

Imposition of service tax on airport development fee

2224. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Board of Customs and Excise the apex Indirect Tax body has imposed service tax on the development fee collected by Mumbai and Delhi airports before the levy was banned by the Supreme Court;

(b) if so, the details thereof;

(c) whether the Combined Tax liability would come to over Rs. 300 crores and the demand notice has been sent to these operators to recover tax on the fee collected in the past; and

(d) if so, the details thereof?

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

(a) Yes, the matter of leviability of service tax on the Development Fee charged at Mumbai and Delhi airports under the broad heading 'Airport Services' was under consideration of the Central Board of Excise and Customs. While examining the applicability of service tax on the said Development Fee, the Supreme Court's judgment dated 26.04.2011 was also factored. The Development fee collected by the operators at Mumbai and Delhi airports is chargeable to service tax under Airport service *vide* Section 65 (105)(zzm) of the Finance Act, 1994.

(b) A letter F. No. 106/Commr(ST)/2009 dated 8th July 2011 was issued to the field formations clarifying that Development Fee is chargeable to service tax under the broad heading 'Airport Service'.

(c) The combined service tax liability on the Development Fee collected at Mumbai and Delhi airport for the period April 2009 to May 2011 is about Rs. 200 crore. Show cause cum demand notices have been issued to the operators at Mumbai and Delhi airports to recover service tax on the Development Fee collected during this period.

(d) Show Cause cum Demand notice has been issued to Mumbai International Airport Pvt. Ltd. *vide* F. No. ST/MUM/DIV-III/CR.1/MIAL/DF/122/10 dated 18.04.2011, demanding service tax of Rs. 54.68 crore for the period April 2009 to January 2011. Show Cause cum Demand Notice has been

issued to Delhi International Airport Ltd., vide F. No. DL-H/ST/R-XI/SCN/29/2011 dated 24.06.2011 demanding service tax of Rs. 145.47 crore for the period April 2009 to May 2011.

Luxury car import scam

2225. DR. BHARATKUMAR RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether a luxury car import scam has been unearthed recently by the Department of Revenue Intelligence;

(b) whether it is a fact that a large number of celebrities, socialites, politicians and cricketers are involved in the scam to purchase luxury cars;

(c) if so, the details thereof along with the brands of the cars;

(d) whether any arrest has been made in this regard and if so, the details thereof;

(e) whether daughter of a powerful Maratha politician is also involved apart from a liquor baron and his businessman son; and

(f) if so, the details thereof?

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

(a) Yes, Sir. The Directorate of Revenue Intelligence has recently unearthed a luxury car import scam.

(b) No, Sir.

(c) "Nil" in view of (b) above.

(d) Yes, Sir. In respect of luxury car import scam unearthed recently by Directorate of Revenue Intelligence, 2 persons including one mastermind in the import of cars have been arrested.

(e) No, Sir.

(f) "Nil" in view of (e) above.

DTAA with Lithuania

2226. SHRI NAND KUMAR SAI: Will the Minister of FINANCE be pleased to state: