

**Revenue loss due to non-payment of service tax**

917. SHRI DEREK O' BRIEN: Will the Minister of FINANCE be pleased to state:

(a) the details of revenue loss due to instances of non - payment/short -payment of service tax; incorrect availing/utilization of CENVAT credit and non- payment of interest on delayed payments in the last three years;

(b) whether it is a fact that arrear collection in Financial Year 2015 has fallen to 1.17 per cent as compared to 10.46 per cent in Financial Year 2014; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) In instances when default in payment of service tax due to non-payment, or short payment of tax, or delayed payment of tax, or tax evasion, or incorrect availment/utilization of CENVAT credit is detected, a show cause notice (SCNs) is issued. The show cause notices (SCNs) are adjudicated and where the demand is confirmed the same has to be recovered. The show cause notices issued pertaining to service tax in the last three years are as below:

Year	No of SCNs issued	Amount involved (₹ in crores)
2013-14	16932	40972.56
2014-15	22246	58166.64
2015-16	24580	60594.19

(b) and (c) The arrears collection figures (₹ in crores) for service tax for the last three years are:

Pending arrears	F.Y.2013-14 (as on 31.03.2014)	F.Y.2014-15 (as on 31.03.2015)	F.Y.2015-16 (as on 31.03.2016)
Total arrears pending	71,257	79,743	90,170
Recoverable arrears pending	9,090	2,102	2,658
Arrears	7,311*	901	1,565
Realized	1,232**		

\* Including spot recovery (pre-adjudication)

\*\* Excluding spot recovery

Arrears realized figures of ₹ 7311 crores in 2013-14 includes spot recoveries (pre-adjudication). Since 2014-15 onwards these spot recoveries (pre-adjudication recoveries) have not been included in arrears as these are not confirmed demands and hence do not qualify as arrear recovery. In view of this, though there appears sudden decline in the arrear realization in 2014-15 but the actual recovery in 2013-14 (without including spot recoveries) is only ₹ 1,232 crores; thus there is no steep decline in arrears recovery in 2014-15 as compared to 2013-14; the arrears recovery has actually increased in 2015-16 to ₹ 1565 crores. In the first quarter of this financial year (April-June 2016-17), actual recoveries have increased to ₹ 551 crores as compared to ₹ 251 crores for the same period last year (April- June 2015-16) —an increase of 119%.

#### **Tenure of RBI Governor**

918. SHRI DEVENDER GOUD T.: Will the Minister of FINANCE be pleased to state:

- (a) whether Government feels that a three year term for RBI Governor is enough;
- (b) whether at any time the tenure for RBI Governor was more than the present tenure;
- (c) what is the view of Government to the RBI Governor's suggestion to have a tenure for, at least 4 years like the Federal Reserve of the United States of America; and
- (d) whether tenure of RBI Governor is a part of the Government's proposal to restructure the RBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) and (b) Section 8(4) of RBI Act, 1934 provides that the Governor and Deputy Governor shall hold office for such term and not exceeding five years as the Central Government may fix when appointing them and shall be eligible for re-appointment. Generally, Governor of Reserve Bank of India (RBI) has initially been appointed for a period of three years.

(c) and (d) No such suggestion from Governor, RBI has been received in this Department.

#### **Loan agreement with AIIB**

919. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

- (a) whether the Ministry has signed any loan agreement with AIIB (Asian Infrastructural and Investment Bank);