

#### Exploitation of BPL families in lending of loans

†2232. SHRI BALAVANT ALIAS BAL APTE: Will the Minister of FINANCE be pleased to state:

- (a) whether Private Sector Banks have sanctioned loan to BPL families;
- (b) if so, the details thereof for the last three years and if not the reasons therefor;
- (c) whether Government has taken note of the complaints regarding lending of loans to these people by the money lenders on high interest rate and illegal practices to recover loan from them;
- (d) if so, the details thereof; and
- (e) the corrective measures taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) and (b) Banks, including Private Sector Banks lend under the Government Sponsored Scheme i.e. Swarnajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahari Rozgar Yojana (SJSRY) and Differential Rate of Interest Scheme (DRI) which are meant for the members of below poverty line (BPL) families. Private Sector banks are required to lend to the extent of 40% of their total loans under priority sector lending which includes loans to weaker section and DRI advances. The details of lending under the sponsored scheme by Private sector banks are as under:

(Rs. in lakh)

Year	SGSY Amount disbursed	SJSRY Amount disbursed
2008	2872	671
2009	3203	702
2010	3357	843
2011	907	776

(c) to (e) In order to ensure availability of bank credit to Micro-Finance Institutions (MFIs), RBI *vide* its circular dated 3rd May, 2011 has advised banks that bank credit to MFIs extended on, or after, 1st April, 2011 for on lending to individuals and also to members of Self-help Groups (SHGs)

†Original notice of the question was received in Hindi.

/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);