

(a) the number of companies covered under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act;

(b) whether there is any proposal to cover highly rated Non-Banking Financial Companies (NBFCs) under SARFAESI Act;

(c) if so, the details thereof; and

(d) if not, the reason therefor?

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

(a) The Reserve Bank of India (RBI) has so far granted the Certificate of Registration (CoR) to fourteen (14) companies to commence and/or to carry on the business of securitization and assets reconstruction under section 3(3) of the SARFAESI Act, 2002.

(b) to (d) The provisions contained in sub-clause (iv) of clause (m) of sub-section (1) of Section 2 of the SARFAESI Act, 2002 empowers the Central Government to specify any other institution or an NBFC as a financial institution for the purposes of this Act. The Government considers and decides a request of an NBFC or any other institution for specifying as a financial institution on a case-to-case basis.

Re-working DTAA with Mauritius

1607. SHRI. A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

(a) whether India has made a fresh request to Mauritius Government to re-work an over three decade old tax treaty that spares foreign investors routing their investments through the Island nation from paying capital gain tax on the sale of Indian shares;

(b) if so, the details thereof;

(c) whether the Island nation has agreed to re-work the tax-treaty and Government would like to re-work the treaty on the same lines as the other Double Taxation Avoidance Agreement; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) to (d) Government has proposed to review the India-Mauritius Double Taxation Avoidance Convention (DTAC) to incorporate appropriate changes in the DTAC for prevention of treaty abuse and to strengthen the mechanism for exchange of information on tax matters between India and Mauritius on the same lines as the other recent Double Taxation Avoidance Agreements. A Joint Working Group (JWG) comprising members from the Government of India and the Government of Mauritius was constituted in 2006 to inter-alia, put in place adequate safeguards to prevent misuse of the India-Mauritius DTAC. Six rounds of discussions have taken place so far. There was unwillingness on the part of Mauritius to co-operate in addressing this problem. However, recently it was agreed to convene the next meeting of the Joint Working Group on the Double Taxation Avoidance Convention. We have now proposed next round of discussion to which Mauritius is yet to respond.

Reluctance of foreign banks in giving loans to Co-operative Societies

1608. SHRI MOHD. ALI KHAN:

SHRIMATI T. RATNA BAI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the banks especially foreign banks are reluctant to provide loans to the Co-operative Societies for the benefit of agriculture related activities;

(b) if so, the details thereof in the Eleventh Five Year Plan especially in Andhra Pradesh and guidelines in this regard; and

(c) the action taken against such foreign banks who are not giving priority loans to co-operative sectors in agriculture in the Eleventh Five Year Plan period, State-wise?

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

(a) to (c) As per extant guidelines of Reserve Bank of India (RBI) on lending to priority sector, a target of 32% of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher has been mandated for foreign banks. However, there is no target prescribed by RBI in agriculture sector for foreign banks. The foreign banks having shortfall in lending to stipulated priority sector lending target/sub-targets will be required to contribute to Funds to be set up with Small Industries Development Bank of India (SIDBI) or with other Financial Institutions, for such other purpose as may be stipulated by RBI from time to time.