

ORGANISATION STRUCTURE OF THE EXCISE DEPARTMENT

16.1 ORGANISATION STRUCTURE

The structure of the Excise Department is largely similar to the structure of the Income Tax Department. However, in view of the fact that the area of indirect taxes encompasses both customs duties as well as excise duties, the Department is structured in a manner that facilitates collection of both the indirect taxes.

16.1.1 Central Board of Excise and Customs (CBEC): Recruitment to the Customs and Excise Department is through the Indian Revenue Service. The successful candidates in the Civil Service examinations are required to choose between the direct and indirect tax streams. The apex body in charge of administration of the collection of both customs duties and central excise duties is the Central Board of Excise and Customs (CBEC). This is statutory board, setup under the Central Board of Revenue Act, 1963. The Board currently consists of a Chairman. The Chairman is the first among equals. The Chairman and the Members are currently of the rank of ex-officio Additional Secretaries to the Government of India.

16.1.2 Commissionerates: Immediately below the CBEC are the Chief Commissioners. These Chief Commissioners are administratively in-charge of several Commissionerates, ranging from two to four, each of which is headed by a Commissioner. Chief Commissioners are responsible for all matters under their jurisdiction and report to the CBEC as a whole.

The Commissionerate, as its name implies, is the main organizational mechanism for the

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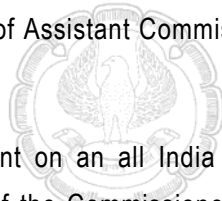
collection of excise duties. The organization structure of a Commissionerate is as follows:-

- (i) Commissioner
- (ii) Commissioner (Appeals)
- (iii) Additional Commissioner
- (iv) Joint Commissioners
- (v) Deputy Commissioner
- (vi) Assistant Commissioner (incharge of Divisions)
- (vii) Superintendent (incharge of range)
- (viii) Sector Officers (Sectors) like Inspectors etc.

Apart from the Executive Commissioner who heads the Commissionerate, there is also a Commissioner (Adjudication), who is exclusively engaged in passing of adjudicating orders in terms of the powers granted under various sections of the Central Excise Act, depending of course, on jurisdiction and on the monetary amounts involved in the demands. Apart from the above specified commissioners, who operate on the executive side of the Department every Commissionerate also consists of a Commissioner (Appeals), who shall act as an appellate authority and pass orders on appeal in relation to all adjudication orders passed by an authority subordinate to the rank of a Commissioner. In other words, the Commissioner (Appeals) has jurisdiction to hear and dispose off all appeals filed against orders of the Assistant Commissioner, Deputy Commissioner, Joint Commissioner as well as the Additional Commissioner. Prior to the amendment of Rule 2(ii) of the Central Excise Rules, governing the definition of a Commissioner, an Additional Commissioner was equivalent to a Commissioner for all purposes. Hence, appeals against orders passed by the Additional Commissioner lay directly with the Tribunal. However, the rule was amended vide Notification No. 11/92-CE (N.T.) dated 14/5/92, whereby the Additional Commissioner was made equivalent to a Commissioner for all purposes other than for the purposes of the appellate procedures incorporated

under Chapter VIA of the Central Excise Act. Consequently, after the amendment, appeals against orders of the Additional Commissioner lie with the Commissioner (Appeals) only. The senior most of these three Commissioners would be the executive Commissioner.

On the executive side, the Additional Commissioner is the immediate senior most officer after the Commissioner. However, as explained above, in terms of the legal definition, an Additional Commissioner is also a Commissioner. Thereafter are the Joint Commissioner, Deputy Commissioners and then the Assistant Commissioner. The Assistant Commissioner is the highest-ranking field level authority who holds active jurisdiction over manufacturing units and is charged with the collection of duties. The Assistant Commissioner is also the quasi-judicial authority who normally passes orders on all matters of revenue concerning units falling under his jurisdiction and for which show cause notices have been issued under various sections of the Act. Direct recruits to the All India Revenue Service are confirmed as Assistant Commissioners after their period of probation. Consequently, the post of Assistant Commissioner is the entry-level post for all direct recruits into the service.



In addition to the direct recruitment on an all India level, staffing of subordinate level officers is done also at the level of the Commissionerate, based on sanctioned strength agreed between the Board and the Commissionerate. The subordinate officers in central excise consist of Sector Officers (earlier known as Inspectors) and Superintendents. The Sector Officers are assigned responsibilities concerning specific units and hence are the first level of contact between assesseees and the Excise Department. The Sector Officers are also functionally in charge of day-to-day matters pertaining to assesseees. The Sector Officers report to the Superintendents, who are functionally responsible for collection of revenues pertaining to all units located in their jurisdiction. The Superintendents, in turn, report to the Assistant Commissioners. Whereas Sector Officers are jurisdictionally in charge of Sectors, the Superintendents are jurisdictionally in charge of Ranges. The Ranges are thereafter consolidated together into Divisions, which are headed by the

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Assistant Commissioners. Finally, all such Divisions are grouped together to form a Commissionerate. The Commissionerate holds territorial jurisdiction for collection of revenues from units located within the Commissionerate.

Self-examination questions

1. Write a brief note on the Central Board of Excise and Customs.
2. Discuss the organizational structure of the excise department.

