

/Joint Liability Groups (JLGs) will be eligible for categorization as priority sector advance with certain conditions. In view of the developments in the Microfinance sector, particularly in Andhra Pradesh, the RBI had in October, 2010 constituted a Sub-Committee under Shri Y.H. Maelgam, a senior member of the Central Board of Directors of RBI to study issues and concerns of the Micro Finance Sector including interest rates charged by the lenders in this area. The Maelgam Committee in its Report has recommended a regulatory framework for the sector.

#### **Renegotiation of tax treaty with Mauritius**

2233. SHRI. Y.S. CHOWDARY: Will the Minister of FINANCE be pleased to state:

(a) whether Government is renegotiating tax treaty with Mauritius into avoid Double Taxation;

(b) if so, the details thereof;

(c) whether by renegotiation of tax treaty with Mauritius, India will have access to bank details besides tax related information; and

(d) by when the Tax Treaty Agreement will be signed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):  
(a) and (b) A Joint Working Group (JWG) comprising members from the Government of India and the Government of Mauritius was constituted in 2006 to *inter-alia*, put in place adequate safeguards to prevent misuse of the India-Mauritius Double Taxation Avoidance Convention (DTAC). Six rounds of discussions have taken place so far. There was unwillingness on the part of Mauritius to cooperate in addressing this problem. We have now proposed next round of discussion to which Mauritius is yet to respond.

(c) Yes, if Mauritius side agrees to amend the relevant Article on Exchange of Information in the DTAC.

(d) Mauritius is yet to respond. Therefore, it is not possible to fix a time limit for signing the revised treaty.

#### **Merging of PSBs**

2234. SHRI D. RAJA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has taken a decision to merge the Public Sector Banks (PSBs);