

the Banks extend financial assistance to the family towards funerals expenses of the deceased employee and also under other Welfare Schemes.

Overseas sources of investment

1252. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether to trace overseas sources of investment into India, Government has proposed to create a specialized information tracking system on the lines of Australian Transaction Reports and Analysis Centre;

(b) if so, whether the Australian agency offers expertise to track down money laundering and terrorism financing channels;

(c) whether the proposed agency would also collect and analyse data on the abuse of Double Taxation Avoidance Agreement by overseas investors;

(d) if so, whether Government proposes to follow the Australian information tracking system; and

(e) if so, by when that is likely to be done?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Government of India has set up Financial Intelligence Unit-India (FIU-IND) to receive information relating to certain types of transactions including suspicious financial transactions from the financial sector, analyse received information and disseminate information in appropriate cases to relevant intelligence/law enforcement agencies. FIU-IND does not undertake any investigation. It also does not directly trace overseas sources of investment into India.

(b) FIU-IND has been interacting with Australian Transaction Reports and Analysis Centre (AUSTRAC) and has made use of their experience in setting up and operationalising FIU-IND.

(c) to (e) FIU-IND does not propose to collect directly and analyse data on the abuse of Double Taxation Avoidance Agreement by overseas investors.

Raising of funds by ADAG

1253. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware of a media report captioned as "Let Anil Dhirubhai Ambani Group (ADAG) raise funds abroad; FM to RBI";

(b) if so, the reasons for giving such a permission when several of ADAG companies are involved in cases of alleged violation of RBI guidelines on the use of foreign funds and matter is under investigation of Enforcement Directorate;

(c) whether such a favour being shown to a particular industrial house may create bad precedent for the RBI in dealing with similar cases;

(d) if so, whether Government will give free hand to RBI for dealing such cases in accordance with ECB guidelines; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) No, Sir.

(b) Does not arise.

(c) No favour is shown by the Government to any particular industrial house. As per extant guidelines on External Commercial Borrowing (ECB), corporate which have violated the extant ECB policy and are under investigation by Reserve Bank and/or by Directorate of Enforcement will not be allowed to access the Automatic route for ECB. Any request by such corporate for ECB will be examined under the Approval route.

(d) and (e) RBI has complete freedom to deal with cases in accordance with ECB guidelines.

Re-negotiation with Swiss Government on banking secrecy

1254. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

(a) whether Swiss Government backs its banking secrecy and has rejected India's idea of automatic exchange of information especially on tax matters;

(b) if so, the details thereof; and

(c) whether Government also proposes to begin talk to re-negotiate with Swiss Government on existing Double Taxation Avoidance Agreement which would allow the handover of details of suspected evaders in requested cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) In terms of existing Double Taxation Avoidance Agreement (DTAA) between India and Swiss Confederation, it has not been possible to obtain information regarding bank deposits in Switzerland. Hence Switzerland was approached in April, 2009 for re-negotiation of the Article concerning Exchange of Information in our existing DTAA so that we can have access to banking information. Switzerland agreed for re-negotiation of this Article as well as other Articles of the existing DTAA. The first round of negotiation was held on 10th – 12th November, 2009. The matter is being actively pursued for early entry into force of the amended DTAA. After entry into force of the amended DTAA, India will be able to obtain banking information in specific cases from Switzerland.

Education loan

1255. SHRI KUMAR DEEPAK DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government would consider to give education loan upto Rs. 4 lakhs at a rate