

**Office of the Commissioner,  
Customs & Central Excise Commissionerate (J&K),  
OB-32, Rail Head Complex, Jammu  
Ph. 0191-2471885**

**MINUTES OF THE 2<sup>nd</sup> MEETING OF REGIONAL ADVISORY COMMITTEE  
(RAC) FOR THE BLOCK YEAR 2009-10 HELD ON 30.10.2009.**

The combined meeting of the Regional Advisory Committee for Organised / Small Scale Sector for the 2<sup>nd</sup> quarter of the Block Year 2009-10 was held on 30.10.2009 at 1100 hrs. in the office premises of the Customs and Central Excise, J&K, Srinagar, under the Chairmanship of Shri Parminder Singh Sodhi, Commissioner of Customs and Central Excise Commissionerate, J & K, Jammu.

**The following Departmental Officers attended the meeting:-**

1. Sh. Yashpal Sharma, Deputy Commissioner, Customs & Central Excise Division, Srinagar.
2. Sh. C.L. Dogra, Deputy Commissioner, Central Excise Division, Jammu.
3. Sh. Abhishek Chandra Gupta, Assistant Commissioner (Tech.), Customs & Central Excise Commissionerate, J & K, Jammu
4. Sh. Sarwan Singh, Superintendent (Tech.), Customs & Central Excise Commissionerate, J & K, Jammu.
5. Sh. Sarjan Ahmed Shah, Superintendent, Central Excise Range, Srinagar.

**The following members from the Trade / Associations attended the meeting:-**

1. Sh. Vikrant Kuthiala, Director, M/s R.B. Jodha Mal & Co. (P) Ltd., Jammu.
2. Sh. Nisar Ahmed Baba, Director, M/s Alba Power Pvt. Ltd., Srinagar.
3. Sh. Anurag Guglani, Manager (Commercial), M/s Dabur India Ltd., Jammu.
4. Sh. Manzoor Ahmad Mir, General Manager M/s Khyber Industries (P) Ltd., Srinagar.
5. Sh. Abdul Rashid, Dy. Manager (Finance), M/s J&K Cements Ltd., Srinagar and
6. Sh. Muktheir Yousuf, Prop., M/s Northern Enterprises, Srinagar.

At the outset, the Chairman welcomed the members for the RAC meeting and took up the points sponsored by members for discussion.

I. **(Points raised by Sh. K.Sabapathy, M/s Dabur India Limited, Bari Brahmana, Jammu) – Points 1 to 2**

**Point 1.** ***Issue of accumulated balances of Education Cess and SHE Cess in our Personal Ledger Accounts.***

**Reply:** As the Show Cause Notice has already been issued in the matter and the matter of granting refund on Education Cess and S & HE Cess is also pending in the Hon'ble Supreme Court of India as such no comments can be offered at this stage.

**Point 2.** ***Issue of pending Self-Credit approvals.***

**Reply:** Deputy Commissioner, Central Excise Jammu, has been directed to expedite the self credit refund approval / cases.

II. **(Points raised by Sh. A. K. Katyal, Member Advisory Committee Kathua Industrial Units Association, Kathua – Point 3**

**Point 3.** ***Wrong demand of Excise Duty @ 900 PMT by denying exemption under Notification No. 4/2006 in respect of Cement manufacture from outside clinker etc. Sir, this is wrong and against All India***

**practice. This will cause harassment and will be against the law. Kindly take proactive measures to stop issuance of such Show Cause Notices or vacate, if already issued in this regard.**

**Reply:**

No case of demand of Central Excise Duty @ 900 PMT by denying exemption under Notification No. 4/2006 in respect of Cement manufactured from outside clinker etc. has been noticed/issued in Jammu. However, only one Show Cause Notice has been issued to M/s Jammu & Kashmir Cements Limited, Khrew, Srinagar and that too on different grounds. As, the matter is sub-judice, no comments can be offered till the adjudication of the said Show Cause Notice. However, the practise prevailing in other Commissionerates on this issue is being ascertained to take appropriate action.

