

the Government of India and sought close global coordination to achieve this objective. Further, in an intervention during the session on Delivering Global Economic Resilience on 16th November, 2014, in the meeting of G-20 leaders in Brisbane, Prime Minister expressed India's support for a new global standard on automatic exchange of information, which would be instrumental in getting information about unaccounted money hoarded abroad and enable its eventual repatriation. India has also conveyed its willingness to be one of the early adopters of the G-20 Automatic Exchange of Information.

Losses incurred by co-operative credit societies

†1799. SHRI VIJAY GOEL:

SHRI NARAYAN LAL PANCHARIYA:

Will the Minister of FINANCE be pleased to state:

- (a) whether co-operative credit societies are incurring losses due to disbursement of short-term loans to the farmers on concessional rates;
- (b) whether Government intends to compensate the loss incurred by co-operative credit societies due to disbursement of short-term loans to the farmers on concessional rates;
- (c) if so, the amount and if not, the reasons therefor;
- (d) whether Government intends to provide interest grants to primary co-operative Land Development Banks on long-term loans in order to promote them; and
- (e) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) to (c) In order to provide credit to farmers at affordable interest rates, the Government of India has, since 2006-07, been implementing the Interest Subvention Scheme under which short-term crop loans upto ₹ 3 lakh are made available to the farmers at an interest rate of 7% p.a. by the banks. Further, in case of prompt repayments of loans, an additional subvention of 3% is given, which reduces the effective interest rate for such farmers to 4%. For implementation of Interest Subvention Scheme, banks including Short Term Cooperative Credit Structure (STCCS), are given a subvention of 2% by the Government in respect of their own involved funds.

The Cooperative Banks of STCCS also get short term refinance from the National Bank for Agriculture & Rural Development (NABARD) at the rate of 4.5% to the extent

†Original notice of the question was received in Hindi.

ranging between 40 % to 70% (depending upon level of NPAs and area of operation) Thus, in cases where the short term crop loan disbursement by these Cooperative Banks is covered by NABARD's refinance, they get an interest spread (margin) of 2.5%. Therefore, NABARD's refinance allows these cooperative banks to earn 0.5% more as compared to the cases when their own funds are involved under Interest Subvention Scheme.

(d) and (e) At present, there is no such proposal under consideration.

Limit on levy under GST

1800. SHRI S. THANGAVELU: Will the Minister of FINANCE be pleased to state:

(a) whether the Empowered Committee of State Finance Minister on Goods and Services Tax (GST) wants the annual business turnover floor limit for imposition of levy reduced from ₹ 25 lakh to ₹ 10 lakh;

(b) whether this would make tax compliance easier as the threshold in most States for the Value Added Tax is also ₹10 lakh;

(c) whether the said Committee has demanded that Government should include the provision for GST compensation to States in the Constitutional Amendment Bill itself for the introduction of the new tax; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Yes, Sir.

(b) No, Sir. Keeping a low threshold increases the number of assessees and thus increases the regulatory and monitoring requirements.

(c) Yes, Sir.

(d) Since the GST Compensation will be a temporary feature, Union Government holds that there is no need for making a Constitutional provision for the same. Union Government has committed to the States that they shall be compensated for a period of 3 years from the date of introduction of GST in the country, for any losses caused to them. The recommendations of the 14th Finance Commission in this regard are also awaited. The matter is also under discussion with the States and the Embowered Committee of State Finance Ministers.