

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5283

ANSWERED ON:29.04.2005

VAT ON CSD CANTEENS

Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Singh Shri Kirti Vardhan;Singh Shri Mohan;Yadav Shri Anirudh Prasad (Sadhu);Yadav Shri Baleshwar;Yaskhi Shri Madhu Goud;Yerrannaidu Shri Kinjarapu

Will the Minister of FINANCE be pleased to state:

- (a) whether the Defence Ministry has sought the waiver of VAT from Finance Ministry as several serving and retired Defence personnel purchase their provisions and daily necessities from Defence canteen;
- (b) if so, the details thereof;
- (c) whether representations from army personnel have been received in this regard; and
- (d) if so, the decision taken in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) : Yes, Sir.

(b), (c) & (d): VAT is a tax intended to replace the State Sales Tax. Hence, the Central Government has no role to play either in imposing VAT on any particular item or exempting any item from VAT. An Empowered Committee of State Finance Ministers was set up to decide on all issues relating to implementation of State level VAT. Therefore, any decision in this regard, can be taken only by the Empowered Committee and the State Governments.