

New Pension Scheme

1050. SHRI SABIR ALI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that for the past several years Government has discontinued its Pension Scheme to its employees;

(b) if so, the New Pension Scheme in this regard;

(c) whether Government is aware that the Employees' Contribution under the New Pension Scheme is not being properly accounted for and the employees are not being intimated of the accumulations under the New Pension Scheme; and

(d) if so, the steps Government proposes to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) and (b) A defined contribution based New Pension System (NPS) has been introduced with effect from 1st January, 2004 for Central Government employees (except Armed Forces) recruited on or after that date replacing the existing defined benefit pension system.

(c) The concerned Pay and Account Office (PAO)/ Cheque Drawing and Disbursing Officer (CDDO) is required to deduct employees' contributions from the salary bills, provide matching contribution from the Government and transfer the details thereof to National Securities Depository Limited (NSDL), which is the Central Recordkeeping Agency (CRA) for the NPS. A detailed statement of transactions is required to be sent by NSDL to the registered NPS subscribers once a year.

(d) The accounting formations namely Civil, Defence, Posts, Telecom and Railways are taking measures to reconcile the data in respect of their employees under NPS and upload the same to NSDL.

Loss in foreign exchange

1051. SHRI P.R. RAJAN: Will the Minister of FINANCE be pleased to state:

(a) what is the net loss in Foreign Exchange receipt on account of reduction in the export of rubber and other items due to recession in the world; and

(b) what are the measures taken or proposed to be taken to offset the loss in foreign exchange?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) As a result of global recession, the export natural rubber declined in 2008-09 to US Dollar 97.95 million from US Dollar 122.69 million in 2007-08. In 2008-09 (April-February), the export earnings of handicrafts, carpets, gems and jewellery and marine products have also declined.

(b) As there was concern on possible adverse impact of the global recession on the Indian economy, to help export sector in general and some sectors affected or likely to be affected by

the global recession in particular, three stimulus packages were announced in 2008-09 which include among others, the following.

- (i) Interest subvention of 2 per cent from 1.12.2008 to 30.9.2009 to the labour intensive sectors of exports such as textiles (including handloom), handicrafts, carpets, leather, gems and jewellery, marine products and small and medium enterprises.
- (ii) An additional allocation for export incentive schemes of Rs.350 crore.
- (iii) Inclusion of handicrafts items in Vishesh Krishi and Gram Udyog Yojana (VKGY);
- (iv) Provision of additional Rs.1,100 crore to ensure full refund of claims of CST/terminal excise duty/duty drawback on deemed exports.
- (v) Restoration of DEPB rates for all items where they were reduced in November 2008 and increase in duty drawback rates on certain items effective from September 1, 2008.
- (vi) Provision of additional funds of Rs.1,400 crore for textile sector to clear the backlog claims of Technology Upgradation Fund (TUF).
- (vii) Excise duty reduced across the board by 4 per cent for all products except petroleum products and those products where current rate was less than 4 per cent.
- (viii) The guarantee cover under credit guarantee scheme for micro and small enterprises on loans doubled to Rs.1 crore with a guarantee cover of 50 per cent. The guarantee cover extended by credit guarantee fund trust increased to 85 per cent for credit facility up to Rs. 5 lakh. The lock-in period for such collateral free loans was reduced.

In addition to the three stimulus packages, the Union Budget 2009-10 has also announced many measures to help the export sector which include, among others, the following.

- (i) Extension of the adjustment assistance scheme to provide enhanced Export Credit Guarantee Corporation (ECGC) cover at 95% to badly hit sectors upto March, 2010.
- (ii) Enhancement of allocation to Market Development Assistance Scheme by 148%.
- (iii) Interest subvention of 2 per cent to the labour intensive sectors of exports such as textiles (including handloom), handicrafts, carpets, leather, gems and jewellery, marine products and small and medium enterprises extended to 31.3.2010.
- (iv) Flow of credit at reasonable rates to Micro, Small and Medium Enterprises (MSMEs).
- (v) Exemption of service tax on Export Promotion Councils and Federation of Indian Export Organization till 31.3.2011.

- (vi) Exemption of service tax for services received by exporters from goods and transport agents and commission agents where the liability to pay service tax is *ab initio* on the exporter. Thus there would be no need for the exporter to first pay the tax and later claim refund.

Extension of Mobile Banking Services

1052. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

- (a) what is the policy of Government in the extension of Mobile Banking Services;
- (b) whether the move will be encouraged or discouraged; and
- (c) what is the feedback received in case of Mobile Banking Services?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (c) In view of the rapid growth of users of mobile phones and wider coverage of mobile phone network, guidelines for mobile banking transaction were issued by RBI to encourage implementing financial inclusion and mobile phone based payment transactions in India. Only Banks which are licensed and supervised in India and have a physical presence are permitted to offer mobile banking services. Because of its encouraging response, Banks have been exploring the feasibility of using mobile phones as an alternative channel of delivery of banking services. RBI has observed an increase in usage of mobile phones for banking transactions.

Service Tax

1053. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Service Tax at 10 per cent on various services is on the higher side; and
- (b) if so, what steps Government proposes to take to further reduce the Service Tax on various services?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) No, Sir. The service tax rate on all services has been reduced from 12% to 10% on 24.02.2009.

(b) Does not arise in view of (a) above.

Money laundering

1054. SHRI RAMDAS AGARWAL:
SHRI DARA SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that not even a single individual has been apprehended/ interrogated by Government during last three years in relation to money laundering and parking of illicit-funds abroad;