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C.No.IV/16/266/2016-CCO.(Tech.I)

Dated:21.07.2016

MINUTES OF MEETING OF REGIONAL ADVISORY COMMITTEE

Sub: Central Excise – Regional Advisory Committee [RAC] - Minutes of the Zonal RAC meeting held with the members of RAC on 12.07.2016 - Reg.

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The Central Excise Chennai Zonal Regional Advisory Committee Meeting was held on 12.07.2016 at 15:30 hours in the Conference Hall, Chennai-I Commissionerate, Nungambakkam, Chennai-34. On instructions from the Chairperson, the Meeting was chaired by Shri. J.M. Kennedy, Commissioner of Central Excise, Chennai-III Commissionerate. The meeting was attended by the following members of the RAC / Representatives and the Officers from the Department:

RAC MEMBERS		
Sl. No.	Name of the Member [S/Shri./Smt.]	Name of Association / Chamber
1	V. Murali	President, Hindustan Chamber of Commerce
2	T.G. Srinivasan	Andhra Chamber of Commerce
3	K.K.Sekar	Motor Vehicles, & Allied Industries Association
4	Ruban Hobday	Head – Tamilnadu State Council, FICCI
5	Ve Thirumal	Secretary, Pondicherry Chamber of Industries
6	P.R.Aruloli, C.A.	Institute of Chartered Accountants of India [SIRC]
7	P. Jagadeesh	Authorised Representative, Directorate of Industries & Commerce
8 *	Rajaram Ramanan	Member, Taxation Committee, SICCI
9 *	R. Karunakaran	President, The Tamil Chamber of Commerce
10 *	Jyothi Satish	Regional Council Member, Institute of Cost & Works Accountants of India
11 *	M.S. Raghunathan	DGM [Finance], M/s CPCL
12 **	V.G. Selva Raja	The Association of Practising Cost & Management Accountants

* Sl.No.8 to 11 – Representatives of nominated members/Organisation

** Sl.No.12 - Non-member - Permitted by the Chairperson on request

Departmental Officers		
Sl. No.	Name of the Officers [S/Shri.]	Designation
1	S.Thirunavukkarasu	Commissioner, LTU Commissionerate
2	J.M.Kennedy	Commissioner, Chennai – II & III Commissionerate
3	K.V.V.G. Diwakar	Additional Commissioner, CCO
4	Jag Ram Meena	Additional Commissioner, Chennai-IV Commissionerate
5	Sidlingappa Teli	Joint Commissioner, Chennai-II Commissionerate
6	V.R. Viswanathan	Assistant Commissioner, CCO

2. Shri.S.Subramanian, Indirect Tax Ombudsman [ITOM], Chennai Zone, was also present in the RAC meeting on invitation as per Board's guidelines issued in letter F.No.286296/81(v)/2013-CX.9 dated 28.10.2015.

3. Shri. J.M. Kennedy, Commissioner of Central Excise, Chennai-III Commissionerate welcomed the members and introduced the Officers present and also got introduced to the members. Thereafter, Shri.S.Subramanian, ITOM sensitized the trade about the institution of ITOM and addressed the members and explained the functions of ITOMs.

4.0 Then, the Committee took up the points sponsored by the members. The discussion and the decision on the points raised are detailed hereunder:

Point No.1: Digital Invoicing - Availment of cenvat credit based on digitally signed invoices - Sponsored by Shri. K.K. Sekhar [DGM-Ashok Leyland Ltd], Motor Vehicles & Allied Industries Association

Issue: Rule 9 of the Cenvat Credit Rules, 2004 prescribe documents for the purposes of taking Cenvat Credit which includes invoice, supplementary invoice, challan etc. The Rule does not mention about validity of digitally signed documents to avail credit and neither explicitly prohibit availment of credit based on digitally signed invoices. Therefore, trade and industry is of the view that as the Government has allowed digital authentication of invoices, there should be no issue regarding eligibility of cenvat credit to the recipient of the goods and services based on such digitally signed documents.

