

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2670

ANSWERED ON:04.12.2009

POWER TRANSMISSION

Ponnam Shri Prabhakar; Rao Shri Nama Nageswara

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

- (a) whether the Government proposes to abolish the service tax on power transmission;
- (b) if so, the details thereof;
- (c) the reaction of the State Governments including Andhra Pradesh thereto; and
- (d) the extent to which this move will help the consumers?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) & (b): As per the information provided by Ministry of Finance, the issue regarding levy of service tax on power transmission is pending decision before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT). Based on the stay order of the CESTAT in the matter of Madhya Pradesh Power Transmission Company Limited Versus Commissioner of Central Excise, Bhopal (reported in 2008) 15 Service Tax today (New Delhi – CESTAT) protective show cause notices have been issued to power transmission companies demanding service tax.

(c) & (d): The question do not arise.