

Organisation Structure of the Excise Department

Question 1

Write a note on the composition, role and powers of Central Board of Excise and Customs.

Answer

Central Board of Excise and Customs (CBEC) is a statutory board constituted under Central Boards of Revenue Act, 1963 and is subordinate to the Department of Revenue under the Ministry of Finance, Government of India. The Board is the administrative authority for its subordinate organizations, including Custom Houses, Central Excise Commissionerates and the Central Revenues Control Laboratory.

The Board consists of Chairman plus five members. 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. **The role of CBEC** is to deal mainly with the tasks of formulation and implementation of policy concerning to the levy and collection of customs and central excise duties and service tax, prevention of smuggling and administration of matters relating to Customs, Central Excise, Service Tax and Narcotics fall under CBEC's purview.

Section 37B of Central Excise Act, 1944 authorises Board to issue orders, instructions and directions to Central Excise Officers for purposes of uniformity in the classification of excisable goods or with respect to levy of excise duties on such goods. Further, Rule 3(1) of Central Excise Rules authorises CBEC, Chief Commissioner and commissioner to issue written instructions providing for any supplemental matters arising out of the rules. These administrative orders are binding on lower offices.

Question 2

Discuss the organizational structure of the Central Excise Department.

Answer

The organizational structure of the Central Excise Department is as under:

1. **Central Board of Excise and Customs (CBEC)**
2. **Chief Commissioner of Central Excise:** Immediately below CBEC are the Chief Commissioners who are responsible for all matters under their jurisdiction and report to the CBEC as a whole.

3. Commissioner of Central Excise

- (A) **Executive Commissioner:** He heads the commissionerate and is administrative-in-charge of the 'commissionerate'.
- (B) **Commissioner (Adjudication):** He is exclusively engaged in passing of adjudicating orders in terms of the powers granted under various sections of the Central Excise Act, depending on jurisdiction and on the monetary amounts involved in the demands.
- (C) **Commissioner (Appeals):** He acts 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, Commissioner (Appeals) has the jurisdiction to hear and dispose of all appeals filed against orders of the Assistant Commissioner, Deputy commissioner, Joint Commissioner as well as Additional Commissioner.

It is pertinent to add that the senior most of above three Commissioners would be Executive Commissioner.

- 4. **Additional Commissioner of Central Excise:** He is equivalent to the Commissioner for all purposes other than for the purpose of the appellate procedures. Consequently, appeal against orders of the Additional Commissioner lies with the Commissioner (Appeals) only whereas the appeal against the orders of the Commissioner lies with the Tribunal. On the executive side, he is the immediate most senior officer after the Commissioner.
- 5. **Joint Commissioner of Central Excise:** This post has been created in May 1999, subsequent to implementation of the report of fifth pay commission.
- 6. **Deputy Commissioner, Assistant Commissioner of Central Excise:** Each Commissionerate of Central Excise is divided into divisions and each division is under administrative control of 'Deputy Commissioner' or 'Assistant Commissioner of Central Excise'. Assistant Commissioner (senior Scale) is designated as 'Deputy Commissioner'. However, both Assistant Commissioner and Deputy Commissioner have same powers, except for issue of show cause notice proposing penalty or confiscation of goods.
- 7. **Superintendent of Central Excise:** The division under each Deputy/Assistant Commissioner of Central Excise is further divided into various ranges and each range is under control of Superintendent of Central Excise, who is of the rank of a Gazetted Officer.
- 8. **Sector Officer:** Sector Officer (earlier as inspector) work under Superintendent and he is not a Gazetted Officer. He is the functional in charge of day-to-day matters pertaining to assesseees.

Exercise

1. *Write a brief note on the Central Board of Excise and Customs.*
2. *Who is the lowest rank of a Gazetted officer under central excise?*

Answer/Hint: Superintendent

3. *Who is the administrative in-charge of a zone?*

Answer/Hint: Chief Commissioner of Central Excise

4. *Under which statute, Central Board of Excise and Customs (CBEC) has been constituted?*

Answer/Hint.: The Central Boards of Revenue Act, 1963 (54 of 1963)