(c) whether the terms of references for the Armed Forces and civilians were same and why the pensions of Armed Forces Personnel were clubbed with civilians; and

(d) whether mistake had been committed in 1973 by *"Ex-parte* Administrative Order" in the matter and why that cannot be corrected to treat Armed Forces Personnel a separate class?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) The Government entrusted the task to a Pay Commission in 1973, at the time of setting up of 3rd Central Pay Commission.

(b) The Government had set up a Post War Pay Committee in 1947, a Departmental Pay Committee (Raghuramiah Committee) during 1959-60 and another Departmental Committee in 1967 for review of pay and allowances of Defence Forces Personnel. There was general discontentment amongst the services with respect to the recommendations of these Committees. Thereafter, the Government decided to entrust the examination of structure of emoluments, including benefits in cash and kind and death cum retirement benefits of the Armed Forces to the 3rd Central Pay Commission.

(c) and (d) The terms of reference with respect to the Armed Forces personnel were different to the extent that the 3rd Central Pay Commission was not required to make recommendations on the conditions of service of the Armed Forces personnel. Though, the matters related to pension of Defence Service personnel was referred to 3rd Pay Commission, there has been no clubbing with civilians. The Commission felt that by and large, the principles followed by Armed Forces Pension Revision Committee (AFPRC) continue to be valid. The 3rd Pay Commission had considered the peculiar conditions of service and hierarchical set up of the Services, age of retirement, period of qualifying service pension etc. in respect of Armed Forces personnel. As such there has been no mistake in entrusting the matter to 3rd Central Pay Commission.

Investigation of corporate frauds by SFIO

1170. SHRI AJAY SANCHETI:
SHRI B.K. HARIPRASAD:
Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government has set up a Serious Fraud Investigation Office (SFIO) to investigate corporate frauds of serious and complex nature;

(b) if so, the details thereof;

(c) the details of investigations carried out by this office during last three years with nature of frauds detected and prosecutions made; and

(d) the details of corrective measures taken to prevent such frauds in future?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) and (b) Yes, Sir. The SFIO established, *vide* Government of India's Resolution No. 45011/16/2003-Admn-I dated 02-07-2003, has been notified under sub-section (1) of Section 211 of the Companies Act, 2013, *vide* Government of India, Gazette Notification S.O. 2005(E) dated 21.07.2015.

(c) Details of investigations completed and prosecutions/petitions in Company Law Board filed (including in respect of investigations completed in earlier years) by SFIO during the period of last three years and the current year (up to 31.12.2015), are as under:

Year	Number of investigations completed	Prosecutions filed
2012-13	22	45
2013-14	22	89
2014-15	39	61
2015-16 (up to 31.12.2015)	39	44

The nature of frauds detected involve:

(i) Falsification of financial statements through inflated sales, overstatement of assets and understatement of liabilities;

(ii) Collection of deposits by companies under the guise of real estate, chit fund, etc. by alluring small investors with astronomical returns within short time without meeting the promises;

(iii) Fraudulent transactions;

(iv) Manipulation through related party transactions;

(v) Siphoning off and diversion of funds generated through various sources.

(d) Government has taken a number of measures to curb and prevent corporate frauds, which include;

(i) Declaring 'Fraud' as a substantive offence has been introduced in the Companies Act, 2013.

(ii) Statutory status to the Serious Fraud Investigation Office has been granted under the Companies Act, 2013.

(iii) Stricter norms of Corporate Governance and their implementation under the Companies Act, 2013.

(iv) Increasing application of technology for early detection of frauds through data analysis, surveillance and usage of forensic tools, etc.

High excise duty on 10 to 13 seater vehicles

1171. SHRI RAJKUMAR DHOOT : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that motor vehicles of more than 10 seats but upto 13 seats capacity which are serving particularly the rural poor have to pay 27 per cent excise duty whereas vehicles with more than 13 seats are charged 12.5 per cent excise duty;

(b) if so, the details thereof and reasons behind this anomaly; and

(c) what remedial measures Government propose to take to remove this anomaly so as to provide relief to vehicles with more than 10 seats but 13 seat capacity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) (1) Excise duty for motor vehicles for transport of more than 13 persons under heading 8702 is 12.5% by tariff. Vehicle including bus, falling under this heading, is generally used in public transport.

(2) Excise duty for motor vehicles for transport of persons 10 to 13 under heading 8702 is 27% by tariff.

(3) However, there is a scheme of taxi refund in case of motor vehicles falling under tariff headings 8702 & 8703 for transport of upto 13 persons (wherein refund of 20% of the excise duty payable on such vehicles is allowed).

(b) The two types of vehicles are not comparable to each other.

(c) The excise duty structure for motor vehicles falling under tariff headings 8702 and 8703 for transport of upto 13 persons has been examined in this budget, and it was decided not to make any change.