

- (ii) to introduce an independent member, not below the rank of Joint Secretary from the Ministry of Law, in the GAAR approving panel to ensure objectivity and transparency.
- (iii) to provide that both resident or non-resident tax-payers can approach the Authority for Advance Ruling (AAR) for a ruling as to whether any arrangement to be undertaken is permissible or not under the GAAR provisions.
- (iv) to provide more time to both tax payers and the tax administration to address all related issues, it is proposed to defer the applicability of GAAR provisions by one year *i.e.* with effect from financial year 2013-14.
- (d) Does not arise in light of the above.

#### **Sale of insurance policy by PNB**

4232. SHRI UPENDRA KUSHWAHA : Will the Minister of FINANCE be pleased to state:

- (a) whether Punjab National Bank (PNB) has started insurance business in collaboration with METLIFE;
- (b) if so, the share of PNB in it;
- (c) whether PNB has invested in METLIFE from the corpus of PNB employees PF Fund;
- (d) if so, the details thereof;
- (e) whether to achieve insurance target under METLIFE Schemes borrowers are being targeted particularly KCC applicants are pressurized to take METLIFE Policy;
- (f) the number of KCC accounts disbursed after the inception of METLIFE insurance business; and
- (g) the number of policies including amount sold to KCC holder farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) Punjab National Bank (PNB) has informed that it is functioning as Corporate Agent of METLIFE for life insurance business. The Bank has not yet acquired any share in METLIFE.

(c) and (d) The PNB has informed that PNB Employees PF Trust Fund has no investment in METLIFE. However, PNB Employees Pension Fund has invested Rs. 129.41 crore in METLIFE.

(e) to (g) The Bank has informed that no borrower is being pressurized to take Met Life Policy. The METLIFE Insurance business has been started from 13.10.2011. The KCC disbursement from 1st October, 2011 to 31st March, 2012 is in 2.78 lac accounts. The Insurance Regulatory Development Authority (IRDA) guidelines do not require compilation of policy holders' data profession-wise.

#### **Bailout package for Debt Stressed States**

4233. SHRI SUKHENDU SEKHAR ROY : Will the Minister of FINANCE be pleased to state:

(a) whether West Bengal falls within the category of Debt Stressed State; along with Kerala and Punjab as per F. No. 4(5)/FRU/2004, issued by Government of India, Ministry of Finance, Department of Economic Affairs on 4th August, 2004;

(b) if so, whether the Union Government has taken any steps to bailout these Debt Stressed States;

(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) *Vide* office memorandum No. 4(5)/FRU/2004 dated 4th August, 2004, States were advised to obtain concurrence of the Department of Expenditure before availing loan from external agencies. A debt stressed State was defined as one whose ratio of consolidated debt and liabilities to total revenue receipts exceeded 300% (200% in case of special category states). Subsequently, *vide* office memorandum No. 4(5)/FRU/2004 dated 24th October, 2005, States were asked to obtain concurrence of the Department of Expenditure before availing external assistance for structural adjustment loans as also for projects. A debt stressed State was defined as one with interest payments to total revenue receipts ratio higher than 20 percent. A tentative indicative list of debt-stressed States, based on the States' 2004-05 (RE), was annexed to this office memorandum, in which Kerala, Punjab and West Bengal were three of the eleven States included.

(b) to (d) In accordance with the recommendations of the Twelfth Finance Commission (TFC), whose award period was 2005-10, the following public debt and interest relief measures have been extended to the States, upon their enactment of the prescribed Fiscal Responsibility and Budget Management Acts (FRBMA):

- i. Central loans from Ministry of Finance contracted till 31.3.2004 and outstanding as on 31.3.2005, amounting to Rs. 113601.14 crore, were consolidated for a fresh tenure of twenty years from 1.4.2005 at an interest rate of 7.5% per annum, for 26 States that had enacted their FRBMAs.