16

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 custom duties, excise duties and service tax, the Department is structured in a manner that facilitates collection of all the three indirect taxes.

16.1.1 Central Board of Excise and Customs (CBEC):

(a) Introduction: Central Board of Excise and Customs (CBEC) is a statutory board constituted under the statute—the Central Boards of Revenue Act, 1963 (54 of 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.
(b) **Role of CBEC**: It deals 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 to the extent under CBEC's purview.

(c) **Recruitment to the Customs and Excise Department**: 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.

(d) **Chairman and members of the Board**: The Board consists of a Chairman and other 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.

16.1.2 **Chief Commissioner of Central Excise**: Immediately below the CBEC are the Chief Commissioners. Chief Commissioners are responsible for all matters under their jurisdiction and report to the CBEC as a whole.

16.1.3 **Commissioner of Central Excise**: Executive Commissioner: heads the Commissionerate. They are administrative in-charge of the ‘Commissionerate’.

**Commissioner (Adjudication)**: 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.

**Commissioner (Appeals)**: 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, 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.

The senior most of these three Commissioners would be the Executive Commissioner.

16.1.4 **Additional Commissioner of Central Excise**: Additional Commissioner is equivalent to the Commissioner for all purposes other than for the purposes of the appellate procedures (incorporated under Chapter VIA of the Central Excise Act). 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, 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.

16.1.5 **Joint Commissioner of Central Excise**: The said designation was created by **Notification No. 23/99-C.E. dated 11-5-1999**. The said notification substituted the earlier Deputy Commissioner/Deputy Commissioner of Central Excise with Joint Commissioner of Central Excise.

16.1.6 **Deputy Commissioner/Assistant Commissioner of Central Excise**: **Notification No. 23/99-C.E. dated 11-5-1999** substituted the earlier Assistant Commissioner/Assistant Commissioner of Central Excise with Assistant Commissioner of Central Excise/Deputy Commissioner of Central Excise.
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.

Both Deputy Commissioner/Assistant Commissioner of Central Excise have the same powers. The only difference is the issue of the show cause notice proposing penalty or confiscation of goods. Assistant Commissioner cannot the issue show cause notice without the prior approval of Deputy Commissioner.

16.1.7 Superintendent: Superintendent is an officer of the rank of a Gazetted officer.

16.1.8 Sector officers: Sector officer (earlier known as inspectors) work under Superintendents and is not a Gazetted officer. The Sector Officers are functional in charge of day-to-day matters pertaining to assesseses.

16.2. Administrative set up

16.2.1 Zone: For administrative convenience, whole country has been divided into several zones. Chief Commissioners of Central Excise are administrative in-charge of each zone.

16.2.2 Commissionerate: Each zone comprises of several commissionerates, ranging from two to four. Each commissionerate is headed by a Commissioner. The primary function of a Central Excise Commissionerate is to implement the Central Excise Act, 1944, rules framed under various provisions of the Central Excise Tariff Act, 1985 and other allied Acts of the Parliament of India under which duty of central excise or other such duties which are levied and collected in the manner in which central excise duty is levied and collected.

16.2.3 Division: The jurisdiction of the Commissionerates has been divided into Divisions. The area of a Division depends upon the density of the industry, complexities of the commodities being dealt by the Division and quantum of revenue receipts. Each Division is headed by a Deputy Commissioner/Assistant Commissioner.

16.2.4 Range: The jurisdictional area of a Division is again divided into Ranges. Each range is headed by a Superintendent designated as 'Range Officer'. Each Range officer has two to four inspectors in his charge.

16.2.5 Sector: Each sector officer (earlier known as inspectors) is incharge of a certain number of units, which varies from range to range. The jurisdiction of sector officer is called 'Sector'.

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