RBI has issued guidelines to NBFC-MFIs to ensure that a Board approved policy is in place with regard to Code of Conduct by field staff. The Code of Conduct *inter-alia* covers recovery procedures, consumer protection and grievance redressal. In addition, MFIs which are members of Self Regulatory Organisations (SROs) also adhere to a voluntary industry Code of Conduct for greater transparency, grievance and dispute redressal by their member MFIs.

As majority of small/micro units are outside the formal banking system and are forced to borrow from informal sources or use their limited own funds, Government has implemented the Pradhan Mantri Mudra Yojana (PMMY) since April, 2015 to bridge this gap and increase the confidence of the aspiring young persons to become first generation entrepreneurs as also of existing small businesses to expand their activities. Further, Government has set up a Credit Guarantee Fund for Micro Units to provide comfort to banks and MFIs to increase access to, and availability of micro loans by extending their current activities in underserved areas. During 2015-16, loans amounting to ₹ 1,32,954 crore have been disbursed under PMMY Scheme.

Money bills passed by Parliament

1045. SHRI TIRUCHI SIVA: Will the Minister of FINANCE be pleased to state:

(a) whether Government has the list of Money Bills passed by the Parliament since independence; and

(b) if so, the details thereof and if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) No, Sir.

(b) There are various Ministries/Departments of the Government which bring out Money Bills and as such, there does not exist any practice in the Government for maintaining a centralized list on the Money Bills passed by the Parliament.

Affect of tax uncertainty on investment environment

1046. SHRI AJAY SANCHETI: Will the Minister of FINANCE be pleased to state:

(a) whether tax uncertainty affects the investment environment;

(b) if so, what is India's position in this regard;

(c) whether Government proposes to resolve the entire instability on the taxation matters; and

(d) if so, measures taken/proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Tax policy and planning is done with a view to *inter alia,* raise revenues for the Government, give impetus to domestic manufacturing, disincentivise tax evasion, smuggling, control the current account deficit (CAD) and to give effect to international commitments. Duty rates on various commodities are determined keeping in view, among others, the above factors.

(b) Taxation proposals are generally announced as part of the Union Budget. However, in response to emergent situations, if the circumstances so warrant, taxes are also changed during the course of the year;

(c) and (d) The thrust of the present tax policy is to provide a predictable, stable, non-adversarial and consistent tax regime. A number of legislative measures have been taken in this regard. Some such measures are enumerated as below:

(i) Measures Proposed through Finance Bill, 2016

- Finance Bill, 2016 propose to emend the provisions of section 115JB of the Income-tax Act so as to provide that Minimum Alternate Tax (MAT) shall not be applicable to a foreign company, *w.e.f.* 01.04.2001 if the foreign company does not have a permanent establishment under relevant Double Taxation Avoidance Agreement (DTAA) or a place of business in India.

(ii) Measures introduced through the Finance (No.2) Act, 2014 and Finance Act, 2015:

- Income arising to foreign portfolio investors from transactions in securities to be treated as capital gains. This would remove uncertainty in taxation on account of characterization of their income and would encourage flow of funds from FIIs.

- Clarity in taxation of indirect transfer has been brought through Finance Act, 2015. Reasonable restrictions on its applicability have been imposed. Its applicability has been narrowed and linked with the percentage voting power, management control and the quantum of Indian assets.

- In order to bring certainty in transfer pricing regulations, objective safe harbor rules for determination of arm's length price have been notified.

- Mechanism of Advance pricing agreements has been provided for determination of arm's length price.

Extension of Finance to fraudulent borrowers

1047. SHRI AMBETH RAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether RBI prohibits banks from extending, finance to borrowers who have committed fraud, for 5 years from the date of full payment of defrauded amount even after obtaining non-encumbrance certificate;

(b) if so, reasons as to why Union Bank, Chitbaragaon branch had extended loans against 5 accounts before expiration of five years in 2014 to fraudsters against whom multiple cases of banking frauds had been registered in 2013 by SBI and Purvanchal Bank; and

(c) the details of the penal action Government has taken against bank officials and fraudsters in view of the above?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Reserve Bank of India has instructed the banks that no additional finance should be sanctioned under corrective action plan, in cases where the account has been reported as fraud by any lender / Joint Lenders Forum member with some exceptions.

(b) and (c) Union Bank has informed that its Chitbaragaon Branch has sanctioned KCC loan to borrowers under question as per Banks norms and completed required formalities. Branch has obtained No Dues Certificate from the earlier bankers *i.e.* SBI before disbursement of loan and taken No encumbrance Certificate from the Panel Advocate to avoid multiple financing. The SBI has not mentioned anything about fraud in their NOC. The present status of these accounts is standard.

Investments by sovereign wealth funds in NIIF

1048. SHRI ANAND SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Sovereign Wealth Funds are keen to invest in National Investment and Infrastructure Fund (NIIF);

(b) if so, the details thereof; and

(c) the list of countries with which Government has signed MoUs for the investments in the last two years?

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