

- (a) Board-approved Loan Policies of PSBs now mandate tying up necessary clearances/approvals and linkages before disbursement, scrutiny of group balance-sheet and ring-fencing of cash flows, non-fund and tail risk appraisal in project financing.
- (b) Use of third-party data sources for comprehensive due diligence across data sources has been instituted, thus mitigating risk on account of misrepresentation and fraud.
- (c) Monitoring has been strictly segregated from sanctioning roles in high-value loans, and specialised monitoring agencies combining financial and domain knowledge have been deployed for effective monitoring of loans above ₹ 250 crore.
- (d) To ensure timely and better realisation in one-time settlements (OTSs), online end-to-end OTS platforms have been set up.

Enabled by the above steps, as per RBI data on global operations, the NPAs of PSBs, after reaching a peak of ₹ 8,95,601 crore as on 31.3.2018, have declined by ₹1,05,876 crore to ₹ 7,89,725 crore as on 30.6.2019, and PSBs have effected record recovery of ₹ 3,35,770 crore over the last four financial years and the first quarter of the current financial year, including record recovery of ₹ 1,27,987 crore during the financial year 2018-19.

Note: Figures cited above for PSBs include those for IDBI Bank Limited, which was recategorised as a private sector bank by RBI with effect from 21.1.2019.

Rate of corporate tax

203. SHRI RITABRATA BANERJEE: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that India's Corporate Tax is the lowest among the South East Asian countries;
- (b) if so, the reasons therefor;
- (c) whether Government has any plans to increase the Corporate Tax; and
- (d) if so, the details thereof, if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) The corporate tax rate of ASEAN countries are as under:

Country	Tax Rate (%)
Philippines	30
Indonesia	25
Myanmar	25
Laos	24
Malaysia	24
Cambodia	20
Thailand	20
Vietnam	20
Brunei	18.5
Singapore	17
Timor	10

With regard to the corporate tax rate in India it may be noted that The Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) promulgated on 20.09.2019 amended the Income-tax Act, 1961 (the Act) and the Finance (No.2) Act 2019 (the Finance Act) to *inter alia*, reduce the corporate tax rates such that section 115BAA inserted in the Act read with section 2 of the Finance Act provides that an existing domestic company may pay tax at 22% plus surcharge at 10% and cess at 4%, if it does not claim any incentive, deduction.

Further, section 115BAB has also been inserted in the Act to provide that a domestic company (set up on or after 1st October, 2019) engaged in manufacturing or production of any article or things and research in relation to, or distribution of, such article or thing manufactured or produced by it, and commencing manufacturing by 31st March, 2023, may opt to pay tax at 15% plus surcharge at 10% and cess at 4%. If it does not claim any incentive, deduction.

These companies would also not be subjected to Minimum Alternate Tax (MAT). Also, in order to ease the burden of MAT on the companies which continue to avail incentives, section 115JB of the Act has been amended to reduce the existing general rate of MAT from 18.5% plus surcharge and cess to 15% plus surcharge and cess.

A comparison of the corporate tax rates of ASEAN countries in the above table with the reduced corporate tax rate in India for new manufacturing companies shows that the corporate tax rate is lower in India than corporate tax rate in most ASEAN countries.

(c) and (d) There is no such proposal.

Investment of pension funds in share market

204. SHRI RITABRATA BANERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government is planning to invest the Pension Funds in the share market; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) Section 14 (2) (b) of the Pension Fund Regulatory and Development Authority Act, 2013 (PFRDA Act), empowers PFRDA to formulate investment guidelines for National Pension System (NPS) and pension schemes to which the Act applies. The pension funds under the NPS are invested in various asset classes including Government Securities, Corporate Debt instruments, and Equities as per the investment guidelines issued by PFRDA in this regard.

The Employees' Provident Fund Organisation (EPFO) under Ministry of Labour has informed that the Central Board of Trustees', Employees Provident Fund in its 207th meeting held on 31.03.2015 decided to invest in Exchange Traded Funds in the category of Equity and related investments (Category (iv) of Investment Pattern notified on 23.04.2015) so as to generate higher returns for EPF members.

Prevention of fraudulent banking practices

205. SHRI MD. NADIMUL HAQUE: Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry has taken cognizance of fraudulent banking practices in the country that have adversely affected many depositors and the economy, if so, the details thereof;

(b) the details of Non-Performing Assets (NPAs) in Public Sector Banks for the last three years;

(c) what steps are being taken by the Ministry to eliminate fraudulent banking practices; and