

Minutes of RAC Meeting for Organised, SSI and Service Tax Sectors held on 24.09.04 at 11.00 AM at the Office of the Commissioner of Central Excise, Head Quarters, Trichy-1.

The Regional Advisory Committee meeting of Trichy Central Excise Commissionerate for Organised, SSI and Service Tax Sectors was held on 24.09.04 at 11.00 AM at Head Quarters Office, Trichy. **Shri. MATHEW JOHN, Commissioner of Central Excise**, Trichy presided over the meeting.

The following members of the Trade attended the meeting.

S.NO	NAME OF THE RAC MEMBER SHRI.	REPRESENTING ASSOCIATION
1.	R.M.Bhairavan	Karaikal Industries Forum
2.	A.Venkataraman	ICWAI, Trichy
3.	S.Gopinath	India Cements Limited, Dalavoi
4.	S.Subramanian	SSI sector
5	R.K.Elango	Service Tax Sector

Shri. M.Sivakannan, representing Karur Textile Manufacturers Association and Shri.V.N.C Bhasker, representing Karur Industrial Estate Entrepreneurs Association, Karur

informed their inability to attend the meeting.

The following Departmental Officers attended the Meeting.

S/Shri.

- 1) D.P.NAIDU, Joint Commissioner (AE)**
- 2) V.JAYARAMAN, Joint Commissioner (Tech)**

At the outset, **the Chairman welcomed all the Members of the Regional Advisory Committee** and the following points were taken up for discussion.

Point Sponsored by Shri. S.Subramanian, Member

Some of the member units are manufacturing Package type Boilers and Boiler components. Presently they do not take erection, commissioning or installation works for the Boilers supplied by them. In few cases some of their customers are requesting them to carry out the erection, commissioning or installation works for Boiler and Boiler components or guidance for the same. It may be clarified whether Service Tax is leviable on the above activity.

Reply :- In the budget 2004-05, the scope of Service tax under the head “Commission and Installation service” has been extended to include erection also. Erection involves civil works, which would otherwise fall under the category of construction services. In view of the above, any person carrying out the Erection, Commissioning or installation of Boiler and Boiler Components or guidance for the same is chargeable to Service Tax if they charge any amount from the customer for the above purpose.

As there were no other points sponsored for discussion, the Chairman asked the members whether they required any other clarifications. The following points were raised and replies given on the spot.

1. Whether Erection work carried out by the staff of the company supplying goods is subject to Service Tax.?

Reply :- Service Tax will be levied only when the service charges are collected separately.

2. Whether concurrent audit is different from Excise Audit 2000?

Reply :- Concurrent Audit is the same as EA 2000 and such audit is conducted simultaneously in Multi-locational Units.

3. Whether SSI units undertaking job work for BHEL would attract Service Tax?

Reply :- Service Tax would be attracted only when the work undertaken does not amount to manufacture.

4. Whether Service Tax Credit can be taken on the Commission charges charged by Financial Institutions like Banks?

Reply :- Credit can be taken on the Service Tax paid on the Commission and the advice sent by the Banks can be taken as the proof of payment of tax.

5. Whether Consultancy is chargeable under the head “ Intellectual Property Services” ?

Reply :- Consultancy is a separate service.

6. Whether the Services rendered by a Consulting Engineer to a Computer Software Company attracts Service Tax?

Reply :- Service Tax is payable on such services.

The Chairman also informed the members that the next RAC meeting will be held in the third week of December 2004. He drew the attention of the members to the press release of Trichy Commissionerate regarding the system of Registration and Waiver of

penalty for Registration of service providers made till 30.10.04 and asked the members to inform the trade regarding this facility so as to avoid unpleasantness during subsequent surveys to be conducted by the department. He requested the co-operation of the members as they are the official channel of communication between the trade and the department.

Finally, the Chairman thanked the gathering.

(Issued in file C. No. IV/16/193/2004 – C.Ex. Pol.)

//ATTESTED//

SUPERINTENDENT (TECH.)

Sd./xxx
(MATHEW JOHN)
COMMISSIONER

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TRADE NOTICE NO : 68/2004

Dated: 28.09.2004.

To
As per mailing list I, II, III

Copy to:
All Group A Officers / Sections in Hqrs. Trichy.

Copy submitted to:
The Chief Commissioner of Central Excise,
Coimbatore.

The Under Secretary,
CBEC, CX-9 section,
North Block, New Delhi.