

# ALL INDIA ASSOCIATION OF CENTRAL EXCISE GAZETTED EXECUTIVE OFFICERS: CHENNAI UNIT

Recognized by GOI, Ministry of Finance  
(Vide F. No B. 12017/10/2006- Ad. IV A dated 21/01/08)  
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O/o. The Commissioner of Central Excise,  
121, Nungambakkam High Road, Chennai-34

ASSN LR. 01/2014

Dated 03.01.2014

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|---|---|
| (1) The Chairman<br>Central Board of Excise & Customs<br>North Block, New Delhi 110 001 | (3) Smt. Shobha L Chary I.R.S.<br>Member (Personnel & Vigilance)<br>CBEC, New Delhi                             |
| (2) Ms. J.M. Shanti Sundaram I.R.S.<br>Member – I/c South Zone<br>CBEC, New Delhi       | (4) Ms. Neerja Shah I.R.S.<br>Director General (HRD)<br>409/8, Deep Shikha, Rajendra Place<br>New Delhi 110 008 |

Respected Madam,

Sub: Cadre Restructure & Reorganization of Field Formations  
under CBEC – Reg.

- Ref: 1. Ministry's Letter F.No.A 11019/08/2013 –Ad IV dated  
18/12/2013 and addressed to DG(HRD)
2. Letter of DG(HRD) F.No.8/B/154/HRD(HRM)/2013 dated  
03/09/2013 on preparation for implementation of the  
proposals for CR and Reorganization of Field Formations
3. Board's letter F.No.8/B/69/HRD(HRM)/2011 dated  
30/08/2011 on the subject mentioned against Sl.No.(2)  
above.

Greetings and Happy New Year !

2. Kind attention is invited to the subject and references above cited.
3. While expressing our appreciation for getting the CR cleared this unit wishes to place on record its disappointment with reorganization of field formations insofar as Chennai Zone is concerned. This is because there has not been a single addition to the strength in the number of Central Excise / Service Tax Commissionerate for the zone, though there has been an increase of 26 CEX and 15 ST Commissionerates. That this has been allowed to happen

despite the various parameters prescribed in Study Groups I & II having been fulfilled has led to a sense of demoralization and disappointment among the officers /staff of Chennai Zone is an understatement.

4. The following critical data have either escaped the attention or not given due weightage by those handling the work of allocation of Commissionerates to various zones.

- The net PLA revenue (PLA minus Refunds and Rebates) alone appears to have been taken into consideration. It should be gross revenue in terms of reference in report of Study Group I;
- The twin criteria of 1500 assesseees and 1500-2000 crore gross revenue in terms of para no.158 of the report of Study Group I have not been applied appropriately in respect of Chennai Zone and which are illustrated by the following;

(i) Study Group II recommended 3 Commissionerates in place of 2 based on revenue / work load subsisting in the Integrated Commissionerates of Chennai III & Puducherry – Para 6.3.2 of the report

- Chennai III Gross Revenue (2012-13 – Rs.6309.65 Cr.)

Assessee base (upto 09/2013 – 4058 nos.)

- Puducherry Gross Revenue (2012-13 – Rs.2651.54 Cr.)

Assessee base (upto 09/2013 – 6836 nos.)

(ii) Exclusive CX Commissionerates of Chennai I, II and IV share among themselves a combined gross revenue of Rs.12257 Crore and an assessee base of 8756. A careful material analysis would reveal that a marginal adjustment in jurisdiction provide enough justification for continuance of all the three exclusive CX Commissionerates. This has also been recommended in Note III to Para 3.2 of report of Study Group I. Alternatively phrased the question of substitution of an exclusive Central Excise Commissionerate by a Service Tax Commissionerate does not arise.

