

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) Details of revenue foregone during the last three years for direct taxes and indirect taxes are given below:

	(₹ in crore)		
	2010-11	2011-12	2012-12 (Estimated)
Corporate* Income Tax	83328	81214.3	89446.6
Firms/Associations of persons/ Body of Individuals	6173	7146.4	8606.6
Individuals	30653	32230	36857.5
Excise	192227	195590	206188
Customs	172740	236852	253967

*The figures are exclusive of net additional tax liability on account of MAT.

(b) and (c) So far as direct taxes are concerned, steps have been taken to gradually phase out profit linked deductions in the Income Tax Act, 1961. Further, minimum alternate tax @18.5% has been levied on assessment (companies) having book profit. So far as indirect taxes are concerned, Revenue foregone is defined to be the difference between the duty that would have been payable but for the exemption notification and the actual duty paid in terms of the said notification. The Central Government has the power to issue general exemptions under sub-section (1) of section 5A of the Central Excise Act, 1944 in respect of excise duty and sub section (1) section 25 of the Customs Act, 1962 in respect of customs duty. These exemptions are given in public interest.

Punitive measures against loan defaulters

189. DR. R. LAKSHMANAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government has formulated any punitive scheme against loan defaulters in view of the alarming increase of Non-Performing Assets (NPAs) in the country;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) RBI has released guidelines dated 30 January, 2014 for “Early Recognition of Financial Distress, Prompt Steps for

Resolution and Fair Recovery for Lenders: Framework for Revitalizing Distressed Assets in the Economy” suggesting various steps for quicker recognition and resolution of stressed assets. This Framework provides for centralised reporting and dissemination of information on large credits; early formation of a lenders’ committee with timelines to agree to a plan for resolution; incentives for lenders to agree collectively and quickly to a plan - better regulatory treatment of stressed assets if a resolution plan is under way, or accelerated provisioning if no agreement can be reached; improvement in current restructuring process; independent evaluation of large value restructurings mandated, with a focus on viable plans and a fair sharing of losses (and future possible upside) between promoters and creditors; more expensive future borrowing for borrowers who do not co-operate with lenders in resolution and more liberal regulatory treatment of asset sales.

The intention of the above stated Framework is not to encourage a particular resolution option, *e.g.* restructuring or recovery, but to arrive at an early and feasible resolution to preserve the economic value of the underlying assets as well as the lenders’ loans.

In addition, the Government has advised Public Sector Banks (PSBs) to constitute a Board level Committee for monitoring of recovery, appointment of Nodal officers for recovery at the Head Office/Zonal Office/for each DRT, to conduct special drives for recovery of loss assets, and has instructed PSBs that writes-offs should not be more than recovery.

Adverse effect of IRAQ crisis on Indian Rupee

190. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state.

(a) whether it is a fact that escalation of crisis in Iraq has adversely affected the Indian rupee;

(b) if so, the details thereof; and

(c) the details of remedial measures Government has taken or proposes to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Since the escalation of the Iraq crisis in the second week of June 2014, the exchange rate of the rupee (RBI Reference Rate) has depreciated marginally from ₹ 59.33 on June 12, 2014 to ₹ 60.14 per US dollar on July 1, 2014. The details are as follows: