

MINUTES OF THE MEETING OF REGIONAL ADVISORY COMMITTEE FOR ORGANIZED SECTOR, SSI SECTOR AND SERVICE TAX SECTOR AND GRIEVANCE COMMITTEE HELD ON 18.08.2011 AT 15-30 HRS. IN THE NEW CONFERENCE HALL, CENTRAL EXCISE AND CUSTOMS BUILDING, RACE COURSE, VADODARA-390 007.

The combined meeting of the Regional Advisory Committee for Organized and Small Scale Sectors (including Service Tax) and Grievance Committee for the block year 2011-2012 was held on 18.08.2011 at 15:30 p.m. under the Chairmanship of Shri Harjinder Singh, Commissioner of Central Excise and Customs, Vadodara-I.

The following Officers & Members of RAC attended the meeting :-

Departmental Officers :-

1. Shri Harjinder Singh, Commissioner, Central Excise and Customs, Vadodara-I.
2. Dr. Ashir Tyagi, Additional Commissioner (Tech), Central Excise and Customs, Vadodara-I.
3. Shri. M.K.Arora, Additional Commissioner of Central Excise, Vadodara-I.
4. Shri Mayank Kumar, Additional Commissioner of Central Excise, Vadodara -I.
5. Dr. Deepak Sharma, Assistant Commissioner, Division-I & II, Central Excise and Customs, Vadodara-I.
6. Shri D Chakravarty, Assistant Commissioner, Division-III (Service tax) Central Excise and Customs, Vadodara-I.
7. Shri Bharat Prakash, Assistant Commissioner, Division-IV, Central Excise and Customs, Vadodara-I.
8. Shri. Pramod Singh, Assistant Commissioner (Tech), Central Excise & Customs, Vadodara-I.
9. Shri. S.N. Salve, Assistant Commissioner, Division-Anand, Central Excise & Customs, Vadodara-I.
10. Shri S.P. Gaekwad, Superintendent (Tech), Hdqrs., Central Excise and Customs, Vadodara-I.

RAC Members :-

01. Shri S.S. Rathi, Senior Vice President of Federation of Gujarat Industries .
02. Shri Amar Sugnamol Mulchandani Vice President of All India Wire Manufacturers Association
03. Shri Vijay Shah, Exim Club, Association of Exporters & Importers
04. Shri Mahesh V. Mehta, Managing Committee Member. Vadodara Chamber of Commerce & Industries, VCCI

At the outset, the Chairperson and Commissioner of Central Excise, Customs and Service Tax, Vadodara-I, Shri Harjinder Singh, extended a warm welcome to all the members present and initiated the proceedings after a brief introduction. The Commissioner emphasized upon the importance of the RAC Meeting and informed the members that it is a forum for communication between the Department and the Members representing the assesseees. It was also decided to give 10 days prior notice for the RAC Meetings so that various associations can receive points sponsored by their members. Chairperson also agreed to the suggestion of intimating the association / members by e-mail.

There were 10 written points sponsored by the members for discussion in the meeting.

The following points were discussed in the meeting:-

A. Point sponsored by F.G.I.

POINT - I

Co-ordination between buyer's representative (Quality control person), Spices Board Representative, Central Excise / Custom Representative, Arrival of Empty container, Fumigation Agency, Labour contractor / Labour to stuff container is really very painful and lot of energy and money are required to spent.

COMMENTS:

In order to reduce the problem of presence of Central Excise and Customs officers during examination and stuffing work, the manufacturer exporter can opt for self sealing of export containers as per Circular No.736/52/2003-C E dated 11.08.2003

POINT - II For Central Excise Intimation

Even after online intimation to C. Excise (on email ID:hqtech@rediffmail.com) the industries have to depute their Representative in person to the Department @ Vadodara HQ and inform with hard copy. No one lifts telephone in their office. The industries have to do lot of follow up. It is really a painful to co-ordinate things.

