

Examination of Double Taxation Treaty

*398. SHRI MANI SHANKAR AIYAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Special Investigation Team (SIT) set up in consequence of the Supreme Court's order is also charged with plugging channels by which black money is routed out of the country; and

(b) if so, whether SIT will be examining provisions in the India-Mauritius Double Taxation Treaty which allows for black money to be channelled to the Indian stock market through Participatory Notes ?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) The Special Investigation Team (SIT) has been set up through Notification issued on 29.5.2014 in pursuance of the Order dated 4.7.2011 of Hon'ble Supreme Court of India passed in Writ Petition (Civil) No. 176 of 2009. The terms of references of the SIT are as per this order of the Hon'ble Supreme Court. As per these terms of reference, the SIT is also charged with the responsibility of preparing a comprehensive action plan, including the creation of necessary institutional structures that can enable and strengthen the country's battle against generation of unaccounted monies, and their stashing away in foreign banks or in various forms domestically.

(b) Thus, the terms of reference of the SIT are broad enough to enable it to examine all issues related to black money, including the misuse of tax treaties.

Duty drawbacks on exports

*399. SHRI NARESH GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that duty drawbacks on exports made from December, 2013 to March, 2014 were held up by Government for various reasons; and

(b) what was the quantum of such payments that were due and which were released in the subsequent year ?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) and (b) The receipts of cases of All Industry Rates of duty drawback during December, 2013 to March, 2014 involved amount of ₹ 6,785 crore Out of the said amount of drawback, it is estimated that ₹ 5,713 crore remained due while ₹ 1,072 crore was disposed of during this period. Further, a sum of ₹ 5,376 crore is estimated as disposed in the year 2014-15, till June, 2014.