

(a) whether Government has received representations from MPs and Ministers regarding availing of undue tax exemption and tax evasion by private companies based at Rajkot, Gujarat during last six months till date;

(b) if so, the details thereof, representation-wise;

(c) whether inquiry by income tax department and DRI has been initiated and Government has taken action against private companies for availing undue tax exemption and tax evasion in response to representations of MPs;

(d) if so, the details thereof with particular reference to representations acknowledged *vide* D.O. No./580/7/VIP/MOSF(R)/ 2014 dated 25 August, 2014 and representation dated 18 November, 2014; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) Receipt of representations regarding alleged tax evasion from various sources, including from MPs and Ministers, is an on-going process. Disclosure of information regarding specific taxpayers is prohibited except as per procedure laid down under section 138 of the Income Tax Act, 1961.

(c) to (e) Tax evasion petitions, including representations from MPs, are investigated by jurisdictional Income-tax authorities/CBDT and other follow-up actions including assessment of income, levy of tax, imposition of penalty and launching of prosecution are taken, depending upon facts and circumstances of each case. However, information in this regard is not maintained centrally.

It is however stated that the matter raised by Hon'ble MP was referred to the concerned authorities for a report regarding evasion of indirect taxes.

New regulations on insider trading

3374. SHRI RANJIB BISWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Securities and Exchange Board of India (SEBI) has relaxed norms for delisting of companies from bourses;

(b) if so, the details thereof and the reasons therefor;

(c) whether SEBI is also likely to issue new regulations on insider trading and the listing agreement;

(d) if so, the details thereof and the reasons which necessitated issue of new regulations;

(e) whether it is proposed to reduce the time-frame for Initial Public Offerings (IPOs) through the use of the electronic IPO (e-IPO) and if so, the details thereof; and

(f) the time by which it is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) Yes, Sir. Securities and Exchange Board of India (SEBI) has received various representations from the market participants, stock exchanges, industry representatives and investor associations highlighting challenges faced in the existing delisting process.

To address these concerns and to make the delisting process less cumbersome, SEBI Board in its meeting held on 19th November 2014 has approved certain proposals to review the existing regulatory framework on delisting for making it more effective by amending the SEBI (Delisting of Equity Shares) Regulations, 2009. The proposals approved, among others, includes conditions for the delisting to be successful, the process of the determination of offer price through reverse book building process, reducing timeline for completing the delisting process etc.

(c) and (d) Yes, Sir. SEBI Board in its meeting held on 19 November, 2014 approved, *inter alia*, new regulations namely SEBI (Prohibition of Insider Trading) Regulation, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2014.

The SEBI (Prohibition of Insider Trading) Regulations, 1992 were notified in 1992, which was framed to deter the practice of insider trading in the securities of listed companies. Since then there had been several amendments to the regulations. To ensure that the regulatory framework dealing with insider trading in India is further strengthened, SEBI sought review of the extant insider trading regulatory regime. The new regulations strengthen the legal and enforcement framework, align Indian regime with international practices, provide clarity with respect to the definitions and concepts, and facilitate legitimate business transactions.

The new regulation in the form of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2014 (Listing Regulations) intends to replace all existing Listing Agreements. The Listing Regulations, *inter alia*, will be comprehensive regulation in respect of various types of listed securities. This regulation would consolidate and streamline the provisions of existing listing agreements thereby ensuring better enforceability.

(e) and (f) Yes, Sir. SEBI Board in its meeting held on 19 November, 2014, approved the proposal to utilize the synergies of the secondary market infrastructure for raising capital through public issues. The proposed framework is intended towards achieving the following broad objectives:

- (i) to use the existing secondary market infrastructure for collection of bids and application money;
- (ii) to further reduce the overall post issue timelines from T+12 days;
- (iii) to broad-base the retail investor reach by using the network of registered stock brokers and depository participants across the country for submitting applications;

SEBI has informed that the process of implementation involves preparation of discussion paper, hosting the discussion paper on SEBI website for public comments, analysis of public comments, approval of regulations by the SEBI Board and notification thereof, as such, no specific time can be indicated.

Interest rate cut

‡3375. SHRI VIJAY GOEL:

SHRI PRABHAT JHA:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that there has been a constant decrease in both wholesale and retail inflation rates in the recent days;
- (b) if so, the details thereof;
- (c) whether it is a suitable time to take the decision regarding reducing interest rates in the present positive atmosphere of economic performance; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) Inflation based on Wholesale Price Index (WPI) declined to 0 per cent in November 2014 from 1.77 per cent in October 2014 and inflation based on Consumer Price Index -New Series (CPI-NS) declined to 4.38 per cent in November 2014 from 5.52 per cent in October 2014 (Table). WPI inflation was the lowest since July, 2009 and CPI (NS) inflation was the lowest since January 2012.

‡Original notice of the question was received in Hindi.