

losses of Indian Bank and United Bank of India against their equity capital as on 31.03.2006.

(c) The existing reporting system captures write off data in respect of Scheduled and Non-scheduled banks having deposits in excess of Rs. 100 crore. The quantum of loan written off by Scheduled Co-operative Banks during the 2003-04, 2004-05 and 2005-06 was Rs. 201.80 crore, Rs. 224.51 crore and Rs. 128.97 crore respectively.

(d) and (e) The write offs result from internal decision by the banks, and are not reimbursed by the Government.

### **Funding of projects by IIFCL**

763. MS. PRAMILA BOHIDAR:

SHRI B.J. PANDA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Indian Infrastructure Finance Co. Ltd., (IIFCL) has sanctioned Rs. 458 crore for funding a number of projects in the port, power and urban infrastructure sector;

(b) if so, the details thereof; and

(c) what are the details of the projects that are proposed to be covered under this scheme in Orissa State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Financial assistance for 12 infrastructure projects amounting to Rs. 965 crore stands approved so far by the Board of Directors of IIFCL.

(c) A letter was addressed to Chief Secretary, Orissa in March 2006 requesting for proposal related to infrastructure projects in Orissa. However, India Infrastructure Finance Co. Ltd., (IIFCL) has not received any proposal for financial assistance involving a project in Orissa.

### **Misuse of Double Taxation Avoidance Agreement with Mauritius**

764. SHRIMATI BRINDA KARAT:

SHRI TAPAN KUMAR SEN:

Will the Minister of FINANCE be pleased to state:

(a) the action taken by Government to stop misuse of Double Taxation Avoidance Agreement (DTAA) with Mauritius, as stated in National Common Minimum Programme of Government;

(b) the number of misuse identified so far and action taken thereon;

(c) whether Government have taken note of CAG's observation on the issue; and

(d) if so, the action taken on the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Central Board of Direct Taxes in the Department of Revenue, Ministry of Finance has made consistent efforts over a period of time to revisit the India Mauritius Double Taxation Avoidance Convention (DTAC). This is not purely an economic issue and there are several political and diplomatic implications. Government is making efforts to persuade the Government of Mauritius to strengthen the mechanism for exchange of information on tax matters between India and Mauritius and also incorporate appropriate provisions in the DTAC for prevention of 'treaty shopping'.

(b) The Mauritius route has been adopted by investors from all over the world for making investments into India. Under the DTAC there are provisions for avoidance of double taxation and if investors through Mauritius route take advantage of these provisions, it is in accordance with the Convention.

(c) Yes, Sir.

(d) Action has been taken wherever found necessary.

#### **Transfer of assistance for plan schemes**

765. SHRI SANTOSH BAGRODIA:

SHRI GIREESH KUMAR SANGHI:

Will the Minister of FINANCE be pleased to state:

(a) the basis of transfer of assistance from Centre to States for plan schemes;

(b) when was this formula for transfer of assistance framed and what was the rationale for considering the chosen criteria; and

(c) whether any State has requested for revision of the formula or for inclusion of other parameters, if so, what was the request and what action has been taken by the Central Government?