



Bangalore Chamber of Industry and Commerce

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Indirect Taxes (Service Tax)

Circular No.80

05.10.2009

All Members

Dear Sirs,

We enclose herewith the following Notification issued by Government of India, Ministry of Finance, Department of Revenue, Officer of the Commissioner of Service Tax - for your reference and record.

1. Notification No. 39/2009-Service Tax, dated 23rd September, 2009-[F. No. 332/17/2009-TRU]

Thanking you,

Yours faithfully

T.S. Sampath Kumar
Secretary General

Notification No. 39/2009-Service Tax, dated 23rd September, 2009-[F. No. 332/17/2009-TRU]

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') during the course of manufacture or processing of alcoholic beverages by the service provider, for or on behalf of the service receiver, from so much of value which is equivalent to the value of inputs, excluding capital

goods, used for providing the same service, subject to the following conditions, namely:-

- a) that no Cenvat credit has been taken under the provisions of the Cenvat Credit Rules, 2004;
- b) that there is documentary proof specifically indicating the value of such inputs; and
- c) where the service provider also manufactures or processes alcoholic beverages, on his or her own account or in a manner or under an arrangement other than as mentioned aforesaid, he or she shall maintain separate accounts of receipt, production, inventory, despatches of goods as well as financial transactions relating thereto.

2. This notification shall come into force on the date of publication in the Gazette of India.

Explanation.- For the purposes of this notification, the words or phrase 'input', or as the case may be, 'capital goods' shall have the meaning as is assigned to them under rule 2 of the Cenvat Credit Rules, 2004.

Sd/-
(Prashant Kumar)
Under Secretary to the Government of India

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