

Rate of investment in country

1923. SHRI C.M. RAMESH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rate of investment as proportionate to GDP has declined from 37 per cent in 2010-11 to 35 per cent in 2012-13;

(b) the reasons for such a sharp fall in spite of Government announcing policy measures; and

(c) how Ministry would look at it and what plans it has in the Twelfth Five Year Plan for better investment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The investment rate in the Indian economy declined from 36.8 per cent in 2010-11 to 35.0 per cent in 2011-12. The data on total investment as a proportion of Gross Domestic Product (GDP) is not available for 2012-13. The tightening of monetary policy during most of 2011-12 to control inflation, lower demand for Indian exports from the rest of the world following a slowdown in advanced economies, bottlenecks in project implementation such as obtaining environmental clearances, land acquisition, etc. have contributed to a slowdown in investment.

(c) Higher investment, especially in infrastructure, is crucial for the revival of the investment climate in general, and for enhanced investment in manufacturing during the Twelfth Five Year Plan. The Government has taken several steps to revive investment in the economy that, *inter-alia*, include measures to speed up project implementation *via* the creation of the Cabinet Committee on Investment (CCI); introduction of investment allowance for new high value investments; boost to infrastructure financing by encouraging Infrastructure Debt Funds, enhancement of credit to infrastructure companies; provision of greater support to Micro, Small and Medium Enterprises, etc. Initiatives by the Government *viz.* liberalisation of FDI norms in several sectors including telecom; deregulation of the sugar sector; decision to launch inflation indexed bonds to incentivize households to save in financial instruments; fiscal consolidation; new gas pricing guidelines, etc. would also help to increase investment in the economy.

Money laundering through casinos

1924. SHRI RAM KRIPAL YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware about Financial Action Task Force (FATF) report regarding high risks of possible money laundering and terror financing activities through casinos in India due to deficiencies in our regulatory framework; and

(b) if so, the details of steps taken by Government in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JESUDASU SEELAM): (a) Yes, Sir. However, these shortcomings in the regulatory framework are not considered to be high-risk from Money Laundering/ Terrorist Financing (ML/TF) perspective in view of the small size of the casino sector in India (only about 20 casinos have been licensed in the States of Goa and Sikkim). The casino Sector Assessment Committee (CSAC) appointed by the Ministry of Finance had also in its report of 2011 assessed the overall ML/TF risk of the casino sector in India as low.

(b) The Casino Sector Assessment Committee has examined FATF standards, legislation of other countries, typologies reports and the Report of the Designated Non-Financial Business and Profession (DNFBP) Risk Assessment to identify typologies relevant to the casino sector in the Indian context. The recommendations formulated by the Committee were approved by the Government of India and instructions were issued to both the Government of Sikkim and the Government of Goa to ensure compliance. Government of Sikkim has issued Anti Money laundering / Counter Financing of Terrorism (AML/CFT) guidelines for casinos operating in Sikkim in September 2011 under the Sikkim Casino Games (Control and Tax) Act, 2002. On 10th January, 2013, the Government of Goa issued through a formal notification in the Official Gazette of the Government of Goa "The Goa Anti Money laundering and Financing of Terrorism Guidelines".

Besides, the recent amendments to the Prevention of Money-laundering Act, 2002 (PMLA) has brought casinos as one of the DNFBPs within its scope.

Issue of KCCs and SCCs in West Bengal

1925. SHRI VIVEK GUPTA: Will the Minister of FINANCE be pleased to state:

(a) the number of Kisan Credit Cards (KCCs) and Swarojgar Credit Cards (SCCs) issued in West Bengal for the last three years, year-wise;

(b) the benefits provided under these two schemes; and

(c) the details of financial benefits provided to the cardholders in West Bengal, under these two schemes?