

S. S. Hussain I.A.S. (Ex)
Chief Executive Officer

MCHI/CEO/13-14/239

November 27, 2013

To
**ALL Members of MCHI-CREDAI &
MCHI-CREDAI Units**

Dear Members,

Advisory For Full Compliance With Voluntary Compliance Encouragement Scheme (VCES), 2013.

As you are aware, the Hon'ble union Finance Minister, Shri P Chidambaram, came down to Mumbai specially to have a dialogue with stakeholders regarding Service Tax compliance.

This note is to advise all members to ensure that full compliance is undertaken to meet the Filing of Service Tax Returns, well within the stipulated time.

The administration has 17 lac entities registered voluntarily for Service Tax. However, only 7 lacs of these 17 Lacs are paying Service Tax. The Government is very firm that the balance 10 lacs, who are not meeting the Service Tax Returns norms, will have to come on board.

The administration is using a benign approach, and the Hon'ble Finance Minister stressed that the Service Tax authorities will be adopting a light, lenient touch, to give all registered entities the required space to fulfill this legal obligation. Thereafter, the Government will be employing stringent means to ensure full compliance. Voluntary compliance is the motto of this campaign initiated by the Government, and we must ensure that we meet the norms.

The schedule of filing returns, as conveyed by the authorities, is:

2-Phase Payment

50% to be paid by December 2013

50% pay by June 2014.

Payments made thereafter, will attract the requisite penalty.

The period for filling is 2007-2012, and is applicable to

1. Those who have not filed/registered
2. Those who have stop filing
3. Those who have filed incorrect returns.

Those who are liable to pay, but have not paid, can utilize this opportunity to set the record straight. It was brought to our notice that severe action has been taken by the Government against 4 organisations, who collected ST, but did not deposit the same to Government. The Government will accept all applications, submissions. If these are not rejected, these will be deemed to be accepted.

It is in the interest of all MCHI-CREDAI members to ensure full compliance, because the government is determined to fill the revenue shortfall, and with the new systems of online filing, and information technology in place, there's no scope for avoiding tax compliance.

Thanking you,

Yours truly,
For **MCHI-CREDAI**



S. S. Hussain (Retd. I.A.S.)
CEO