

SERVICE TAX

Hire charges on electricity meter installed in consumers premises not liable to service tax

Transmission and distribution of electricity have been exempted from service tax vide *Notification Nos.11/2010 & 32/2010 dated 27.02.2010 and 22.06.2010* respectively.

Circular No. 131/13/2010 – ST dated 07.12.2010 has been issued to clarify that supply of electricity meters for hire to the consumers is eligible for the above - mentioned exemptions for the reason of the same being an essential activity having direct and close nexus with transmission and distribution of electricity.

The complete text of the above circular is available at <http://www.cbec.gov.in>

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Feedback

The Indirect Taxes Update is an endeavour of the Indirect Taxes Committee to apprise the readers about the amendments made in various central indirect tax laws vide significant notifications, circulars etc. We welcome your feedback on the Update and its contents.

Please email tdtc@icai.org for feedback.

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