

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4009  
ANSWERED ON:03.12.2010  
RECOVERY OF SERVICE TAX FROM STOCK BROKING FIRMS  
Ram Shri Purnmasi

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

- (a) whether companies raised thousands of crores of rupees through issue of Initial Public Offerings (IPOs) and paid commission to stock broking firms for marketing IPOs;
- (b) if so, the details thereof for the last three years;
- (c) whether those stock broking firms are not paying service tax in respect of marketing of IPOs;
- (d) if so, the reasons therefor and action taken to recover service tax from them; and
- (e) the quantum of service tax due against stock broking firms during the same period?

**Answer**

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

- (a) and (b): During the last three years, 128 companies raised a total amount of Rs. 79488.19 crore through issue of Initial Public Offerings (IPO). The companies had paid commission to stock broking firms for marketing the said IPOs.
- (c) to (e): Information is being collected and will be laid on the Table of the House.