

Companies Act. They are board-run companies with full functional and operational autonomy. Being the only reinsurance company, the General Insurance Corporation of India has no direct competition with other public or private sector insurance company in the country.

As a result of the opening up of the insurance sector, the public sector general insurance companies have faced increased competition. Keeping this in view, the public sector general insurance companies had appointed professional consultants to devise a long-term business strategy. The appointed consultants have given their recommendations and all the companies are implementing the same. Moreover, at present, there is no proposal for disinvestment in GIC.

Loan from World Bank

2023. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has approved loan amounting to 21,000 crores, keeping in mind that it is a crucial time to help Indian economy to revive growth;

(b) if so, what are the vital sectors in which this loan of World Bank would be allocated so as to quicken the pace of complete recovery from the recent recessionary trends thereby achieving a GDP growth of around 8 per cent; and

(c) whether priorities have been fixed and time-bound targets set to avoid any cost-overrun and time overrun of key infrastructure projects envisaged to be undertaken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) The World Bank has approved loan amounting to US\$ 6.555 billion (from April 1, 2009 to February 28, 2010). The vital sectors covered with these loans are health, education, agriculture, poverty reduction, roads & highways, energy, urban infrastructure (including water & sanitation), rural credit and financial services sectors.

All the WB assisted projects have time-bound implementation schedules.

FDI in stock and commodity exchange

2024. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether foreign investors in India's stock and commodity exchanges would soon be able to raise their stakes as Government had decided to raise the cap on Foreign Direct Investment (FDI) by any single investor from the present 5 percent;

(b) whether the overall cap on FDI for these bourses would remain at 49 per cent; and

(c) if so, to what extent this decision has helped investors to raise their capacity?

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

(a) The Securities and Exchange Board of India (SEBI) vide its circular dated December 22, 2006 has provided that no foreign investor, including persons acting in concert, will hold more than 5% of the equity in stock exchanges. Subsequently, vide an amendment to the Securities Contracts (Regulations) (Manner of Increasing and Maintaining Public Shareholding) Regulations 2006 dated December 23, 2008, it has been provided that domestic entities like a stock exchange, a depository, a clearing corporation, a banking company, an insurance company and a public financial institution defined under section 4A of the Companies Act, 1956 may hold, either directly or indirectly, either individually or together with persons acting in concert, upto 15% of the paid up equity share capital of the recognised stock exchange." provided they are approved by SEBI and qualify as 'fit and proper persons' as defined by SEBI.

As per the Guidelines issued by the Department of Industrial Policy and Promotion (DIPP) under Press Note 2 (2008) dated 12th March 2008, no foreign investor/entity, including persons acting in concert, are allowed to hold more than 5% of the equity in the commodity exchanges. There has been no decision to revise this limit.

(b) As per the SEBI circular & DIPP Press Note indicated above, the composite ceiling of FDI and FII investment in stock exchanges and commodity exchanges is kept at 49%, with Separate caps on FII investments at 23% and FDI investment at 26% respectively.

(c) In view of replies to parts (a) & (b) as above, does not arise.

Use of bank account by terrorist groups

2025. SHRI VIJAYKUMAR RUPANI: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that terrorist groups use the accounts of banks in the country;

(b) what steps have been taken by the Government to stop it; and

(c) how many such accounts have been found?

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

(a) and (b) Available inputs with the Government indicate the use of banking channels by terrorist/terrorist outfits in India to receive funds from abroad.

In terms of instructions contained in the guidelines on Know Your Customer (KYC) norms, Reserve Bank of India (RBI) have advised the banks that before opening any new account it should be ensured that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorist or terrorist organization etc. Banks are