

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4734
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Will the Minister of FINANCE be pleased to state:

- (a) whether companies raised huge amount of money through issue of Initial Public Offers (IPOs) and paid commission to stock broking firms for marketing IPOs;
- (b) if so, the details thereof for the last three years, year-wise;
- (c) whether those stock broking firms are paying service tax;
- (d) if so, the details thereof for the last three years, year-wise
- (e) if not, action taken to recover service tax from them; and
- (f) the quantum of service tax due against each such stock broking firms?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) and (b): The year-wise details of the number of IPOs opened and the amount raised are as follows:

Year-wise	No. of IPOs opened	Amount
(January 01 to December 31)		(Rs. in crore)
2006	74	24720.53
2007	101	33951.48
2008	37	18392.78

The issuer companies pay a consolidated sum to the Merchant Bankers to the issue, who in turn pay brokerage to the Syndicate Members.

(c) to (f): Stock broking is a taxable service and the year wise details of total service tax collected from Stock Brokerage Commission for the last three years is as follows:

Year	Service tax (in Rs. Crore)
2006-07	1029
2007-08	1555
2008-09	795