



Bangalore Chamber of Industry and Commerce

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Report on the Interactive Session with Mr. S. Dutt Majumder, Chairman, CBEC, Ministry of Finance, Government of India held on March 9, 2011

The Bangalore Chamber of Industry and Commerce organized an Interactive Session with Mr. S. Dutt Majumdar, Chairman of the Central Board of Excise and Customs (CBEC) on Wednesday, March 9, 2011. The session brought out a lively discussion with the CBEC Chairman not only gave clarification to several points on the Budget proposals but also assured to respond to the members representations on various issues with a positive consideration. The CBEC Chairman was assisted by Senior Officials of the Board from New Delhi and Karnataka in answering questions from the members.

The Session also had the august presence of the following Government Officials:

Mr. J P Gregory, IRS, Chief Commissioner of Central Excise and Service Tax; Mr. R Venkataraman, IRS, Commissioner of Central Excise, Bangalore – I; Mr. A K Kaushal, IRS, Commissioner of Central Excise & Service Tax (LTU); Mr. D P Nagendra Kumar, IRS, Joint Chief Departmental Representative, CESTAT; Mr. S S Lenka, IRS, Commissioner of Central Excise – III; Mr. Kamal Jyothi, IRS, Commissioner of Central Excise – II, Mr. B. Bhattacharya, IRS, Commissioner of Customs-Bangalore

Mr.G. Elango, Chairman of Indirect Tax Expert Committee, BCIC in his welcome address thanked on behalf of the Chamber the Chairman and all the Chief Commissioners present on the occasion for acceding to address and interact with the members of the Chamber.

Mr.Elango briefed the Chairman on the following issues / suggestions from the Members of the Chamber on the Budget issues and sought clarification on the same from the Chairman:

- 1) Service Tax on Medical Services, Reversal of Cenvat for services rendered to SEZ units / developers, Definition of input services, Accommodation & Residential Construction, etc.,
- 2) Central Excise: Excise Duty on Branded Garments, Construction Equipments, Semi-finished goods to job worker

3) Customs: Customs duty for import of defective goods for repair, spares support to export, domestic customers and Endorsement of Bill of Entry and Review of CKD definition for Automotive Sector.

Mr.S. Dutt Majumdar, Chairman, CBEC explained the implications of the Union Budget proposals for 2011-2012 with a specific reference to the government's commitment to put manufacturing sector on a stronger footing to expand its contribution to 25 of the GDP from the current 16 per cent. In this regard he touched on certain changes changed in the definition of CVD (Completely Knocked Down Condition) -- that was not received kindly by the automobile industry. This with a review in the import duty on parts that could encourage the manufacture of finished products like engine and steering boxes. This was a stepping stone for the government's intent on giving manufacturing base a fillip before coming out with a new manufacturing policy as announced in the Budget.

He said the 9 per cent growth target set by the Finance Minister needs a concerted effort by both the government and the industry.

Affirming that the budget allocations to the agricultural and social sector had been carefully planned, Mr. Majumdar said that with certain changes in the customs and excise levies that envisages scaling up the robust Information Technology platform to introduce transparency and cutting time to reduce the export transaction cost. This also is expected to give a boost to manufacturing sector, he added.

Some of the steps envisages in this regard are replacing the practice of furnishing bonds for each port by exporters with one single bond to be authenticated by electronic data interchange system, introduction of self assessment and e-payment that will considerably ease the exporters' hassles.

On the delay in the finalization of the Goods and Services Tax Bill Mr. Majumdar explained the need to arrive at a stand on a collective application of tax regime for goods and services after removing the misgivings of fiscal autonomy, state and concurrent list which are the current principles for determining the taxation policy.

Indicating that GST was likely to be introduced in 2012, Mr. Majumdar said a Dispute Settlement Authority was also on the anvil as part of GST regime to smoothen the process of tax administration.

The CBEC Chairman also highlighted the allocations made to the agriculture and social sector as part of the Government's commitment to promoting inclusive economic growth and the Budget 2011-12 has amplified its intention by announcing measures to combat food inflation by allocation higher funds for strengthening agricultural marketing and distribution

infrastructure. This he said would remove the bottlenecks in supply side management in the near term to ease pressure on food inflation.

Mr.P V Srinivasan, Sr. Vice President – Corporate Taxation, Wipro Ltd., proposed a hearty vote of thanks to the CBEC Chairman and expressed the appreciation of the participants to the Chairman as well as the other Chief Commissioners’ for their august presence and their interaction that helped in clarifying several issues.

He said that the Chamber would also be sending a copy of the Post Budget Memorandum for the kind perusal and consideration of the Chairman, CBEC.

Event Photos



**Interactive Session with Mr.S. Dutt Majumder
Chairman, CBEC, Ministry of Finance, GoI. March 9**



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