

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3904
ANSWERED ON:16.12.2011
WAVE OF SERVICE TAX
Sainuji Shri Kowase Marotrao

Will the Minister of FINANCE be pleased to state:

- (a) whether the Central Excise and Customs Department had received any request from the Government of Maharashtra to waive service tax in regard to the modernisation of Shri Chhatrapati Krida Sankul, Balevadi, Pune and Navin Bandhkamavar during the Commonwealth Youth Sports Competition, 2008;
- (b) if so, the details thereof;
- (c) the current status of the said proposal; and
- (d) the time by which the said proposal is likely to be finalised and the reasons for the delay in this regard?

Answer

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

(a) & (b): Yes, Sir. Director of Sports, Government of Maharashtra had requested Central Excise and Customs Department, vide letters dated 13th March, 2008 and 18th August, 2008 for service tax exemption on civil construction work involved in refurbishment and new construction at Shiv Chhatrapati Sports Complex against the backdrop of Commonwealth Youth Sports Competition, 2008. To the letter of the Maharashtra Government dated 13th March, 2008, a direct reply was forwarded on 12th May, 2008. To the letter of the Maharashtra Government dated 18th August, 2008, direct reply was sent on 5th September, 2008. In both these letters it was communicated that service tax is leviable and exemption cannot be extended. The request of the Maharashtra Government was examined again for the third time on 12th May, 2010, in the context of a notice under Rule 377, on the same subject, raised by Honourable M. P. Smt. Supriya Sule. A reply was addressed by the Honourable Finance Minister, dated 12th May, 2010, wherein it was reiterated that service tax is leviable and exemption cannot be extended.

(c): Proposal for service tax exemption has been examined and the same has not been accepted.

(d): Question does not arise in view of reply to (c) above.