

MINUTES OF THE MEETING OF RAC HELD ON 31.03.2016

Meeting of the Regional Advisory Committee (RAC) of Central Excise Mumbai Zone -II was held on 31st March 2016 at 12.00 noon in the Conference Hall of Mumbai - II Commissionerate, 9th Floor, Piramal Chambers, Jijibhoys Lane, Lalbaug, Mumbai-400 012.

The following nominated members of the Trade/Industry and Departmental Officers attended the meeting:-

TRADE REPRESENTATIVES:-

Sr.No.	Name of the Member (Shri/S)	Trade/Association Represented
1.	Shri R.P. Raheja,	Ombudsman, Indirect Taxes
2.	R.V. Salian	Thane Belapur Industries Association
3.	Pramod H. Shrivastava	Bombay Small Scale Industries Association
4.	Bankim Mistry	Bombay Small Scale Industries Association
5.	O.C. Fernandes	All India Association of Industries
6.	Sandeep Parikh	TSSIA, Thane

DEPARTMENTAL OFFICERS :

Sr.No.	Name of the Member (S/Shri)	Department Officers
1	S. Rajkumar	Principal Commissioner, Central Excise, Mumbai-II & Mumbai-III
2	S. Faheem Ahmed	Commissioner, Central Excise, Belapur
3	S.H. Hasan	Principal Commissioner, Central Excise, Raigad
4	Pramod Kumar Agrawal	Commissioner, Central Excise, Audit Mumbai-II
5	Gyan Sarvar	Addl. Commissioner, CCO MCX-II.
6	M.R. Mohanty	Addl. Commissioner, Central Excise, Raigad
7	Milind Lanjewar	Addl. Commissioner, Central Excise, Mumbai-III
8	P.K. Agrawal	Jt. Commissioner, Central Excise, Mumbai -II
9	Vaishali Lanjewar	Addl. Commissioner, Central Excise, Audit Mumbai-II
10	B. S. Meena	Addl. Commissioner, Central Excise, Mumbai -II
11	Sunil Kumar	Dy. Commissioner, CCO, Mumbai Zone-II

The Chairman welcomed the Members of the Trade and Industry Associations and confirmed the receipt of minutes of the last RAC meeting held on 06.11.2015. The said minutes were approved unanimously.

Shri R. P. Raheja, Ombudsmen of Indirect Taxes, addressed the members and appraised them of the role of an Ombudsmen and stated that an Ombudsmen facilitates remedial measures for redressal of grievances. He outlined the functions, powers and

duties of an Ombudsman and appealed for a proper response from the trade. He also urged the Trade associations to accordingly inform their manufacturer members, and requested them to send specific complaints to the Ombudsman.

The Chairman then initiated the proceedings upon discussing points received from the Members of the Trade Associations which are summarized herein under:

(I) POINTS RAISED BY SHRI. BANKIM MISTRY, PRESIDENT, BOMBAY SMALL SCALE INDUSTRIES ASSOCIATION VIA e-mail:-

Point No.1: - Please explain the matter concerning Jewelers for Central Excise, why are they opposing when rest of the sectors find no problems in complying.

Reply:- The issue regarding newly levied C.EX. Duty on jewelers is being handled on top priority by the C.B.E.C. board. The Board has issued circular No.1021/9/2016-CX dated 21/03/2016 and this office has issued Trade Notice No.01/2016 dated 23/03/2016. All out efforts are being made to remove all doubts of the trade and to assure them of a hassle free tax administration.

Point No.2: - Which office of Central Excise can be readily contacted for the following:-

a) Probable evasion of compliance

Reply:- The jurisdictional Divisional D.C. / A.C. or Hqrs. Preventive Cell of Commissionerate or Zonal office of DGCEI may be contacted for action on information related to duty evasion.

b) In event of extortion

Reply:- If the word "extortion" refers to the alleged demand of bribe by the Central Excise officers, then the aggrieved person can contact the Vigilance Section of the Commissionerate or the Directorate of Vigilance.

(II) POINTS SPONSORED BY THANE SMALL SCALE INDUSTRIES ASSOCIATION

Point 1:- Department has started "Sampling Excise Scrutiny". What is the criteria? This is creating enormous inconveniences to comply since records have to be taken to the excise department.

REPLY :- The Audit Commissionerate after preparing the annual plan of Audit coverage prepare a list of units where risk of evasion of duty can be mitigated through detailed scrutiny of returns and conveys the details to the Executive Commissioners for taking necessary action. The selection of such units is carried by Executive Commissionerates so that the Audit and detailed scrutiny complement each other. This is a policy decision of the government as per CBEC Circular No. 995/2/2015-CX dated 27th Feb, 2015.

Point 2. If, the assesses are situated under one Commissionerate, then merger of units should be allowed, this can save a lot of Labour work for government (Dept.) also. This will support SME, since it is on the line of ease of doing business! Also no trade circular/notice is issued for the single registration under same Range.

REPLY :- This is a policy decision, which cannot be decided in RAC.

Point 3. Reverse charge mechanism is applicable on constitution of the firm. It should be made on "Collection of excise" basis. This is unfair to Private Ltd. Companies with low turnover & partnership firm with very high turnover. There is no revenue implication. Hence, consider in the light of ease of doing of business.

REPLY :- This is a policy decision, which cannot be decided in RAC.

(III) POINTS SPONSORED BY SMALL SCALE ENTREPRENEUR'S ASSOCIATION -

- - TTC, NAVI MUMBAI.

1. M/s Chemfab Engineering Corporation ----- Sandeep Shah

M/s Chemfab Engineering Corporation registered under service tax AAGFC6038ESD001 are doing only pipes and section bending work, on job work bases during the last 12 years. A month back they were informed by a party, that they are not a service provider but a processor and this activity is a part of manufacturing, and hence why are they charging service tax? Accordingly they have asked for advice.

REPLY:- The facts have not been properly elaborated such as whether the assessee is undertaking job work under Notification No. 214/86-ce or under Rule 4(5)(a) of Cenvat Credit rules,2004. Whether the raw material supplier is paying duty on the final product manufactured out of the goods supplied by the job worker. Therefore, no comments can be offered. They were suggested to approach concerned Commissionerates with all the relevant documents.

2. Shah Forged Rolls Pvt. Ld. (Shri. A. D. Shah) :-

a) **Grievance regarding selective scrutiny by department and the alleged harassment caused due to it.**

Reply:- Comments is same as at Sr. No 1 of the point raised by TSSIA, Thane.


b) **Allowing merger of Units in the Same Commissionerate.**

Reply:- Comments is same as at Sr. No 1 of the point raised by TSSIA, Thane.

Apart from above, the points sponsored by the Taloja manufacturer's Association could not be discussed as the representative of the said Association did not attend the RAC meeting.

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

This issues with the approval of the Chief Commissioner.



(Gyan Sarvar)

Additional Commissioner
Chief Commissioner's Office,
Central Excise: Mumbai Zone - II

F. No. IV/16-33/CCO-II/MCX/2015 *13820*
Mumbai, the *19M* May, 2016

To,

All members of the Regional Advisory Committee (RAC) of Central Excise, Mumbai Zone-II

Copy to:-

- (1) The Chief Commissioner, Central Excise, Mumbai Zone-I.
- (2) The Commissioners, Central Excise, Mumbai -II / III / Belapur/ Raigad / Audit Commissionerates.
- (3) The Commissioner of Central Excise (Appeals), Mumbai Zone II
- (4) The Commissioners, Central Excise, Mumbai - I / IV / Thane-I & Thane-II of Mumbai Zone-I.

(5)