

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2939
ANSWERED ON:26.11.2010
SERVICE TAX ON SHEEP INSURANCE SCHEME
Sarvey Shri Sathyanarayana

Will the Minister of FINANCE be pleased to state:

- (a) the details of exemption extended to service tax on sheep insurance scheme;
- (b) whether the Government of Andhra Pradesh has sent any proposal for extending the period of exemption;
- (c) if so, the complete details thereof;
- (d) the action taken by the Government so far; and
- (e) if not, by when action will be taken on such an important issue?

Answer

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

- (a): Notification no.31/2006-Service Tax dated 11th December, 2006 exempted sheep insurance scheme from service tax, till 31st December, 2009.
- (b) and (c): Representations dated 26.10.2009 and 07.07.2010, were received from the Chief Minister of Andhra Pradesh, seeking further extension of the limited period exemption .
- (d): the representations have been examined and it was not found feasible to further extend the limited period service tax exemption for sheep insurance. Suitable replies dated 9th January, 2010 and 22nd September 2010 have been forwarded to the Chief Minister of Andhra Pradesh, expressing the Government's inability to further extend the exemption.
- (e): Does not arise in view of reply to (d) above.