

**Posting of it Officers in Offshore Countries**

2066. SHRI SALIM ANSARI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Income Tax Officers will be posted in offshore haven countries and various other countries to spot suspicious transactions by Indian residents who use these jurisdictions to escape tax and launder money;

(b) if so, the details thereof; and

(c) the names of the offshore countries where the I.T. Officers will be posted ?

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

(a) to (c) Yes Sir. Tax officers at the level of First Secretary are being posted to Income-tax Overseas Units (ITOUs) in Indian Missions abroad to maintain effective coordination and liaison between Indian tax authorities and the tax authorities of countries concerned. At present, the officers are already posted in Mauritius and Singapore. Further, posting orders in respect of officers to be posted to newly created ITOUs in Indian missions at Cyprus, France, Germany, Netherlands, UAE, UK and USA have been issued and posting order in respect of officer to be posted to Japan will be issued shortly. The relieving of these 8 officers to join their respective ITOU is pending due to finalisation of terms & conditions of their posting by Ministry of External Affairs.

**Classification of MFIs As NBFCs**

2067. SHRI JESUDASU SEELAM : Will the Minister FINANCE be pleased to state:

(a) whether there is a move by Government to classify the Micro Financial Institutions (MFIs) as Non-Banking Financial Corporations (NBFCs);

(b) if so, the reasons therefor;

(c) whether Government is aware of the fact that MFIs in the country are facing numerous hardships, especially in Andhra Pradesh where one third of the total MFI sector in the country are operating; and

(d) the steps taken by Government or proposing to take to help the Micro Financial Sector in the country ?

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

(a) and (b) Reserve Bank of India (RBI) has reported that a new category of NBFCs namely 'Non Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) was introduced on 2.12.2011 under new regulatory framework including regulation on capital

adequacy, asset classification and provisioning norms to be adhered to by MFIs with effect from April 01, 2012. However, taking into account the difficulties faced by MFI sector it was decided by RBI to defer the implementation of asset classification and provisioning norms for NBFC-MFIs to April 01, 2013. NBFC-MFIs are required to comply with the other regulations laid down in the RBI circular dated 2<sup>nd</sup> December, 2011.

(c) RBI has reported that it is aware of the problems faced by MFIs in Andhra Pradesh and their representations are under examination with the RBI.

(d) To provide a formal statutory framework for the promotion, development, regulation and orderly growth of the micro finance sector, a draft Micro Finance Institutions (Development and Regulation) Bill, 2012 is under consideration of the Government.

#### **‘Oil Subsidies’**

2068. SHRI N.K. SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Rs. 43,850 crore has been allocated for oil subsidies for the financial year 2012-13;

(b) the details of total expenditure on account of oil subsidies for the previous financial year 2011-12

(c) whether Government plans to deregulate diesel and cooking gas prices; and

(d) if not, the means by which Government plans to achieve its targeted expenditure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) Provision of Rs. 43,580 crore has been made in BE 2012-13 for oil subsidies which includes Rs. 40,000 crore for compensation to Oil Companies for under recoveries on account of sale of petroleum products and Rs. 3580 crore for Post APM Subsidies.

(b) During the year 2011-12, an amount of Rs. 3481 crore has been paid by the Government under PDS Kerosene and Domestic LPG Subsidy (Rs. 3000 crore), Freight Subsidy (for far flung areas) [Rs. 23 crore] and subsidy to Oil Companies for supply of natural gas to North Eastern Region (Rs. 458 crore) for Post APM period. Further , Government has borne an amount of Rs. 65,000 crore which includes under recoveries of Rs. 20,000 crore of last quarter of the previous year, *i.e.* 2010-11.

(c) and (d) Government has, in principle, agreed to make the prices of Diesel market determined. However, in order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions, the Government continues to modulate the retail Selling Prices (RSP) of Diesel. There is no proposal at present to full de-regulate cooking gas prices.