

pre-payment charges for loans have been issued to banks. However, in terms of extant RBI instructions, in the context of granting greater functional autonomy to banks, operational freedom has been given to scheduled commercial banks on all matters pertaining to banking transactions, including pre-payment/foreclosure charges on loans. Pre-payment/foreclosure charges are normally levied by banks as prepayment of loans affects their Asset Liability Management and is reckoned as part of the basic banking services for which banks may levy a reasonable charge. In order to ensure transparency, banks have been advised to display and update on their websites the details of various service charges in a prescribed format. Further, banks have been advised to display on their web sites, the information relating to interest rates and service charges which would enable the customer to obtain the desired information at a quick glance. Banks are required to ensure that only latest updated information is placed on their web-sites and ensure that the same is easily accessible from the Home Page of their web-sites.

Banks have also been advised that loan application forms should be comprehensive and should include information about the fees/charges, if any, payable for processing, the amount of such fees refundable in the case of non-acceptance of applications, pre-payment options and any other matter which affects the interest of the borrower, so that a meaningful comparison with other banks can be made and an informed decision can be taken by the borrower.

#### **Income tax rates in the country**

38. SHRI RAMDAS AGARWAL : Will the Minister of FINANCE be pleased to state :

- (a) whether income tax rates in the country are one of the highest amongst development countries;
- (b) if so, the manner in which the income tax rates in India compare with those of the developed and other developing countries;
- (c) whether Government has commissioned any study on survey recently to review or revise and simplify the income tax rates in the country on the lines of other developing countries; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The general income tax rates in India compare favourably with the general income tax rates in other developing countries.

- (b) Does not arise.
- (c) No, Sir.
- (d) Does not arise.

#### **Honorarium to ASHA**

39. SHRI R.C. SINGH: Will the Minister of FINANCE be pleased to state :

- (a) whether it is a fact that the Mission Steering Group has approved for payment of

monthly honorarium of Rs. 500 to Accredited Social Health Activists (ASHA) alongwith performance incentives;

(b) whether it is also a fact that his Ministry has objected to the proposal; and

(c) if so, the reasons therefor?

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

(a) No, Sir. As per the decision of MSG, the proposal of fixed honorarium for ASHAs was subject to the concurrence of the Ministry of Finance.

(b) and (c) Yes, Sir. The rationale for the proposed change in policy is not justified.

#### **Opposition to GST regime**

40. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether Government has finalized the new Goods and Services Tax (GST) regime;

(b) if so, the essential features thereof;

(c) whether it is a fact that the State Governments may loose their rights to impose taxes and that the Central Government is likely to take away most of the States revenues;

(d) whether some of the State Governments have expressed reservation about the proposed regime; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) The features finalized so far include dual GST model, subsuming Central Excise, Service Tax, Value Added Tax etc. into the proposed Goods and Services Tax (GST),

(c) No, Sir.

(d) and (e) The GST design is under discussion in the Empowered Committee of State Finance Ministers (EC). Issues raised by States are being discussed and decided upon by the EC and not the Government of India. The EC has released 'First Discussion Paper on GST' in November, 2009 inviting comments of all the stake holders. The comments of Union Government on this discussion paper have been sent to the EC on 1st January, 2010. Copy has also been placed on the web.

#### **Vacancy in nationalised banks**

41. SHRI RAMA CHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that thousands of posts in nationalized banks are lying vacant;

(b) if so, the details thereof; and