

**MOST URGENT**

CORPORATE OFFICE  
TAXATION SECTION  
1<sup>ST</sup> FLOOR,  
BHARAT SANCHAR BHAWAN  
JANPATH, NEW DELHI 1



BHARAT SANCHAR NIGAM LIMITED  
[A Government of India Enterprise]

No: 1002-~~11~~/2011-12/Taxation/ BSNL/ /18  
To,

Dated: 19-03-2012

CGMs of Telecom circles/ Metro Districts/ Maintenance Regions/ Project Circles/ Task Force/Data Network / NCES/ ALTTC/ BRBRAITT/ NATFM/ Q&A/ T&D / Telecom stores/CPAO (ITI Bills)/TCO Kolkata/IT Circle Pune/ AGM (R&P) Corporate Office.

**Sub: - Enhancement of Service Tax rate from 10% to 12% with effect from 01.04.2012.**

Ref: - This office letter no. No: 700-04/2005/Taxation/ BSNL/Vol. II/109  
Dated: 25-02-2009.

Kindly refer to this office letter cited above where by Notification No. 8/2009- Service Tax, dated 24.02.2009 issued by CBEC, Ministry of Finance, Govt. of India was forwarded and directed to levy the Service tax @ 10% along with applicable cess.

In this connection kindly find enclosed herewith Notification no. 2/2012-ST Dated 17<sup>th</sup> March, 2012 issued by CBEC, Ministry of Finance, Govt. of India wherein Notification No. 8/2009- Service Tax, dated 24.02.2009 has been rescinded with effect from 01.04.2012.

In view of above notification dated 17-03-2012, **Service tax @ 12% alongwith applicable Ed. Cess & SHEC shall be levied on the bills/invoices/ recharge coupons etc. issued for the taxable services provided or to be provided with effect from 01.04.2012** in accordance with section 66 of the Finance Act, 1994. The detail of service tax to be levied is as follows.

|                                 |        |
|---------------------------------|--------|
| Service Tax -                   | 12.0%  |
| Education Cess 2%               | 0.24%  |
| Secondary & Higher Ed. Cess @1% | 0.12%  |
| Total                           | 12.36% |

This should be treated as most urgent and brought to the notice of all concerned for taking necessary action within prescribed date.

This issues with the approval of competent authority.

Encl:-As above.

(K. Jothi)

DGM (Taxation)

Copy for information & necessary action

1. IFAs of All BSNL circle stated above.
2. All PGM/ Sr. GM /GM of Finance wing Corporate office New Delhi-1..

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,  
SECTION 3, SUB SECTION (i)]

Government of India  
Ministry of Finance  
(Department of Revenue)

New Delhi, the 17<sup>th</sup> March, 2012

**Notification No.2/2012 - 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), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby rescinds the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 8/2009 – Service Tax, dated the 24<sup>th</sup> February, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 120 (E), dated the 24<sup>th</sup> February, 2009, except as respects things done or omitted to be done before such rescission.

2. This notification shall come into force on the 1<sup>st</sup> day of April, 2012.

[F. No. 334/1/2012-TRU]



(Samar Nanda)  
Under Secretary to the Government of India

**MOST URGENT**

|                                                                                                     |                                                                                                                |                                                                    |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| CORPORATE OFFICE<br>TAXATION SECTION<br>1ST FLOOR,<br>BHARAT SANCHAR BHAWAN<br>LANPATH, NEW DELHI-1 | <br>BHARAT SANCHAR NIGAM LTD. | BHARAT SANCHAR NIGAM LIMITED<br>[A Government of India Enterprise] |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|

No: 700-04/2005/Taxation/ BSNL/Vol. II/105

Dated: 25-02-2009

To

IFAs of Telecom circles/ Metro Districts/ Maintenance Regions/ Project Circles/ Task Force/Data Network / NCES/ ALTTC/ BRBRAITT/ NATFM/ Q&A/ T&D / Telecom stores/CPAO (ITI Bills)/TCO Kolkata/IT Circle Pune/ ADG (R&P) Corporate Office.

**Sub: - Reduction of Service Tax rate from 12% to 10%-reg.**

Ref: - Notification No. 8/2009-Service Tax, dated 24.02.2009 issued by Ministry of Finance, Govt. of India.

Kindly find enclosed herewith above referred notification whereby Central Govt. exempts all the taxable services specified in sub section 105 of section 65 of the Finance Act 1994 from so much of the service tax leviable thereon under section 66 of the Finance Act, as is in excess of the rate of ten percent of the value of taxable services.

In view of above notification service tax is leviable at the rate of 10% on all the taxable services specified in sub section 105 of section 65 of the Finance Act 1994 with effect from date of notification. The detail of service tax to be levied is as follows.

|                                 |               |
|---------------------------------|---------------|
| Service Tax -                   | 10.0%         |
| Education Cess 2%               | 0.2%          |
| Secondary & Higher Ed. Cess @1% | 0.1%          |
| Total                           | <u>10.30%</u> |

This should be treated as most urgent and brought to the notice of all concerned immediately.

Encl:-As above.

  
(Arundati Panda)  
GM (Taxation)

Copy to: - All PGM/ GM of Corporate office New Delhi-1.

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, IN PART II, SECTION 3, SUB-SECTION (I)]

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(Department of Revenue)

New Delhi, dated the 24<sup>th</sup> February, 2009

**Notification No. 8 /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 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.

(Unmesh Sharad Wagh)  
Under Secretary to the Government of India  
{F No 354/210/2008-TRU(part)}