make them use that money to buy shares of their company and afterwards deduct those grants from loans given to them and they are then deprived of share money;

(b) whether it is also a fact that State Government of Andhra Pradesh cannot take any action as the issue falls within the purview of RBI or SEBI; and

(c) if so, in what manner the Ministry proposes to address this issue and take action against the MFIs which are operating fraudulently and unethically?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (c) The Securities and Exchange Board of India (SEBI) has reported that it is not aware of whether Micro Finance Institutions (MFIs) distribute grants to the poor women, particularly in Andhra Pradesh, and make them use that money to buy shares of their company and afterwards deduct those grants from loans given to them and they are then deprived of share money. Reserve Bank of India (RBI) has also reported that it has no information in this regard.

However, keeping in view the concerns expressed in the media regarding lending malpractices by some microfinance institutions including high interest rates, coercive recovery processes, multiple lending practices and the Andhra Pradesh Microfinance Institution (Regulation of Moneylenders) Ordinance passed by the Andhra Pradesh Government making registration of microfinance institutions (MFIs) with the State Government compulsory, the Reserve Bank of India had set up a Sub-Committee of the Central Board of Directors of the Reserve Bank to study the issues and concerns in the microfinance sector, including ways and means of making interest rates charged by them reasonable. This Sub-Committee has submitted its report which is being examined by the RBI.

The Department of Financial Services shall consider introducing a Micro Finance (Development and Regulation) Bill after taking into account the views of RBI on the said Sub-Committee's recommendations.

Manufacture of dual technology cars

†*278. SHRI SHIVANAND TIWARI: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government is considering to promote manufacturing of dual technology cars in the country;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL): (a) to (c) Government of India has been promoting

†Original notice of the question was received in Hindi.

manufacture/use of dual technology vehicles such as vehicles run on CNG-Petrol, LPG-Petrol, Hybrid vehicles etc. Indian auto industry has already introduced CNG and LPG vehicles which have the capability of running on petrol, CNG or LPG. These vehicles are environmentally benign, provide an alternative for oil and are also expected to have a beneficial impact on environment and health of the people.

In order to promote battery operated vehicles/hybrid electric vehicles and plug-in hybrid electric vehicles, the Ministry of New and Renewable Energy is implementing a broad based research, design, development and demonstration programme and also providing central financial assistance to the purchaser of such vehicles. Central financial assistance is also being provided to the manufacturers on reimbursement basis @ Rs. 4000/- (in case of low speed 2 wheelers), Rs. 5000/- (in case of high speed 2 wheelers), Rs. 60,000/- (in case of 3 wheelers having carrying capacity of at least 7 passenger and above), Rs. 1,00,000/- (in case of Mahindra REVA electric Car) and Rs. 4,00,000/- (Public transport having carrying capacity of atleast 10 passengers and above) *or* 20% ex-work cost, whichever is less. The programme is being implemented through the State Nodal Agencies/Indian Renewable Energy Development Agency. The other incentives available for dual technology vehicles are as under:—

- Excise duty on Hybrid vehicles is at 10%.
- Concessional excise duty of 5% is levied on specified parts of hybrid vehicles.
- Excise duty on kit developed indigenously for conversion of fossil fuel vehicles into hybrid vehicles and their parts reduced from 10% to 5%.
- Concessional excise duty of 10% is levied on vehicles based on fuel cells or hydrogen cell technology.
- Concessional customs duty of 2.5% is applicable on import of CNG/LPG Kits and part of kits.
- Exemption from Customs duty to specified parts of electric and hybrid vehicles.

To give momentum to the development of Electric vehicles and Hybrid vehicles, Government, in the budget for the year 2011-12 has announced setting up of a National Mission for Electric/Hybrid vehicles which will allow synergic, concerted, prioritised, collaborative and sustained support by the Government for greater adoption of electric/hybrid vehicles and their manufacturing in the country. Duty concessions have also been announced in the budget 2011-12 for Hybrid vehicles which include (i) Reduction of Excise duty on kits used for conversion of fossil fuel vehicles into hybrid vehicles and (ii) Exemption from basic custom duty and special CVD to critical parts/assemblies needed for manufacture of Hybrid vehicles.