

Accounts in banks of Indian citizens in Denmark and Finland

813. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government has received information about 2,000 accounts in banks in those countries held by Indian citizens recently from authorities of Denmark and Finland;

(b) if so, the details thereof indicating the nature of investigations, if any, there into being conducted by relevant authorities, namely ED and IT and current status thereof;

(c) whether authorities of France and LGT Bank of Liechtenstein, besides HSBC Bank in Geneva, also provided details of bank accounts of Indians earlier;

(d) if so, the details thereof; and

(e) the rationale behind not making the identities of these account holders public?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. Information regarding 2,000 accounts in banks has not been received. However, information relating to about 1,500 transactions has been recently received from Denmark and Finland under the DTAA.

(b) Appropriate action under the Direct Tax laws is taken in all cases wherein information is received by CBDT regarding foreign assets or transactions of Indians. Any undisclosed income detected by way of these actions is brought to tax under the provisions of the Direct Tax laws. Penalty and prosecution proceedings are also initiated in appropriate cases. The information received is confidential and can be used only for tax purposes.

(c) to (e) Various foreign governments give information under Double Taxation Avoidance Agreement (DTAA)/Tax Information Exchange Agreements (TIEA) regarding foreign assets and transactions of Indians. Receipt of such information is an ongoing process. The information received from various countries is subject to confidentiality provisions of the DTAA/TIEAs under which such information is received and can be used only for tax purposes. Besides, under section 138 of the Income Tax Act, 1961 information available with the Income Tax Department cannot be made public except under the procedure laid down therein.

Flouting of priority sector lending by private bank

814. DR. T.N. SEEMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government or RBI has received any complaint regarding flouting of the guidelines regarding priority sector lending extant upto 1 July, 2010, indulged by the ICICI bank,

by showing loans provided by their client MFI's to SHG's, as direct priority sector lending by ICICI bank itself; and

(b) whether Government would order an inquiry into the complaint?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) and (b) Reserve Bank of India (RBI) has reported that it had received letters from M/s BSS Micro Finance Private Ltd., Bangalore either directly or indirectly through various Government functionaries stating that ICICI Bank Ltd. was charging very high rates of interest varying between 22 to 30% per annum on loans granted by the bank to end clients through Micro Finance Institutions (MFIs).

In order to bring about transparency in lending rates, RBI introduced in July 01, 2010 the Base rate System and withdrew the stipulation of BPLR being the ceiling rate for advances upto Rs. 2.00 lakh.

On the basis of the recommendations made by the Sub-Committee of the Central Board of Directors of the Reserve Bank of India (RBI) set up to study issues and concerns in the micro finance sector (Chairman: Shri Y.H. Malegam), all scheduled commercial banks have been advised by RBI in May, 2011 regarding categorization of bank credit to Micro Finance Institutions extended on, or after, April 1, 2011 for on-lending to individuals and also to members of Self Help Groups (SHGs)/Joint Liability Groups (JLGs) under the priority sector, provided the MFIs satisfy the criteria prescribed by RBI in this regard.

Bank loan defaulters

†815. SHRI MOTILAL VORA:
SHRI SATYAVRAT CHATURVEDI:

Will the Minister of FINANCE be pleased to state:

(a) the number of persons who have been granted loan of less than ₹ 50 lacs by the Nationalised banks during the last three years;

(b) the interest rate on which the loan was granted to these people;

(c) the borrowers defaulted out of them; and

(d) the steps taken by Government for recovery of amount from defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) and (b) The details regarding number of accounts who have been granted loan upto Rs. 50 lakh by nationalized banks during the last three years and amount outstanding are as under:—

†Original notice of the question was received in Hindi.