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**Government of India
Ministry of Finance**

**OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE
No.1, WILLIAMS ROAD, TRICHIRAPALLI - 620 001.**

MINUTES OF THE MEETING OF THE RAC

TRADE NOTICE: 30 / 2007

Dated: 5.12.2007

The Regional Advisory Committee meeting of Trichy Central Excise Commissionerate for Organised, SSI and Service Tax Sectors was held on 04.12.2007 at 11.30 hrs. at Head Quarters Office, Trichy. Shri Bhikhoo Ram, Commissioner of Central Excise, Trichy chaired the meeting.

02. The following members of the RAC & Trade attended the meeting.

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|----|----------------------|--|
| 01 | Shri. R.M. Bairavan, | Karaikal Industries Forum,
Karaikal. |
| 02 | Shri. M.Balraj, | Handloom Export Cloth
Manufacturers Association, Karur. |
| 03 | Shri. V. Alagappan, | Institute of Chartered Accountants,
Trichy. |

03. Shri. S. Shridharan, representing Trichy District Small & Tiny Industries Association, S. Punniamoorthy, representing BHEL Small Scale Industries Association (BHELSIA), and Shri. C. Basker, representing Karur Industrial Estate Entrepreneurs Association sent intimations regarding their inability to attend the meeting.

04. The following Departmental Officers were present.

S/Shri.

- 1) V. Manivaannan, Additional Commissioner, Trichy
- 2) Vasa Seshagiri Rao, Additional Commissioner, Trichy
- 3) Smt. Bertsie Sundaram, Deputy Commissioner, Trichy II Division
- 4) C. Anandan, Assistant Commissioner (Tech), Trichy

05. At the outset, the Chairman welcomed all the Members of the Regional Advisory Committee. The following point was raised by members and replies were given.

SERVICE TAX:

Point sponsored by Karaikal Industries Forum, regarding applicability of Service Tax on GTA Service.

Point: “An industry offer documented contract price inclusive of freight. For the freight-included price they pay Central Excise and claim Cenvat. For the freight paid they have receipt from the vehicle owner and pay service tax and claim Cenvat but this is not accepted by the department. The clarification sought is, whether the service tax is adjustable against Cenvat when there is documentary contract price inclusive of freight and payment of service tax is by the supplier”.

Reply: Credit can be taken on Service Tax paid in respect of inward transportation of inputs or capital goods and outward transportation upto the place of removal as per the provisions of Rule 2(1)(ii) of the Cenvat Credit Rules 2004 as clarified by the Board in its Circular No. 97/8/2007 as communicated in this office Trade Notice No. 17/2007 S.Tax dt. 27.8.07.

6. The Commissioner thanked the members of the RAC for their co-operation during their tenure which comes to an end in December 2007. He also informed the members that nominations for the new committee for 2008 – 2009 will be called for shortly.

(Issued from file C.No.IV/16/15/2006 - C.Ex. Pol (PF – I))

Vasa Seshagirirao
5/12/07
(VASA SESHAGIRIRAO)
ADDITIONAL COMMISSIONER

To
As per mailing list II & III.

Copy submitted to: The Chief Commissioner of Central Excise, Coimbatore.
Copy to:- The Under Secretary, CBEC, CX-9 section, North Block, New Delhi.