

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:6774
ANSWERED ON:09.05.2003
RECOVERY OF SERVICE TAX
DR. KIRIT SOMAIYA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the I.T. Department Mumbai have undertaken any survey of income of cable operators in Mumbai;
- (b) if so, the details in this regard;
- (c) the number of cable customers operating in Mumbai;
- (d) the details of service tax, entertainment tax deposited and income tax paid by cable operators at Mumbai;
- (e) whether any cognizable offence has been registered against the cable operators for collecting Government taxes from cable customers and not depositing the same with the Government; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

- (a) Yes, Sir.
- (b) The Income Tax Department, Mumbai conducted survey of 2 cable operators wherein it was found that they had not maintained books of accounts properly. Cash of Rs. 70,350/- was found in the case of one assessee. In the second case, as a result of discrepancy found during survey, the assessee offered to pay income tax of Rs. 60,000/- for the financial year 2002-03.
- (c) Details of cable customers in Mumbai are not available.
- (d) For the year ending 31.03.2003 service tax of Rs. 111.53 lakh, has been paid by the cable operators in Mumbai. Details of income tax paid by cable operators in Mumbai are, however, not maintained by the Income Tax Department. As per Entry 62 of the State List of the 7th Schedule of the Constitution of India, tax on entertainment is a State subject. Hence, the Central Government does not maintain any details in this regard.
- (e) Under section 66 of the Finance Act 1994 service tax is leviable. Non-payment of service tax is not a cognisable offence under this Act.
- (f) Does not arise.