

construction, focus on coastal connectivity and taking up second phase of Solar Park. The other growth promotion measures include: lower income tax for companies with annual turnover up to ₹ 50 crore; allowing carry-forward of MAT credit up to a period of 15 years instead of 10 years at present; further measures to improve the ease of doing business; and a major push to digital economy. The Budget has also targeted to provide higher agricultural credit and to increase employment significantly.

Tax on NPS

4408. SHRIMATI RENUKA CHOWDHURY:

DR. PRADEEP KUMAR BALMUCHU:

Will the Minister of FINANCE be pleased to state:

(a) whether the withdrawal from National Pension Scheme is taxed to the extent of 60 per cent, if so, the details thereof; and

(b) the steps taken by the Government to bring parity in the treatment of withdrawal from National Pension Scheme *vis-a-vis* Provident Fund as positioned by Government as alternative to each other?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) Yes Sir. This provision has been introduced into the Income Tax Act, 1961 ('Act') *vide* Finance Act, 2016 by inserting clause (12A) in Section 10 of the Act.

(b) Prior to Finance Act, 2016, National Pension Scheme (NPS), referred to in Section 80CCD, was under Exempt, Exempt and Tax (EET) regime *i.e.*, the monthly/periodic contributions during the pension accumulation phase were allowed as deduction from income for tax purposes; the returns generated on these contributions during the accumulation phase were also exempt from tax but the terminal benefits on exit or superannuation, in the form of lump sum withdrawals, were taxable in the hands of the individual subscribed or his nominee in the year of receipt of such amounts unlike PPF and EPF which have been enjoying EEE regime *i.e.* Exempt, Exempt, Exempt.

In order to rationalize the taxability of receipts from pension plans, *vide* Finance Act, 2016, Section 10 of the Act was amended to provide that any payment from National Pension Scheme to an employee on account of closure or his opting out of the NPS shall also be exempt from tax, to the extent it does not exceed forty per cent of the total amount payable to him at the time of closure or his opting out of the scheme. Further, Finance Act, 2017 has amended Section 10 of the Income-tax Act to

exempt partial withdrawals by employees (to the extent of 25% of the employee's contribution) from their NPS accounts in accordance with the guidelines prescribed under Pension Fund Regulatory and Development Authority Act, 2013.

Reduction of MDR on card payments

4409. SHRI DHARMAPURI SRINIVAS:

SHRI T.G. VENKATESH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is considering for reduction of Merchant Discount Rate (MDR) on all card payments, if so, the details thereof;

(b) whether Government is aware that consumers are being forced to make card payments following the introduction of digital payments system floated by Government;

(c) in such case, instead of reducing the MDR charges, whether it is not advisable to completely discard the MDR system which is a forced burden on the consumer; and

(d) the stand of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) The Reserve Bank of India placed a draft Circular on Rationalization of Merchant Discount Rate (MDR) for Debit Card Transactions on its website on 16.2.2017 for public feedback.

(b) to (d) The guidelines for the promotion of payments through cards and digital means, issued by the Department of Economic Affairs, envisage allowing payments/receipts by using cards/digital means also. The guidelines do not envisage customers being forced to make card payments.

Pradhan Mantri Garib Kalyan Yojana

4410. SHRIMATI RAJANI PATIL:

SHRI MAJEED MEMON:

SHRI P. BHATTACHARYA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has introduced the Pradhan Mantri Garib Kalyan Yojana (PMGKY) and if so, the details thereof along with the objectives behind the scheme;