(iii) The Service Tax Commissionerate of Chennai has Service Provider base of about 95000 (as on 31<sup>st</sup> December 2013) and a cash (PLA) revenue of Rs.6000 Crore for the financial year 2012-13. Past trends in CAGR of ST revenue stands at 30% average approx. during the last four financial years. The revenue expected for 2013-14 and realizable is Rs.8000 Crore. Paras 2.62 read with Para 2.613 (of report of Study Group I) fixes a revenue of Rs.2500- 3500 Crore and a service provider base of 12000-14000 for a Service Tax Commissionerate. The revenue for 2014-

15 at 34% (approx.) incremental is estimated at Rs.11000 Crore providing enough justification for creation of 3 additional Service Tax Commissionerates in terms of the parameters above cited.

- (iv) No consideration appears to have been given to the fastest developing Automobile hub located at Sriperumbudur-Oragadam-Singaperumal Koil(GST Road) where MNC car majors such as Ford, Hyundai, Nissan (1200 Crore gross revenue), Daimler (160 Crore gross revenue) besides BMW and also proposed Chemical Industries hub at Manali.

5. Sub paras (i), (ii), (iii) & (iv) above reveal the potential requirement of the following:-

- (A) An Additional Integrated Commissionerate  
(B) Continuance of the 3 exclusive CX Commissionerates through a marginal adjustment in geographical jurisdictions.  
(C) 3 additional ST Commissionerates in Chennai City alone.  
(D) Post consideration of (A), (B) and (C) above, will result in 3 integrated Commissionerates, 3 exclusive CX Commissionerates and 4 Service Tax Commissionerates in Chennai Central Excise Zone.  
(E) On the administrative front it is felt that adequate attention needs to be focused on the following aspects.
- Control of Export Oriented Undertakings have been handed over to Central Excise in Chennai City with effect from August 2010.
  - Posts of authorized officers (around 30) in Special Economic Zones are encadred posts and have to be provided from the sanctioned strength of the zone.
  - There is no separate sanctioned strength prescribed for Large Taxpayer Units (LTJs) and around 60 posts of Superintendents are provided for from the sanctioned strength of the zone. (it be mentioned that a sanctioned strength of 162 in all grades(minus encadred posts of Group A from AC to CC level was contemplated in the letter of DG(HRD) - F.No.8/B/69/HRD(HRM)/2011 dated 29/08/2011)).
  - In addition to the above staff have to be provided to Directorates of Anti-evasion, Revenue Intelligence, Vigilance, Valuation, NACEN, CESTAT, Settlement Commission (though on deputation basis) straining the sanctioned strength of the zone.

- Further, Central Excise Commissionerates have been entrusted the audit of OSPCA, ie., post audit of assessment of customs import under ACP and also verification of drawbacks of customs duty before sanction by Customs Authorities.

6. The above clearly reveals that a staff strength of a minimum of 150 Superintendents have to be spared for the above special assignments which is equal to the sanctioned strength of 2 Commissionerates @ 80 per Commissionerate prescribed.

7. Moreover, Career Progression in all Grades upto the Superintendent (Group B) level will be seriously impaired (current stagnation in the Grade of Inspector is 20 years in Tamilnadu & Puducherry Zone, which may further worsen the stagnation situation if the present form of allocation of Commissionerates is done.

8. It is requested that all the above be given a careful consideration and justice rendered to the zone.

9. The Association will be ever ready to have a meaningful engagement in this endeavour.

Thanking you,

Yours faithfully,

  
(R. CHANDRAMOULI)  
GENERAL SECRETARY

Copy to:-

- 1) The Hon'ble Finance Minister, UOI, New Delhi
- 2) The Hon'ble MoS for Finance (Revenue), UOI, New Delhi
- 3) The Chief Commissioner of Central Excise, Chennai Zone, Chennai
- 4) The Commissioner of Central Excise, Chennai I/II/III/IV/Service Tax/Puducherry/LTU, Chennai
- 5) Shri Ravi Malik, Secretary General, AIACEGEO, New Delhi
- 6) AIACEGEO Official Website cengochennai.com