

The status of implementation of recommendations by TARC pertaining to Direct and Indirect taxes is as follows:

	CBDT	CBEC
No. of recommendations	254	291
Not acceptable	47	27
For further examination		18
Acceptable/acceptable with modification	207	246
(a) Implemented	34	77
(b) Under Implementation	173	169

(c) A present, during a financial year, bulk of the cases under scrutiny are selected in a centralized manner through CASS(Computer Assisted Scrutiny Selection) using rule based algorithms on departmental database and undertaking three-hundred Sixty degrees data profiling of the taxpayers. The parameters for scrutiny selection through CASS are reviewed and fine-tuned every year. Further, some cases are also identified manually for selection based upon pre-determined revenue-potential parameters such as specific information about concealment of income, tax evasion, additions made in earlier assessment years, Search and Survey cases etc. for which the Central Board of Direct Taxes (CBDT) issues detailed guidelines/Instructions every year. The guidelines for manual selection are also circulated in public domain to make the system transparent. To further reduce human intervention in scrutiny selection process, from Financial year 2013-14 onwards, discretionary power of an Assessing Officer in selecting a case for scrutiny has been withdrawn.

Thus, the present scrutiny selection process is scientific, non-discriminatory and non-discretionary. Therefore, there is no need to discard/abolish this process.

#### **Increase in borrowing limit under FRBM Act**

548. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government of Telangana has approached the Centre to increase the borrowing limit under the Fiscal Responsibility and Budget Management Act; and

(b) if so, what is the response of the centre?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Yes Sir.

(b) Central Government determines and regulates the Annual Net Borrowing Ceiling for each State within their respective Fiscal Deficit targets as per formula prescribed by the Finance Commissions. As such requests received from States for increase in borrowing limits including Telangana are considered within the ambit of recommendations of Finance Commissions.

**Service tax from Haj pilgrims**

†549. SHRI PARVEZ HASHMI: Will the Minister of FINANCE be pleased to state:

(a) whether Government collects service tax from those Haj Pilgrims who opt to travel through private tour operators;

(b) if so, the details thereof;

(c) whether Government also collects service tax from those Haj Pilgrims who travel through the Haj Committee of Government of India; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) No, Sir. Service Tax is levied on services provided to Haj pilgrims by any person other than the Haj Committee of India or State Haj Committees.

(b) Service tax is leviable on services provided by private tour operators providing services by way of tour services.

(c) No. Sir.

(d) Haj Committee of India is a non-profit making body and nodal agency to coordinate with various agencies so as to ensure the smooth performance and facilitation of the Haj pilgrimage. Haj Committee of India acting through the State Haj Committees regulates and manages the Haj pilgrimage. The services provided by Haj Committee of India and State Haj Committees with relation to Haj pilgrimage, facilitated by the Ministry of External Affairs under a bilateral agreement have been exempted from service tax.

On the other hand, the private tour operators providing services of Haj pilgrimage operate on a commercial basis and their services are utilized by those who can afford the same.

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†Original notice of the question was received in Hindi.