

Extracts from the Finance Minister's Speech

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Central Excise

- General reduction in Excise Duty rates by 4 per cent points was made with effect from 7.12.2008. It is now being extended beyond 31 March, 2009. In addition, it has now been decided to:
- reduce the general rate of Central Excise duty from 10 per cent to 8 per cent.
- retain the rate of central excise duty on goods currently attracting ad valorem rates of 8 per cent and 4 per cent respectively;
- reduce the rate of central excise duty on bulk cement from 10 per cent or Rs. 290 PMT, whichever is higher to 8 per cent or Rs.230 PMT, whichever is higher.

Service Tax

The Government is keen that the business confidence in the Services sector is restored. It is also our objective that the dispersal between CENVAT rate and the Service Tax rate is reduced with a view to move towards the stated goal of a Uniform Goods and Service Tax. In line with this objective, it has been decided to reduce the rate of service tax on taxable services from 12 percent to 10 per cent.

Extract from the www.Taxmann.com site

< SERVICE TAX >

- Section 93 of the Finance Act, 1994 – Power to grant exemption from Service Tax – Reduction of rate of service tax on taxable services as specified in section 65(105) - *Notification No. 8 /2009, - Service Tax, dated 24-2-2009* [MORE >>](#)

- Section 5A of the Central Excise Act, 1944 – Power to grant exemption from duty of excise – Amendments in certain notifications - Reduction of general rate of Excise Duty - *Notification No. 4/2009 – Central Excise, dated 24-2-2009* [MORE >>](#)

- Concession in Central Excise & Service Tax announced - *Press Release BSC/BY/GN-69/09, dated 24-2-09* [MORE >>](#)

- Applicability of the provisions of the Export of Services Rules, 2005 in certain situations - *Circular No. 111/05/2009-ST, dated 24-2-2009* [MORE >>](#)

- Service tax on Theatre owners on activity of screening of films supplied by Film Distributor - *Circular No. 109/03/2009, dated 23-2-2009* [MORE >>](#)

SECTION 93 OF THE FINANCE ACT, 1994 –

NOTIFICATION NO. 8 /2009, - SERVICE TAX, DATED 24-2-2009

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 all the taxable services specified in sub-section 105 of section 65 of the Finance Act from so much of service tax leviable there on under section 66 of the Finance Act, as is in excess of the rate of ten per cent of the value of taxable services.

[F. No. 354/210/2008-TRU(part)]

NOTIFICATION NO. 4/2009 – CENTRAL EXCISE, DATED 24-2-2009

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby directs that each of the notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table hereto annexed shall be amended or further amended, as the case may be, in the manner specified in the corresponding entry in column (3) of the said Table, namely :-

TABLE

S.No.	Notification number and date	Amendments
(1)	(2)	(3)
1.	3/2006-Central Excise, dated the 1st March, 2006	In the said notification, in the Table, in column (4), for the entry "10%", wherever it occurs, the entry "8%" shall be substituted.

2.	4/2006-Central Excise, dated the 1st March, 2006	In the said notification, in the Table, in column (4), - (i) (i) for the entry "40% or Rs.200 per tonne, whichever is higher", wherever it occurs, the entry "8% or Rs.230 per tonne, whichever is higher" shall be substituted; (ii) (ii) for the entry "10% of the value of such gold potassium cyanide excluding the value of gold used in the manufacture of such goods", wherever it occurs, the entry "8% of the value of such gold potassium cyanide excluding the value of gold used in the manufacture of such goods" shall be substituted; (iii) (iii) for the entry "10% of the value of material, if any, added and the amount charged for such manufacture", wherever it occurs, the entry "8% of the value of material, if any, added and the amount charged for such manufacture" shall be substituted.
3.	5/2006-Central Excise, dated the 1st March, 2006	In the said notification, in the Table, in column (4), for the entry "10%", wherever it occurs, the entry "8%" shall be substituted.
4.	6/2006-Central Excise, dated the 1st March, 2006	In the said notification, in the Table, in column (4), - (i) (i) for the entry " 10%", wherever it occurs, the entry "8%" shall be substituted; (ii) (ii) for the entry "10% + Rs.10,000 per chassis", wherever it occurs, the entry "8% + Rs.10,000 per chassis" shall be substituted.
5.	2/2008-Central Excise, dated the 1st March, 2008	In the said notification, in the Table, in column (3), - (i) for the entry "10%", wherever it occurs except, for the entry occurring against S. No. 14, 16 and 18, the entry "8%" shall be substituted; (ii) for the entry "10% + Rs. 10,000 per chassis, wherever it occurs, the entry "8% + Rs. 10,000 per chassis" shall be substituted.