

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:733  
ANSWERED ON:04.03.2005  
LIC SERVICE TAX  
Satheedevi Smt. P.

**Will the Minister of FINANCE be pleased to state:**

- (a) the amount spent by LIC for service tax; and
- (b) the effect on the bonus of the policy holders as a result of service tax?

**Answer**

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

(a): Amount of Service Tax paid by LIC is as under:

Year	Amount (Rs. in Crores)
2002-03	56.66
2003-04	543.89
1.4.2004 to Feb, 2005 }	383.76

(b): As a result of payment of Service Tax by LIC, the surplus available for distribution to policyholders gets reduced and hence the bonus payable to them.