



**OFFICE OF THE CHIEF COMMISSIONER OF CUSTOMS,
CENTRAL EXCISE & SERVICE TAX, HYDERABAD ZONE,
L.B. STADIUM ROAD : BASHEERBAGH : HYDERABAD – 500 004.**
Ph. (040) 23232028 Fax: 040-23230974, 23299206 (T/F)
E-Mail: raccehyd@gmail.com

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DATE: 20.08.2013

**MINUTES OF THE MEETING OF THE REGIONAL ADVISORY COMMITTEE,
HYDERABAD ZONE HELD ON 13.08.2013**

A meeting of the Regional Advisory Committee (RAC) of Hyderabad Zone was held on 13.08.2013 at 15.00 hrs, at Hyderabad, which was presided over by Shri B.B.Prasad, Chief Commissioner of Customs, Central Excise & Service Tax, Hyderabad Zone, Hyderabad and was attended by the following members :-

1. Shri S.Thirumalai, The Federation of A.P.Chambers of Commerce & Industry (FAPCCI).
2. Shri Ashok Surana, All India Manufacturers Organisation.
3. Capt.V.V.S.K.Sastry, Representative of Bulk Drug manufacturers Association.
4. Shri Anish Guptha, Representative of Cigarette Manufacturers.
5. Shri C.S. Narendar, President, Customs House Agents Association.
6. Shri K.Mathesh Reddy, Representative of The Institute of Chartered Accountants of India.
7. Shri K.K.Rao, Representative of The Institute of Cost Accountants of India
8. Shri V.S. Sudheer, Representative of The Andhra Pradesh Tax Bar Association.

2. Following Departmental Officers were also present:-

1. Shri. S.N.Saha, Commissioner, Hyderabad-I Commissionerate
2. Shri. M.K.Singh, Commissioner, Hyderabad-II Commissionerate
3. Shri.B.Ravichandran, Commissioner, Hyderabad-III Commissionerate.

4. Shri. G.V.Krishna Rao, Commissioner, Hyderabad-IV Commissionerate
5. Dr. S.L. Meena, Commissioner (Appeals II & IV).
6. Shri M. Srinivas, Commissioner (Appeals I & III).

3. The Chief Commissioner, welcomed all the members of the RAC. Thereafter the following Agenda points were taken up for discussion:-

3.1 Points raised by Representative of the All India Manufacturers Association, Hyderabad:

Point No.1.The Sales Tax Department has stipulated that an online generated way bill accompany the goods along with invoice issued under Central Excise Rules. Certain practical difficulties in generating an online way bill at the same time of generating Central Excise Invoice are cropping up such as power shut down, failed internet connectivity or the Commercial Taxes Website under maintenance or going offline, the way bills are not available on the same day of making the invoice. Further, way bills cannot be generated in advance without a Central Excise Invoice Number. Consequently date and time of removal of goods may vary from date and time of making the invoice.

Reply: There is no action to be taken by the department. However, it is taken note of.

Point No. 2. Division M of Hyderabad IV Commissionerate is rejecting Letter of Undertaking for export of goods for trivial reasons like: words 'Annexure 63' being typed on the left margin of the page instead of being Centered on the top of the page, LUT is made in favour of Assistant Commissioner of CE and not both Asst & Deputy Commissioner of CE.

Reply : The concerned division has been instructed so that such confusions do not arise.

Point No.3. For rebate claims, in addition to Inward remittance in Bank certificates hitherto being submitted, the department is insisting upon

submission of bank account statements in support of each rebate claim application being made.

Reply: With regard to sanction of rebate, the general practice is that BRC is being sought for verification of the foreign exchange remittance, which is also necessary for acceptance of proof of export. Only in one exceptional case, calling for bank account was necessitated to check whether the foreign inward remittance credited to EEFC A/c is owned by the assessee or not, as they could not furnish BRC. Specific problems, if any, may be brought to the notice of the respective Commissioners for resolving the same.

3.2 Point raised by Representative of the Andhra Pradesh Plastic Manufacturers Association, Hyderabad:

Point. M/s. Sri Sainath Plastek, IDA Cherlapally, manufacturers of Injection Moulded Plastic Articles and submitted that, they are loading the customers' moulds on their injection moulding machine to test the functioning of new moulds & its products for 8-12 hrs and that they charge to the customers for the machine hours used for that purpose. In this connection they raised following queries:

- i. For this mould trails on their machine service tax will attract?
- ii. If attracts under which service it can be classified?
- iii. If they are liable to pay service tax, whether they can avail SSI exemption?
- iv. Prior to mould trails, whether they/their customer have to file any intimation/declaration to Central Excise department regarding mould trails?

Reply: Though the representative from Association was not present the point was discussed. Till 30.06.2012, there were more than 115 service categories which were liable to service tax. Any tax payer to know whether his services were taxable had to refer to the definition of various services and decide whether tax is payable or not. However, w.e.f. 1st July 2012 the same has been done away with as there are no specific taxable services there is a

negative list of services on which no tax is applicable. Also there is a mega notification which provides a list of services which are specifically exempted from tax. In the present case, the services rendered are taxable.

Taxable service of aggregate value not exceeding ten lakh rupees in any financial year is exempt from the whole of the service tax liable thereon under section 66B of the said Financial Act as per Notification No.33/2012-Service Tax dated 20.06.2012.

If the customer is a manufacturer of moulds and sending the moulds without payment of duty for testing purpose, he has to intimate the jurisdictional Central Excise Officer under Rule 16C of Central Excise Rules, 2002. If the customer has purchased moulds from open market he need not file any intimation to the Central Excise Department.

4. The Chief Commissioner invited the attention of the trade representatives about the recently launched Voluntary Compliance and Encouragement Scheme on Service Tax side and requested them to give wide publicity among their trade fraternity to utilize the facility for avoiding payment of interest as well as penalty.
5. The meeting concluded with thanks to the Chair.

M. Rama Mohana Rao 20/8/13
(M.RAMA MOHANA RAO)
DEPUTY COMMISSIONER

To

All the RAC Members by E-mail.

Copy to: The Commissioner, Customs, Central Excise & Service Tax, Hyderabad- I, II, III & IV Commissionerates and Appeals-I & II, Hyderabad with a request to give wide publicity.