



20/12/16

**OFFICE OF THE CHIEF COMMISSIONER OF SERVICE TAX
SERVICE TAX ZONE, CHENNAI
NEWRY TOWERS, NO.2054-1, 2ND AVENUE, 12TH MAIN ROAD,
ANNANAGAR, CHENNAI – 600040**

Phone 26142776/26142777/26142779
FAX: 26217700

E Mail : ccu-stchn@nic.in

C.NO.IV/16/96/2015 CCO ST(TECH VI)

DATED 27.12.2016

Minutes of the meeting of Zonal RAC for 4th quarter of 2016-17 held on 20th December 2016

The Zonal Regional Advisory Committee meeting for the IV Quarter of 2016 was held under the Chairpersonship of Shri. C.P. Rao, Chief Commissioner of Service Tax, Chennai Service Tax Zone, on 20.12.2016 at 15.30 Hrs. The following members attended the meeting.

S.No.	Name of the Member (S/Shri.)	Association represented
1	S. Padmanabhan	CHA Association
2	Divakaran Nair	
3	V. Vijay Anand	Institute of Chartered Accountants of India
4	N. Nandakumar	CREDAI
5	T. Devanathan Yadav	Tamil Satellite Broadcasters Association
6	Govardhanan .P.	Updater Services Pvt Ltd.,
7	V. Murali	Hindustan Chamber of Commerce
8	Santhalingam	MSME, Development Institute.

The following Departmental Officers attended the meeting.

S.NO	Name of the Officer (S/Shri.)	Designation
1	C.P. Rao	Chief Commissioner & Principal Commissioner Service Tax I
2	G. Ravindranath	Commissioner Service Tax II
3	M. Sreedhar Reddy	Commissioner Service Tax III
4	Parmod Kumar	Additional Commissioner, Service Tax II
5	S.K. Kujur	Joint Commissioner, Service Tax I.
6	S. K. Shadangi	Deputy Commissioner, CCO, Service Tax
7	P.N. Swaminathan	Assistant Commissioner, CCO. Service Tax.

2. Chairperson welcomed all the members of the Zonal RAC and wished everyone a happy and prosperous New Year ahead as this being the last RAC for the financial year.

3. As no prior points for discussion was sponsored by the members of the RAC, the Chairperson queried if any member had any specific point for discussion or clarification. But, no points were proposed by any member of the committee. The Chairperson drew attention of the members to the e-mail sent by the Department regarding the GST Outreach programme, wherein it was informed that the Department would like to conduct awareness programmes on GST for the convenience of the Trade Associations and its members. The Chair also informed that only MSME had responded and a familiarization programme on GST was conducted on 14.12.2016 at Hotel Savera. It was once again requested that the Trade Associations should take steps for familiarizing their members on GST and assured that officers of the department would be available to impart training / lectures on GST.

4. Drawing the attention of the members on requirement of infrastructure to be made available for successful implementation of GST era, the Chairman informed that in GST era Registration, Payments, Return filing etc., are all to be done online and the compliance burden level is expected to be very high on all these three aspects which requires some amount of hardware / software. Shri. Nandakumar of CREDAI informed that they are going to conduct 2 days workshop on GST for their members and requested for live demonstration by the department on procedure of payment of tax. In response, the Chairperson assured presence of departmental Officers for the event and informed that the exact software is still not in place. Therefore, only ghost demonstration can be conducted and actual hands-on training on GST can be done later once the system/software is developed and is in operation. It is also informed by the Chair that the FAQs and Workflow Processes on GST are available on the website for the Trade bodies to sensitise their members.

5. Chairperson then enquired about the projections of service sector in the remaining months of the Financial Year and wanted to know as to whether any study/ survey had been conducted in order to have a firsthand account of the situation. Shri. Nandakumar of CREDAI informed that, currently the service sector business is significantly dented and deceleration process has been set in Construction Sector and that about 90% of the projects are not getting buyers. He informed that JLL had done a survey and on the request of the Chair, he agreed to share it with the Department. Shri.V.Murali of Hindustan Chamber of Commerce also stated that there is a significant drop in bookings of space in Commercial Complexes as the priorities have shifted to essentials and most of the projects are dropped. He further stated that, the cycle of collection/deposit/withdrawal has heavily hit the small business persons. When the Chairperson enquired as to whether the dampness in demand is only for residential complexes or for entire commercial segment, it was replied that the demand for commercial complex has shifted to other states. Interacting in the discussion, Shri.Devanathan Yadhav of Satellite Broadcasters Association also stated that it was the Real Estate Sector which was affected most next only to Hotel Industries followed by sales of Gold.

6. However, on the brighter side it was informed by Shri.Nandakumar representing CREDAI and Shri.Santhalingam of MSME that regarding payments to labourers the clusters themselves have opened new accounts for their labourers and many POS machines have been put to use. However, Shri.Murali of Hindustan Chamber of Commerce stated that high end transactions are not affected.

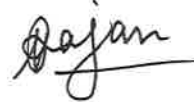
7. On query about performance of Works Contract, it was informed by Shri.Santhalingam of MSME that even for State Government projects money is not coming forth; that even big projects are static as money from the State Public Works department is also not coming which normally take any time between 4 to 8 weeks after billing is done.

8. Before concluding the RAC meeting the Chairperson once again requested the Trade Associations to share with the department the results of any scientific study done on the current economic trends in the service sector and impact of Vardha Cyclone so as to know about the fluctuations in Service Sector market. Shri.Murali of Hindustan Chamber of Commerce said that real impact would be known only after December.

9. Shri.Vijay Anand, of CA Institute then informed that there was difficulty in making e-payment as virtually there was no internet connectivity due to Vardha Cyclone. He requested for that extension of time for e-payment as done last year. The Chairperson replied that recommendation would be sent, if need be, to the DG, Systems for getting extension of time for e-payment.

10. The meeting concluded with the Chairperson thanking the RAC members.

This is issued with the approval of the competent Authority.



(M. RAJAN)

ADDITIONAL COMMISSIONER (CCO)

To
All Members of RAC
Chennai Service Tax Zone.

Copy to:

1. The Indirect Tax Ombudsman, 26/1, M.G. Road, Nungambakkam, Chennai 600034
 2. The Commissioner of Service Tax Chennai I / II / III.
 3. The Directorate General of Taxpayer Services, CR Building, IP Estate, New Delhi 110109
 4. The Assistant Director, Chennai Zone, O/O Additional Director General Tax Payer Services, 26/1, M.G. Road, Nungambakkam Chennai 600034.
 5. Sr. P.S. to Chief Commissioner.
- ✓ Copy to Supdt. Computers, with a request to upload the same in the website.