

Service Tax Circular No. 131/ 13/ 2010 - ST

Dated 7th December 2010

Subject: - Electricity meter installed in consumers' premises and hire charges collected - whether covered under exemption for transmission and distribution of electricity - reg.

A doubt has been raised whether renting of electricity meter by a service provider rendering the service of transmission or distribution of electricity, is covered by the exemption available under Notification No. 11/2010-ST dated 27.02.2010 and/ or 32/2010-ST dated 22.06.2010.

2. The matter has been examined. It is a general practice among electricity transmission(TRANSCO) / distribution companies (DISCOM) to install electricity meters at the premises of the consumers, to measure the amount of electricity consumed by them and 'hire charges' are collected periodically. Supply of electricity meters for hire to the consumers being an essential activity having direct and close nexus with transmission and distribution of electricity, the same is covered by the exemption for transmission and distribution of electricity, extended under the relevant notifications.

3. Trade Notice/Public Notice may be issued to the field formations accordingly.

4. Please acknowledge the receipt of this circular. Hindi version to follow.

F.No.356/13/2010-TRU

(J. M. Kennedy)

Director, TRU