



**OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER OF CENTRAL EXCISE  
CHENNAI CENTRAL EXCISE ZONE**

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Dated: 09.05.2017

**MINUTES OF MEETING OF REGIONAL ADVISORY COMMITTEE**

Sub: Central Excise – Regional Advisory Committee [RAC] - Minutes of the Zonal RAC meeting held with the members of RAC on 05.05.2017 - Reg.

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The Central Excise Chennai Zonal Regional Advisory Committee Meeting for the 1<sup>st</sup> quarter of 2017 was held on 05.05.2017 at 16:00 hours in the Conference Hall, Chennai-I Commissionerate, Nungambakkam, Chennai-34 under the Chairmanship of **Shri.C.P.Rao, Principal Chief Commissioner of Central Excise, Chennai Central Excise Zone**. The meeting was attended by the following members of the RAC and the Officers from the Department:

<b>RAC MEMBERS</b>		
<b>Sl. No.</b>	<b>Name of the Member [S/Shri..]</b>	<b>Name of Association / Chamber</b>
1	V. Murali	Hindustan Chamber of Commerce & Institute of Cost Accountants of India
2	T.G. Srinivasan	Andhra Chamber of Commerce
3	Rajaram Ramanan	Member, Taxation Committee, SICCI
4	Chozha Naachiar Rajasekar	The Tamil Chamber of Commerce
5	G.K. Basha	Senior Vice President, Industrial Estate Manufacturers Association, Guindy
6	P.R. Aruloli, C.A.	Institute of Chartered Accountants of India [SIRC]
7	K.V. Reshma	Deputy Director, Directorate of Industries & Commerce

<b>Departmental Officers</b>		
<b>Sl. No.</b>	<b>Name of the Officers [S/Shri./Smt.]</b>	<b>Designation</b>
1	U. Niranjana	Commissioner, Chennai-I, Chennai-III & Puducherry Commissionerate
2	K.M. Ravichandran	Commissioner, Chennai-II, Chennai-IV, LTU & Audit-II Commissionerate
3	K.V.V.G. Diwakar	Additional Commissioner, Principal CCO
4	B. Jayabalasundari	Additional Commissioner, LTU Commissionerate
5	V.R. Viswanathan	Assistant Commissioner, Principal CCO

2.0 The Chairman welcomed the members. As there were no points sponsored by the members for clarification, the Chairman took up the discussion on migration to GST. The Chairman observed that the percentage of migration is very low and requested the members to put forth the reasons and difficulties, if any, in complying with the migration process. The

Chairman also requested the members to inform the preparedness of the trade with reference to IT infrastructure required under GST regime.

2.1 Thereupon, the members explained the issues faced in the migration process. The views and comments expressed by the members and the observations made by the Chairman and Commissioners during the discussion are enumerated hereunder.

3.0 **Points put forth by Shri. P.R.Aruloli, Member, ICAI [SIRC]:**

**Shri.P.R.Aruloli** informed that the Institute of Chartered Accounts Of India is conducting seminars, workshops and various programs on GST across the country. As regards the difficulties faced in migration, the member stated that besides server connectivity problem, the One-Time Password [OTP] generated in the process of migration is not received in the registered mobile number or mail IDs, though the message is flashed. He also informed that in certain cases the existing registration is shown as cancelled though the Central Excise registration is valid and in few instances the system says that the process is already done. He further stated Aadhar card mismatch is also one of the issues encountered. The member also stated that the trade also usually waits till the last minute generally and observed that these are only teething problems and said that the same would be overcome.

He further stated one of the reason for lesser migration could be the expectation of the trade that the closing date for migration may be extended upto 02.05.2017 as the closing date i.e. 30.04.2017 happened to be a holiday, followed by 1<sup>st</sup> May being a holiday on account of May day. He further stated that the awareness campaigns may be held by the department for those assesseees who are not migrated with facilities to register onsite.

3.1 **Points put forth by Shri.Rajaram Ramanan, Member, Taxation Committee, SICCI:**

**Shri.Rajaram Ramanan** informed that the system shows errors in PAN validation i.e. though correct PAN is entered, it is displayed that PAN is incorrect. He further said that the larger companies insist their suppliers in the MSME sector to complete the migration and then to resume supplies whereas the system continues to display provisional status even after the exercise is completed, causing ambiguity in the minds of the trade as if further process is still due. He also added that the closure of the portal on 30.04.2017, the due date, without any extension was unexpected.

3.2 **Shri. Chozha Naachiar Rajasekar, Tamil Chamber of Commerce:**

**Shri Chozha Naachiar Rajasekar** informed that the general tendency to wait till the last minute to comply with any change is also a main factor for lower level of migration.

