

SERVICE TAX NOTIFICATION

Central Government vide Notification no. 42/2009 – Service Tax dated 12 November, 2009 exempts the taxable services provided by the service provider to the service receiver in relation to one or more of the specified processes (i.e. electroplating, zinc plating, anodizing, heat treatment, powder coating, painting including spray painting or auto black.) during the course of manufacture of parts of cycles or sewing machines, subject to the following conditions:

1. Aggregate value of taxable service in relation to specified process shall not exceed Rs. 150 lakhs, during the preceding financial year.
2. Exemption shall be restricted to the first clearances, not exceeding Rs. 150 lakhs in a financial year; and [However in the remaining part of the current financial year the aggregate value of taxable service shall not exceed Rs. 63 lakhs.]
3. Service provider shall maintain separate accounts of receipt, production and clearance of exempted and dutiable goods and services, if the service provider also undertakes specified process in relation to manufacture of parts or whole of goods leviable to Excise duty.