

Notification  
No. 8/2005-Service Tax

New Delhi, dated 1<sup>st</sup> March, 2005.  
10 Phalguna, 1926 (Saka)

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 of production of goods on behalf of the client referred in sub-clause (v) of clause (19) of section 65 of the said Finance Act, from the whole of service tax leviable thereon under section 66 of the said Finance Act:

Provided that the said exemption shall apply only in cases where such goods are produced using raw materials or semi-finished goods supplied by the client and goods so produced are returned back to the said client for use in or in relation to manufacture of any other goods falling under the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), as amended by the Central Excise Tariff (Amendment) Act, 2004 (5 of 2005), on which appropriate duty of excise is payable.

*Expalantion.*- For the purposes of this notification,-

- (i) the expression “production of goods” means working upon raw materials or semi-finished goods so as to complete part or whole of production, subject to the condition that such production does not amount to “manufacture” within the meaning of clause (f) of section 2 of the Central Excise Act, 1944 (1 of 1944);
- (ii) “appropriate duty of excise” shall not include ‘Nil’ rate of duty or duty of excise wholly exempt.

[F. No. 334/1/2005-TRU]

(V. Sivasubramanian)  
Deputy Secretary to the Government of India