Clarification sought by member:

- [a] Whether credit can be taken based on digitally signed documents and
- [b] Whether the duplicate copy (digitally signed) accompanying the transportation alone is the document for credit availment or credit is possible based on invoices through the digital form itself.

Discussion & Decision:

(a) The term 'invoice' as it appears in Rule 9 is broader in meaning and it includes a digitally signed invoice. Further, there is no specific restriction in the said Rule to allow credit only on the basis of manually signed invoices. Hence, cenvat credit can be taken on the digitally signed invoice provided safeguards, conditions, procedures, etc prescribed by the CBEC in Notification No.18/2015-CE (NT) and instructions from F.No.224/44/2014-CX.6 are followed.

(b) Members of the RAC may also kindly note that the Board is considering the issue of a clarification on the eligibility of digitally signed invoices with manual signature, as valid document for taking Cenvat credit, wherever the recipient of goods is not having the requisite Information Technology infrastructure to accept or receive such invoices electronically. A draft circular has been placed in the CBEC website 'www.cbec.gov.in' under "PUBLIC INFORMATION" for comments and suggestions from the business and industry.

(c) Rule 9 of the Cenvat Credit Rules, 2004 prescribe documents for the purposes of taking Cenvat Credit which includes invoice issued for clearance of goods. Further, Rule 11(3) of Central Excise Rules, 2002 prescribes that invoice for removal of goods shall be prepared in triplicate and duplicate copy shall be marked as "Duplicate for Transporter".

Further, Rule 4(1) of CCR stipulates that credit can be taken on receipt of inputs into the factory or the premises of job worker. It is clear from the harmonious reading of the above provisions that credit can be taken only on the basis of duplicate copy of invoice and issuing digital invoice has not altered the above provisions.

Point No.2: It may be considered to fix conveyance charges towards Travel Expenses for the members to attend the RAC meeting - Sponsored by Shri.Ve.Thirumal, Pondicherry Chamber of Industries.

Discussion & Decision:

The efforts taken by the member to travel from Puducherry to represent the Puducherry Chamber of Industries in the Zonal RAC meeting is highly appreciated. The point will be examined.


4.1 Shri. Ruban Hobday, FICCI informed that there was a reference from one of the members of FICCI on availability of exemption to Sulphuric acid and added that he received the point very belatedly and hence could not forward the same in time. The member was requested to forward the same through mail for examination.

5. Shri. S.Subramanian, ITOM addressed the members regarding GST model law which has been uploaded in the CBEC's website and requested the members to send suggestions for improvement, if any.

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

7. It is brought to the notice of the members that Quality Council of India has launched **QCI/BMO recognition / certification Scheme**. Detailed information about the scheme is available in QCI's website [www.qcin.org (nabet.qci.org.in/BMO)]. It is requested to give wide publicity to the members of your organisation about the aforesaid scheme.

8. This issues with the approval of the Chief Commissioner of Central Excise, Central Excise, Chennai Zone.


[K.V.V.G. DIWAKAR]
ADDITIONAL COMMISSIONER

To

1. All Members of RAC [As per mailing List]
2. The Indirect Tax Ombudsman, Chennai Zone
3. The Principal Commissioner / Commissioner of Central Excise
Chennai - I / II / III / IV / Puducherry / LTU
4. P.S. to Chief Commissioner
5. The Superintendent, Computer Section, Chennai-I Commissionerate
[for uploading in website]

Copy to Technical-III Section, CCO

[For forwarding to the Director General, Directorate General of Taxpayer Services, New Delhi with reference to letter No.DTPS/5/2015/3009 to 3058 dated 10.09.2015 - CCO file Ref: C.No.IV/16/310/2015-CCO (Tech.I)]

Computer

The Committee has been asked to review the progress of the work done by the members of the working party in the field of the computer since the last meeting. It is noted that the working party has made considerable progress in the field of the computer and that the results of their work are being put into effect.

The Committee has also been asked to consider the proposals for the establishment of a computer centre and to report on the progress of the work done in this regard.

Secretary to the Committee

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