

(c) and (d) It has been the stand of the Income Tax department before the Courts that the demerger schemes were undertaken by the companies to evade tax. The matter is sub-judice.

Reduction in commission of PPF agents

2219. SHRI SANJAY RAUT : Will the Minister of FINANCE be pleased to state:

(a) whether recommendation of Shyamala Gopinath Committee for abolishing one per cent commission of agents of PPF schemes and to reduce commission on postal small saving schemes have victimised the agents across the country;

(b) whether Small Savings Agents' Welfare Association, Mumbai has represented to the Ministry to reconsider the Committee's recommendation; and

(c) if so, the action that the Ministry is taking to reconsider the 'one-sided report'?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) The recommendation of Shyamala Gopinath Committee regarding agents' commission was to reduce commission of 0.5% on Senior Citizens Saving Scheme (SCSS) and 1% on Public Provident Fund (PPF) to zero, reduce 4% commission under Mahila Pradhan Kshetriya Bachat Yojana (MPKBY) to 1% in a phased manner and to reduce 1% commission for all other schemes under Standardised Agency System (SAS) to 0.5%. The Government, after consulting all the stakeholders and the representations received, has decided to reduce the commission under PPF and SCSS to zero and under SAS to 0.5%. However, commission under MPKBY continues to be at 4% for the time being.

The main intention of these recommendations is to make these schemes more investor centric than agent centric.

(b) and (c) Representations of Small Savings Agents' Association from various States including Mumbai were received in the past. Taking into account of large number of representations received from Small Savings Agent's Associations, Members of Parliament, other dignitaries and others, the Government accepted most of the recommendations of the Committee.