COMMENTS:

In most of the cases application are being received by e-mail, and the applications are incomplete or they are not showing the MOT charges payment details. In case the application is complete in all respect and evidence of payment of MOT charges is available alongwith application in the form of copy of TR-6 challan or copy of PLA account (where details of date and duration of MOT is also mentioned), the same is replied immediately upon posting of the officer alongwith their mobile numbers.

POINT - III Stuffing and Sealing of Containers

Normally required during factory timing, but for C. Excise people only after office hours, supervision is possible. The industries have to provide overtime and food to labour, adding to unwanted Expenses.

Based on information received from our members in log sheet format, in regard to

i) Intimation submitted to the department (against which e-mail reply is never received) ii) Time consumed for personally handing over request for stuffing iii) Time spent to personally collect information of deputation of Officer iv) Vehicle to be arranged for the Officer to bring him to factory and drop him at HQ or home v) Containers stuffing time vi) MOT charges paid and vii) Additional expenses incurred for the vehicle, driver and staff. It stands amply concluded that in addition to extra expenses which have to be incurred by the industries, inordinate delay also takes place in clearance of the cargo from customs for exports, as a result of which the exporters have to suffer heavily.

In view of above, it is extremely necessary to restore the original procedure and withdraw the new Trade Facility Notice introducing new procedures having an adverse bearing on the entire export community.

COMMENTS:

All out efforts are made to post the officers as per the required duration, but if the number of application is large then it is not possible to accommodate all requirements for examination and stuffing during office hours, then officers are posted after office hours.

POINT – IV MOT Charges

There is no rationale in collection of the MOT charges (As per the Law, MOT is not being charged) but as per the new TN MOT is to be paid, and dept. is recovering the same as per their whims, eg: till last week it was Rs. 585.00/FCL and in last week Rs. 780.00, and subsequently Rs. 1560.00.

COMMENTS:

MOT charges are being collected as per the Customs (Fees for rendering service by Custom Officers) Regulation, 1998 (Notification No.69/98 Cus (NT) dated 04.09.1998.

Para 3(3)(c) of the said Notification read as follows.

"In relation to job to be performed by any custom officer during the working hours there would be two block, one before lunch and other after lunch, respectively and fees should be charged for the entire block or a portion thereof."

If the examination and stuffing containers performed during office hours but beyond the custom area as per regulation 2(c), the MOT charges are required to be collected for entire block of four hours. If the said work fall in two blocks for four hours each, it is to the exporter to suitably select duration of such examination and stuffing work so as to minimize the MOT charges.

POINT – V Problem of SSI Unit facing issue of excise CENVAT credit

SSI unit invests ` 5 crores in Plant & Machinery and doing 100% job work. CENVAT credit of ` 20 lacs involved in Plant & Machinery. How can the SSI unit utilize the CENVAT credit or get excise benefit?

COMMENTS:

There is no provision in Central Excise Law to avail CENVAT Credit of their capital goods (Plant & Machinery), if the unit is not registered unit and enjoying the benefit of Notification 8/2003 and availing full exemption upto a clearance of 1.5 Crores. CENVAT credit is only admissible when the unit is paying duty.

B. Point Sponsored by EXIM CLUB, Vadodara :**POINT – A INTIMATION FOR STUFFING**

As per Trade Notice exporters are informing Central Excise Department by E-mail (hqtech@rediffmail.com) No response or reply is received. Failure to this, trade deputed person to inform department which is not feasible to each and every exporter/unit as some are located in remote area.

COMMENTS:

In most of the cases we are receiving application by e-mail, and the applications are incomplete or they are not showing the MOT charges payment details. In case the application is complete in all respect and evidence of payment of MOT charges is available alongwith application in the form of copy of TR-6 challan or copy of PLA account (where details of date and duration of MOT is also mentioned), the same is replied immediately upon posting of the officer alongwith their mobile numbers.