made to bring down retail inflation below 7 per cent, the minister said. Prices of edible oils have corrected sharply following steps taken by the government, she added.