

A Brief Note on ACES issues

Citrix Connectivity Issue

The Citrix is a virtualisation software running on a server at the Data Centre enabling multiple instances of ACES applications for departmental users to work in them. The purpose of Citrix is to enable hundreds of departmental officers to work in ACES with a single copy of the software with complete security and safety of the data. On a normal working day, it takes a long time for the Citrix window to open up Central Excise or Service Tax application. Even after opening the application it takes a long time to navigate from one page to the next page. This extreme slowness is most obvious when the departmental officers carry out RnC process which requires correction of excise return data in many pages for which officers have to navigate from one page to another using “Next” button. Sometimes the Citrix will not open up the required application but instead will keep crashing repeatedly. The officers after trying for about an hour will have to give up the exercise only to retry after a few hours.

There appears to be some pattern to the erratic response of the Citrix. On all working days the Citrix response is very poor during the peak hours 11 am to 1.00 pm and 3 to 5.30 pm. Further, during the last two or three days leading to the due date for e-filing of Service tax returns and on monthly due dates for e-filing of Central Excise returns, the Citrix has been considerably slower than during other times. It therefore appears that the Server has not been able to cope with the increased demand from the users to service their request. This poor response of the Citrix server makes it extremely difficult to carry out official work in ACES, leading to poor implementation of ACES in the department.

Suggested Solution:

In the light of the above problems, the Citrix remote desktop system of working on the central excise and service tax and other applications in ACES may be thoroughly reviewed and necessary upgradation of the software and the attendant hardwares may be made to make the working of Citrix smooth and hassle free. Alternately, a simpler web based working system may be

deployed in its place with better security features for data and the departmental user. Latest security technologies may be exploited to leverage internet in a much better way so that ACES can work faster leading to better utilisation for both the department and the tax payers. Regular and periodical upgradation of hardwares may be smoothly effected so that the system capabilities to cater to the increased user request is not hampered by sudden and huge increase in volume of concurrent users accessing the servers.

Deficiencies in ACES system (DSR, FEF & REP modules)

DSR Module

a. The Dispute Settlement Resolution (DSR) modules provides for the departmental officers to issue Show cause notices (SCN) through ACES in Central Excise application. The same is called as SDR in Service Tax application.

There is a template for issue of SCNs for the officers in the module. This template is a mere gist of information to the assessee that an SCN has been issued to him under the various provisions of CE Act and Rules which are mentioned therein, along with the amount proposed to be demanded with a brief description of the cause for the notice. Inasmuch as the SCN template is only a summary of the SCN, a copy of the detailed SCN with annexures indicating the manner of arriving at the duly demanded needs to be attached along with the template. This is also absolutely necessary from the legal angle. However, while the ACES system provides for attaching the SCN document it does not provide any hyperlink of the attachment for the assessee to view the copy of the SCN so attached. As a result the assessee will only know that he has been issued with SCN but cannot view the document.

b. In fact any attachment made by departmental officers in the DSR module either as attachment to SCN or as an attachment to the Order-in-Original cannot be seen by the assesseees.

c. ACES has been designed for the workflow under the concept of CDR .i.e Commissionerate, Division and Range. In other words, the workflow in ACES has to either start from the assessee as by way of registration or filing of return etc or has to be initiated by the Range Superintendent except in cases where the proper officer is Divisional Deputy/Asst Commissioner. The officers of Headquarters such as Superintendents in Adjudication Section assisting the Joint Commr/Addl.Commr/ Commissioner in passing adjudication orders, cannot work online inasmuch as they do not have any roles in ACES for carrying out their adjudication work. As a result, the order to be issued by Commissioners, Additional and Joint Commissioners cannot be issued in ACES.

d. The Inspectors form the backbone of the department. The drafting of Show-cause-notices are primarily the work of Inspectors. By the very design of ACES there is no workflow for the inspectors and therefore Inspectors cannot carry out any item of work online in ACES. This is one of the most important deficiencies of the system.

REF module

The REFund module provides for assessees to file refund or rebate claims with the department. The department can process these claims and then sanction the amount claimed or reject them as the case may be. While cash refunds can be sanctioned either fully or partially by the department there is no provision in this module to sanction refund by way of CENVAT credit. For instance when rebate claims are filed by the assessee with the department through ACES, on many occasions there will be a difference between assessable value mentioned in ARE-1 on which duty is debited and the FOB value on the shipping bill. The rebate is sanctioned for amount of duty calculated on the least of these two values (assessable value or FOB value). In circumstances where the FOB value has been found to be less than the assessable value the cash refund is sanctioned for the value equivalent to the FOB value and duty portion computed on the differential value is given as refund of CENVAT Credit. The REF module does not have the provision to either sanction in full or sanction partially this kind of CENVAT credit refund.

As most of the rebate claims in Large Taxpayer Units involve partial sanction through cash and partial sanction through CENVAT credit, the REF module could not be put to use due to the said deficiency of the system by any LTUs. The same is the case in respect of all commissionerates where rebate is sanctioned by way of partially cash sanction and partial CENVAT Credit sanction.

REP Module

The report module of Central Excise application contains the following reports listed under the menu. (The following is the screenshot of the list of reports in ACES Central Excise application)

In Central Excise

| Select |
|--|
| Central Excise Revenue from Top 10 Assesseees |
| Trends Of Central Excise Revenue From Major Commodities |
| Budget Headwise Revenue Realised Statement |
| Revenue Breakup Petroleum Non Petroleum |
| Trends Of Production And Clearance Of Major Commodities |
| Central Excise Targets And Revenue Realisation |
| Statement Of Duty Foregone From Indigeneous Factories |
| Monthly Budget Headwise Revenue Realised Statement-Through PLA |
| Revenue SSI Non-SSI And Other Units |
| Components Of Excise Duty Collection |
| Monthly Budget Headwise Revenue Realised Statement-Through CNVT |
| Performance In Identified Key Result Areas |
| Monthly Returns Report |
| Central Excise Report of Migrated Assesseees Registered with ACES |
| Central Excise Commissionerate wise Report of Migrated Assesseees Registered with ACES |
| Central Excise Assessee-Wise Detailed Report |

Only the following reports can be reliably generated and used by any commissionerate from the report (REP) module.

1. Monthly Budget Headwise Revenue Realised Statement- Through PLA
2. Monthly Budge Headwise Revenue Realised Statement- Through CNVT
3. Central Excicse Assesseeewise Detailed Report

However, even among these three reports, the monthly Budget Headwise Revenue realised Statements (PLA and CENVAT) do not tally with the Central Excise Assesseeewise Detailed Report for a commissionerate for a given period.

Every commissionerate is left on its own to generate all the required reports. As a result all the commissionerates in the country are generating

reports manually with the help of Reports sent from the field formations (Ranges).

In Service Tax

In the case of Service Tax application not a single report can be generated by any commissionerate. In fact no commissionerate in the country can generate any report to know or to arrive at how much Service Tax revenue has been collected, from the returns filed by the assesseees in ACES. The report module itself does not list any report in the menu.

In this connection, it would not be out of place to mention that the above detailed deficiencies of ACES have been present from the time of launching of ACES in the year 2009 and have still not been resolved.

In view of the above said deficiencies in the ACES system, the implementation of ACES in all commissionerate has greatly been vitiated. It is the need of the hour that the entire ACES system is completely reviewed and revamped so as to make the best use of the information technology for efficient tax administration.