**III. (Points raised by Sh. Abdul Rashid Bhat, Deputy Manager (Finance), M/s Jammu & Kashmir Cements Ltd, Srinagar. – Point 4**

**Point 4. Shared responsibilities among assesses and the department for implementation of Notifications, Amendments and Procedures.**

*It has been observed that the assesses some time do not implement certain Notifications for the lack of information as a result of which the company in good faith either pay more duty or less duty having huge financial implications. Most of the times the reason being that Divisional /Range Office also remain ignorant about the relevant notifications and do not timely respond to the monthly returns of the assesses where rates are clearly mentioned on the returns. This results in the huge accumulation of the liability along with the interest as the time passes by. Moreover the companies are charged with the huge amount of unjustifiable penalties on the pretext of Pro Revenue without taking the cognizance of the failure of the responsibilities on the part of the department. This further leads the companies and the department into undesirable situations of long litigations which proves ultimately harmful from the point of view of overall industrial growth. It is submitted that the Central Excise Department take steps and devise a mechanism for the timely dissemination of notifications and amendments to the assesses as suggested previously also in the 3<sup>rd</sup> RAC Meeting (2008-09) held on 15.01.2009 and share the responsibility of not pointing out the deficiencies in time to the*

*assesses in such matters so that the trend is changed to assesses friendly. The Pro revenue attitude of department is very unfortunately exploited to the disadvantage of the assesses.*

**Reply:** The provisions of Rule 6 of Central Excise Rules 2002 clearly provide that “the Assessee shall himself assess the duty payable on any Excisable goods”. Therefore, the duty liability is to be determined by the assessee, as they themselves are making declaration in Self Assessment Memorandum of monthly ER-1/ regarding correctness of duty assessment.

The Range Officers are required to scrutinize the monthly returns within three months as per the departmental instructions in this regards. Notifications / Amendments / Circulars / Instructions and procedures received from Board are being regularly forwarded to the field formations and these are readily available on the CBEC website also which can be helpful to the assessee while depositing Central Excise duty.

In case of any clarification/problem, jurisdictional officers of Customs & Central Excise will play proactive role. They are regularly in touch with trade and industry to guide them and to resolve the issues wherever any difficulty is being faced by assessee in day to day working.

**IV. (Points raised by Sh. Nisar Ahmed Baba M/s Alba Powers Private Ltd, Rangreth, Srinagar – Point 5**

**Point 5.** **All Kashmir Division SBI Branches except main branch Srinagar, notified vide Trade Notice No. 2/2006 are not accepting Central Excise payment.**

**Reply:** Vide Trade Notice No. 02/2006 dated 10.10.2006, in addition to existing nominated bank – Punjab National Bank 23 branches of SBI have also been nominated under Multi-Banking Scheme for collection of Central Excise Duties for Central Excise Commissionerate, Jammu

& Kashmir through its authorized branches listed in the Annexure to this Trade Notice.

However, Deputy Commissioner, Customs & Central Excise Division, Srinagar, is directed to take up the matter with the SBI Authorities, so that all the SBI Branches nominated under the above-said Trade Notice should accept the payment for Central Excise Duties etc.

**Point 6.** **Efforts are to be taken to make RAC more of an advisory committee than a grievance cell.**

**Reply:** All out efforts are being made to make the RAC more of an advisory committee than a grievance cell as the functions of the committee are purely advisory in nature. The main purpose of conducting the RAC meetings on quarterly basis is to resolve the procedural or other difficulties and problems of general nature so as to enable the administration to take steps to solve them. In the light of the above the suggestions received from all the RAC members are always welcomed.

Before concluding the meeting, the Chairman thanked all the members of the RAC and requested them to utilise the forum for clarification of any doubts and to sort out the problems if any that may arise on Central Excise / Customs matters and requested them to actively participate in the meeting.

The meeting ended with a vote of thanks to the Chair.

Sd/-

**(ABHISHEK CHANDRA GUPTA)**

Assistant Commissioner (Tech.)

**C. No. IV-16(131) HQ/TECH./J&K/2009**

**Dated: 08.12.2009**

Copy forwarded for information and necessary action to the:

1. The Chief Commissioner, Central Excise, Customs & Service Tax (Chandigarh Zone), Chandigarh.
2. The Chief Commissioner, Customs (Prev.) Delhi Zone, New Delhi.
3. The Commissioner, Central Excise Commissionerate, Chandigarh I / II / Ludhiana.
4. The Commissioner, Customs (Prev.) Commissionerate, Amritsar.
5. The Deputy Commissioner, Central Excise Division, Jammu / Srinagar.
6. The Joint Commissioner / Assistant Commissioner (Tech.) / (Audit) / (Prev.), Customs & Central Excise Commissionerate, J & K, Jammu.
7. All the members of RAC (through Deputy Commissioner of the concerned Division).

Sd/-

**Superintendent (Tech)**