

(b) if so, whether Government proposes to direct all the banks to switch to Base system;

(c) if so, the details thereof; and

(d) if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (d) Following the announcement in the Annual Policy Statement for the year 2009-10, Reserve Bank of India constituted a Working Group on Benchmark Prime Lending Rate (BPLR) to review the present BPLR system and suggest changes to make credit pricing more transparent. Based on the recommendations of the Group and the suggestions from various stakeholders, it has been decided that banks switch over to the system of Base Rate. The Base Rate system has replaced the BPLR system with effect from July 1, 2010. In terms of the new guidelines, banks determine their actual lending rate on loans and advances with reference to the Base Rate.

As per the RBI guidelines, the Base Rate system would be applicable for all new loans and for those old loans that come up for renewal. Existing loans based on the BPLR system may run till their maturity. In case existing borrowers want to switch to the new system, before expiry of the existing contracts, an option may be given to them, on mutually agreed terms. Banks, however, should not charge any fee for such switch-over.

Banking secrecy provisions in tax haven countries

968. SHRI D. RAJA:

SHRI M.P. ACHUTHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Minister has asked the Organization for Economic Cooperation and Development (OECD) bloc to influence the tax haven countries to end the era of banking secrecy provisions; and

(b) if so, the details thereof and their response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Indian Prime Minister and Finance Minister have played an active role in all G-20 deliberations leading to various communique asking all countries to end bank secrecy and to engage in effective tax information exchange. Indian Finance Minister, in recent International Taxation Seminar held jointly by Ministry of Finance, India and Organization for Economic Cooperation and Development (OECD) at New Delhi, spoke about the need to end bank secrecy from retrospective date.

(b) As a result of these efforts, countries have declared to end bank secrecy. Countries are also taking steps to put in place a mechanism for effective exchange of information. The Peer Review Group of Global Forum on Transparency and Exchange of Information for Tax Purposes, while making assessments of various countries, points out deficiencies in exchange of information mechanism, if any. These countries are then monitored to see if these deficiencies are removed. India, being a vice chair of the Peer Review Group, is playing an active role in this process.

Direct cash subsidy to kerosene and LPG customers

969. SHRI GOVINDRAO ADIK:

SHRI SANJAY RAUT:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has decided to provide direct cash subsidy benefit to kerosene and LPG customers to avoid black marketeers in the country;

(b) if so, the details thereof alongwith the details of methodology adopted for the direct transfer of subsidy; and

(c) by when it will be implemented in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) To ensure greater efficiency, cost effectiveness and better delivery for kerosene, Domestic LPG and fertilisers, the Government has decided to move towards direct transfer of cash subsidy to people living below poverty line in a phased manner.

(b) A task force headed by Shri Nandan Nilekani has been set-up to work out the modalities for the proposed system of direct transfer of subsidy for kerosene, LPG and fertilisers.

(c) The task force has given its interim report, which is under examination of the Government. The system is expected to be in place by March, 2012.

Collection of tax arrears

970. SHRIMATI BRINDA KARAT: Will the Minister of FINANCE be pleased to state:

(a) the total tax revenues raised but not realized at the end of 2010-11;

(b) the break-up of arrears of corporation tax, income tax, excise duties, customs duties and service tax;

(c) the amount of arrears collected under each principal head in 2010-11; and