

Sharing of black money data with Switzerland

†2535. SHRI THAAWAR CHAND GEHLOT: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Switzerland has agreed to exchange information with India regarding black money;
- (b) if so, the details thereof;
- (c) whether Government is contemplating to have any mechanism with Switzerland in this regard;
- (d) if so, the details thereof; and
- (e) by when double taxation treaty with Switzerland would likely be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JESUDASU SEELAM): (a) and (b) Double Taxation Avoidance Agreement between Government of India and the Swiss Confederation (DTAA) is in force since 29th December, 1994. Switzerland agreed, on India's request, to amend the DTAA through an Amending Protocol, which entered into force on 7th November, 2011. The Amending Protocol has amended the existing Article on Exchange of Information to specifically provide for exchange of banking information, information held in fiduciary capacity and exchange of information regardless of domestic interest by Switzerland, in specific cases relating to period after 1st April, 2011.

(c) and (d) The mechanism for exchange of information in specific cases with Switzerland is through the DTAA as amended by the Amending Protocol stated above. Government has also signed a Mutual Agreement with Government of Swiss Confederation for liberal interpretation of the identity requirements for providing information under Article 26 of the DTAA to facilitate effective exchange of information.

(e) Amended DTAA with Switzerland has already entered into force on 7th November, 2011.

Steps taken for reduction of fiscal deficit

2536. Dr. T.N. SEEMA: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.

- (a) whether Government has failed to meet the fiscal deficit target till date;
- (b) whether various Ministries and departments have failed to adhere to financial pruning and cuts imposed by Government;
- (c) if so, the details thereof and the reaction of Government thereto;
- (d) the details of the country's fiscal deficit of during the last three years and the current year till date;
- (e) whether Government is resorting to transfer of money from one head to the other so as to mask deficit figures; and
- (f) the effective steps taken/being taken by Government to reduce the fiscal deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) The performance of Government in compliance with Fiscal Deficit targets over the last ten years is as below:

Year	Fiscal Deficit (% of GDP)	
	BE	Actual
2003-04	5.6	4.5
2004-05	4.4	3.9
2005-06	4.3	4.0
2006-07	3.8	3.3
2007-08	3.3	2.7
2008-09	2.5	6.0
2009-10	6.8	6.5
2010-11	5.5	4.8
2011-12	4.6	5.7
2012-13#	5.2	4.9

provisional

(b) and (c) No, Sir.

Various Ministries and Departments under the Government of India spend funds allocated to them within the expenditure ceilings as decided by Government from

time to time. The ceilings for both Plan and Non Plan expenditure in any given financial year are finalized after mutual consultation with line Ministries/Departments. Government does the Mid-year review to re-allocate the resources. During the mid-year review, the expenditure ceilings for Plan and Non Plan are decided keeping in view the pace of expenditure, absorptive capacity, committed and contractual liabilities and other items which are obligatory in nature and various Ministries and Departments spend accordingly. Further, various Ministries and Departments requires to comply with various economy measures, financial pruning and cuts imposed by the Government from time to time, so that overall expenditure could be contained to achieve the set fiscal targets.

(d) The details of the country's Fiscal Deficit during last three years and the current year till date are as below:

Year	Fiscal Deficit (Rs. in crore)	Fiscal Deficit (% of GDP)
2010-11	373591	4.9
2011-12	515990	5.7
2012-13 #	489890	4.9

provisional.

The level of Fiscal Deficit during current year *i.e.* 2013-14, up to December, 2013 is Rs. 5,16,390 crore which is 95.2 % of BE 2013-14.

(e) No, Sir.

(f) Government has imposed economy measures like rationalization of expenditure and optimization of available resources with a view to reduce Fiscal Deficit and to improve macroeconomic environment. This include 10% mandatory cut on Non Plan expenditure in the current financial year, ban on holding of meetings and conferences at five star hotels, ban on creation of Plan and Non Plan posts, purchase of new vehicles, restrictions on foreign travel, observance of discipline in fiscal transfers to States, Public Sector Undertakings, Autonomous Bodies such as releases to any entity shall be based on furnishing of Utilization Certificates etc.

Government has also imposed expenditure restriction up to (i) 33% of the Budget Estimates in the last quarter of the financial year and (ii) 15% of the Budget

Estimates in the month of March. Financial Advisors of Ministries/Departments have been advised to ensure compliance with these measures and also to submit an overall report to the Minister-in-Charge/the Ministry of Finance on a quarterly basis regarding various actions taken on these measures/guidelines. Government also endeavours to contain the expenditure on Central subsidies.

Apart from the measures indicated above, the Government has taken following steps to reduce Fiscal Deficit:

- (i) Government has reverted back to the path of fiscal consolidation with gradual exit from the expansionary measures in calibrated manner. In the Medium Term Framework, the reduction in fiscal deficit is designed with a mix of reduction in total expenditure as percentage of GDP and improvement in gross tax revenue as percentage of GDP.
- (ii) Government has also introduced "Medium-term Expenditure Framework Expenditure Statement", setting forth a three-year rolling target for expenditure indicators with a view to undertaking a *de-novo* exercise for allocating resources for prioritized schemes and weeding out other that have outlived their utility. It would also encourage efficiencies in expenditure management.

Request of excise duty exemption on Ayurvedic medicines

2537. SHRI M.P. ACHUTHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government has received a representation from Ayurvedic Medicine Manufacturer Organisation of India, Thrissur, requesting to withdraw the two per cent excise duty on classical/generic Ayurvedic medicines; and

(b) if so, the response of the Ministry thereto?

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

(b) The request has not been acceded to.

Applications for banking license

2538. SHRIMATI RENUBALA PRADHAN: Will the Minister of FINANCE be pleased to state: