



Bangalore Chamber of Industry and Commerce

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Report on the Interactive Session with Mr. Sunil Mitra, Secretary, Department of Revenue, Ministry of Finance, Government of India, New Delhi on April 9, 2011

Bangalore Chamber of Industry and Commerce organized an Interactive Session with Mr. Sunil Mitra, Revenue Secretary, Union Ministry of Finance on Saturday, April 9, 2011. In a well attended meeting, BCIC Members had a unique opportunity to seek clarifications on several issues relating to the proposed Goods and Services Tax , Customs and Central Excise.

In his Welcome Address, Mr. G Elango, Chairman, Indirect Taxes Expert Committee, BCIC expressed his profound thanks and gratitude to Mr. Sunil Mitra for having agreed to address and interact with the Members of the Chamber despite his heavy pre-occupation. He thanked the Union Government for accepting the recommendations made by BCIC with regard to certain issues including availment of CENVAT Credit for input of services, tax abatement for branded garments business. He said issues such as exempted service and input service needed clarity with regard to definition of tax levy by sticking to a clear norm instead of alternative provisos.

Mr. Elango said that the main object of this Interactive Session was to deliberate on the key amendments of the Union Budget with regard to Indirect Taxes comprising:-

- Service Tax – Point of Taxation Rules, 2011
- Cenvat Credit Rules – Input and Input Services
- Central Excise and Customs
- Goods and Service Tax (GST)

Updating the members with the latest development on Goods and Services Tax legislation, Mr. Sunil Mitra, Revenue Secretary, Union Ministry of Finance said the Central Government has already set the implementation processes for facilitating GST regime and hopefully should become an Act in the year 2012. He, however, stressed that the States have to realize the importance of GST for the India's competitiveness in international trade and support the new tax regime without any further delay. Teams have already starting drafting the Model legislation for Central and State GST. A pilot project on IT network would be rolled out in June 2011 between the Centre and 11 States. It will be a single portal for filing Registration, Returns and Refunds.

This in itself was a positive development considering the arduous exercise Centre undertook with the States for over four years before reaching the stage for the introduction of the Constitution Amendment Bill on GST in the Parliament last month, Mr. Mitra said. He hoped that the next process of arriving on a consensus or

understanding on the rates and procedures of GST would go through smoothly. These challenges notwithstanding, he said the government was confident that the GST would come into force from April 2012.

Allaying apprehensions of GST impinging on the states' financial autonomy, Mr. Mitra said the Centre took great care in rationalizing the taxation and levies in such a manner as to leave very little scope for any differences. However, he added, with the GST aimed at aiding country's economic growth, particularly in relation to its growing influence on international trade. The government has built into the GST structure a Disputes Redressal Mechanism (DRM) which will address any conflict of interest on any issue including revenue implications. The provision of DRM should help find solutions to arrive at a harmonious governance and implementation of GST.

Any new policy goes through the pangs of initial imperfections and gets fine tuned over a period. He also urged BCIC to reflect the factual position of GST to the Karnataka Government and urge them to support for the quick implementation of the new tax regime.

Mr. Mahesh Jaising, Partner, BMR & Associates, Bangalore in his presentation on the Industry Perspective on GST highlighted on the importance of GST in Business and said the GST Amendment Bill by and large need to stick to the contents of the Consultation Paper. Explaining the clear implications of the proposals, he said overall the new tax regime would help the business, except the dual rate of taxes for goods and services. Suggesting a single rate, Mr. Jaising said this would remove ambiguities on the overall benefits of pricing etc. He also hoped that the government would keep the industry in confidence on the date of implementation of GST regime to smoothen the process of transition.

Mr. S Venkataramani, Chairman, State Expert Committee, BCIC proposed a hearty vote of thanks to the Revenue Secretary and said that the interactions were more focused and purposeful. He also thanked all the participants for their support and cooperation in making this session a grand success.

Event Photos



Interactive Session with Mr. Sunil Mitra, Secretary, Dept. of Revenue, Ministry of Finance, GOI, April 9



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