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Government of India
Ministry of Finance
(Department of Revenue)

New Delhi, the 12th November, 2009

Notification No. 42/2009-Service Tax

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service specified in sub-clause (zzb) of clause (105) of section 65 of the Finance Act, provided by a person (hereinafter called the 'service provider') to any other person (hereinafter called the 'service receiver'), in relation to one or more of the specified process during the course of manufacture of parts of cycles or sewing machines, subject to the following conditions, namely:-

- a) the aggregate value of taxable service in relation to one or more of the specified process provided by a service provider, does not exceed rupees one hundred and fifty lakhs during the preceding financial year;
- b) the exemption shall be restricted to the first clearances, wherein the aggregate value of taxable service in relation to one or more of the specified process provided by a service provider does not exceed rupees one hundred and fifty lakhs, made on or after the 1st day of April in any financial year; and
- c) where the service provider also undertakes one or more of the specified process in relation to manufacture of parts or whole of goods leviable to Central Excise duty, such service provider shall maintain separate accounts of receipt, production and clearance of exempted and dutiable goods and services.

2. Notwithstanding anything contained in sub-para (b), exemption shall be restricted to the clearances, wherein the aggregate value of taxable service in relation to one or more of the specified process provided by a service provider, does not exceed rupees sixty three lakhs during the remaining part of the current financial year.

Explanation.- For the purposes of this notification, "specified process" means electroplating, zinc plating, anodizing, heat treatment, powder coating, painting including spray painting or auto black.

[F. No. 332/28/2009-TRU]

(Prashant Kumar)
Under Secretary to the Government of India