3.3.1 **Observations of the Chairman:** The Chairman observed that though the department is taking lot of initiative and all out efforts to create awareness about the imperative need to migrate, by way of opening Seva Kendras in all the Offices to guide the trade in the migration process, sending SMSs and calling all the registered mobile numbers of the assesseees, the percentage of compliance is very low. Chairman further observed the compliance level is too low in respect of service providers under the individual category such

as Renting of Immovable Property Service etc. The Chairman requested to sensitize the members of the trade and industry to comply with migration to avoid any transitional problems on a later date for those who have not migrated.

3.3.2 The Chairman further observed that the All India compliance in migration is about 60% and it is the general feedback from the Trade that the issues pending under the Central Excise Law would be closed once GST is introduced. The Chairman clarified that it is not the case and the pending issues will be dealt in accordance with the relevant provisions of Law.

3.3.3 As far as continuation of provisional status of migration is concerned, it is reiterated that the reason for provisional status will be available in the registered mail id. Also, the general reason could be PAN mismatch. This has been studied and the popular mistake committed by the user is not typing the name as available in the PAN database. Suppose, if you have surname as your initial and PAN database has the Surname with the name, you may type the whole name (including Surname) in the first name column for migration purpose. Further, as far as Company (i.e. not Proprietor/Partner) is concerned the problem could be mismatch between Company DSC (Digital Signature Certification) and the authorized signatory using his PAN No. Here, the clue is the authorized individual may use his DSC so that this problem could be overcome. Another could be check the mobile number used for Aadhar; since generally last 4 digits are displayed, there could be a mix up with initial 4 numbers (Ex. 98401 instead of 98410).

#### 4.0 **Points putforth by Shri.G.K.Basha, IEMA, Guindy:**

**Shri.G.K.Basha** informed that the MSME sector is anxious on what is going to come, what to do next, etc in the GST regime. He requested that the Range level should educate the industry about the GST rates.

4.1 **Observations of the Chairman:** The Chairman clarified that the GST rates will be known once the GST regime comes into effect and invited the attention of the member to the observations of the GST Council that the GST rates will be nearer to the present consolidated tax rates. The Chairman further observed that a clear picture is expected after the GST Council meeting scheduled to be held on 18.05.2017 and 19.05.2017.

4.2 **Observations of Shri.K.M.Ravichandran, Commissioner, Chennai-II:** The Commissioner informed that already 4 awareness campaigns have been conducted in the Ambattur Industrial Estate area and 2 campaigns are scheduled to be held in the Guindy Industrial Estate by next week and requested the member to inform the industries situated in IEMA, Guindy to attend the campaigns held for the benefit of the trade.

#### 5.0 **Points putforth by Shri. T.G.Srinivasan, Member representing Andhra Chamber of Commerce**

Shri. T.G. Srinivasan, Member stated that industries set up in the North East, Sikkim, Uttarakhand and Himachal Pradesh enjoy exemption from payment of Excise Duty due to the geographical location and there is no clarity on the same in the GST regime.

5.1 **Observations of the Chairman:** The Chairman clarified that the area based exemption may not continue in the GST regime. Instead, the same may be provided by way of budgetary support by the Centre/State as the case may be.

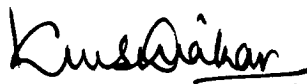
6.0 **Points regarding Place of supply of service and registration as casual taxable person put forth by Shri. P.R.Aruloli, Member, ICAI [SIRC] and Shri. Rajaram Ramanan, Member, Taxation Committee, SICCI:**

Shri. P.R. Aruloli, Member raised a point that as a Chartered Accountant based in Chennai whether he needs to take a registration as a casual taxable person when he conducts a Branch Audit in a different state, say, Karnataka where he does not have a fixed place of business and how the input tax credit is going to be allowed in the other state. Shri. Rajaram Ramanan, Member also cited a similar issue, i.e, a singer performing in different states and whether the registration should be taken in all the States.

6.1 **Observations of Shri. U. Niranjan, Commissioner, Chennai-I:** The Commissioner, Chennai-I observed that the payment of tax will be under IGST. In such cases, the service provider is located in a particular state and the consumption is in the other state and hence, it will be under IGST only. The views of the Commissioner, Chennai-I were affirmed by the Additional Commissioner, CCO and also the Chairman.

7. The meeting concluded with the vote of thanks to all the members present in the meeting.

8. This issues with the approval of the Principal Chief Commissioner of Central Excise, Central Excise, Chennai Central Excise Zone.



[K.V.V.G. DIWAKAR]  
ADDITIONAL COMMISSIONER

To

1. All Members of RAC [As per mailing List]
2. The Indirect Tax Ombudsman, Chennai Zone
3. The Principal Commissioner / Commissioner of Central Excise  
Chennai - I / II / III / IV / Puducherry / LTU / Audit-I / Audit-II
4. The Additional Director General, Directorate General of Taxpayer Services, Chennai  
Zone

Copy submitted to

5. The Chief Commissioner of Service Tax, Chennai Service Tax Zone

Copy to

6. P.S. to Principal Chief Commissioner
7.  The Superintendent, Computer Section, Chennai-I Commissionerate  
[For uploading the minutes in the website]