

(b) the total excise collected from all these products during the last three years, giving the figures for each year separately;

(c) whether there has been a vast increase in excise collections after introduction of machine based levies for various products; and

(d) the steps being taken by Government to reduce burden to help farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Information is being collected and will be laid on the Table of the House.

#### **Evasion of tax by TCS**

801. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that M/s Diligenta, UK-based subsidiary of Tata Consultancy Services (TCS) have acquired Citigroup Global Services recently;

(b) if so, the income-tax/service-tax liability accrued due to this deal;

(c) whether TCS have used UK-based subsidiary in order to evade income-tax; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Sir, M/s Diligenta has not acquired Citigroup Global Services but M/s TCS Ltd. has acquired Citigroup Global Services on 31.12.2008.

(b) M/s TCS Ltd. purchased 1,19,36,313 shares from Citigroup Global Services Holding LLC, USA for US \$ 51,23,829/- and a TDS of US \$ 11,54,253/- has been deducted. The information regarding Service tax is not readily available with the Central Board of Excise and Customs, on receipt of the same the information will be placed before the Parliament as soon as possible.

(c) to (d) The TCS has not used any UK based subsidiary but has acquired Citigroup Global Services Limited by buying its shares directly.

#### **Modified taxation treaty with Switzerland**

802. SHRI ANIL MADHAV DAVE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the recently amended Taxation Treaty with Switzerland relating to Swiss Bank Accounts of Indian Nationals allows Government to seek information on old accounts;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The protocol amending the Agreement and the Protocol between the Government of Republic of India and the Swiss Confederation for the avoidance of Double Taxation with respect to taxes on Income (amending protocol) has entered into force on 7th October, 2011. As a result of this amending protocol, the new provision of the exchange of information allow exchange of banking information, in specific cases, that relate to fiscal year beginning on or after 1st April, 2011.

(c) Switzerland has not concluded Double Taxation Avoidance Agreements with any country which allow for exchange of past banking information which relate to a date prior to date of signing of treaty or amending protocol.

#### **Strong arm tactics adopted by MFIs for recovery of loans**

803. SHRI BALWINDER SINGH BHUNDER: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some of the Micro Financing Institutions (MFIs) are using strong arm tactics for recovery of loans given by them to the needy and poor persons;

(b) if so, the action taken by Government against such MFIs;

(c) whether any guidelines have been issued in this regard; and

(d) if so, the details thereof and the mechanism to ensure the compliance of these guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) There have been some concerns in the recent past expressed in the media about high interest rates, coercive recovery processes and multiple lending practiced by some microfinance institutions. In order to study these and other related issues and implications for its policies and given the useful role played by the microfinance institutions in providing access to financial services to the poor and excluded, the Reserve Bank of India set up a sub-committee of the Central Board of Directors of the Reserve Bank headed by Shri Y.H. Malegam, Director on the Bank's Board, to study the issues and concerns in this sector, including ways and means of making interest rates charged by them reasonable. The Sub-Committee has since submitted its report. As per Reserve Bank of India's Circular dated May 3, 2011, Bank loans to MFIs has been given the status of priority sector. The circular *inter alia* provides for margin cap at 12% for all MFIs, interest cap on individual loans at 26% per annum for all MFIs, there should not any penalty for delayed payment and no security deposit/margin are to be taken.