



कार्यालय प्रधान आयुक्त, केन्द्रीय कर तथा केन्द्रीय उत्पाद शुल्क
OFFICE OF THE PRINCIPAL COMMISSIONER, CGST & CENTRAL EXCISE,
35-सी, जी.एस.टी. भवन, प्रशासनिक क्षेत्र, अरेरा हिल्स, भोपाल (म.प्र.)-462011
35-C, GST Bhawan, Administrative Area, Arera Hills, Bhopal-462011
Phone : 0755-2577393 email: techhqs.bhopal@gmail.com

Bhopal, dated 30.07.2024

TRADE NOTICE 01/2024-25

DATED 30.07.2024

Procedure for units manufacturing Cigarette

Attention is invited to Circular No. 1055/04/2017-CX dated 01.05.2017 vide which clarification regarding posting of Central Excise officers in cigarette units has been issued. In view of the limited number of officers/ Inspectors available in the Commissionerate, problems are being faced to post officers in the cigarette manufacturing units round the-clock. On plain reading of the Rule 6 & Rule 11 of the Central Excise Rules, 2017, it is clear that the presence of Central Excise officers is required for discharging the twin functions of assessment of duty to be paid by the manufacturers of cigarette and countersigning the invoices before such goods are removed from the factory. There is no mandatory requirement in the law of round-the-clock posting of Central Excise officers/ Inspectors in the cigarette manufacturing units for physical control. Further, under the Goods and Services Tax (GST) regime, no such requirement of round-the-clock posting of officers has so far been envisaged on tobacco product dealers/ manufacturers who would be paying GST and/ or compensation cess. In view of above and as envisaged in the Circular No. 1055/04/2017-CX dated 01.05.2017 issued by Central Board of Indirect Taxes & Customs (erstwhile Central Board of Excise & Customs), round-the-clock physical control duty of Central Excise officers/ Inspectors in the cigarette factories is hereby discontinued.

2. In exercise of the powers conferred upon the Principal Commissioner/ Commissioner of Central Excise, Bhopal, under Rule 34 of the Central Excise Rules, 2017, the following comprehensive procedure is being prescribed with immediate effect for the manufacturers manufacturing cigarettes.

3. **Details of machines:**

All the existing units shall file intimation within 15 days of publication of this notice and by 1st day of April of each financial year giving following details of manufacturing and packing machines being used for manufacture of cigarettes:

- (i) Make & model of each machine
- (ii) Total number of the machines installed in the factory.
- (iii) Average number of cigarettes that can be produced by each machine per hour i.e. production capacity and quantity in unit per packet/ container duly certified by registered Chartered Engineer.
- (iv) Fitness Certificate from the Chartered Engineer that the machines are fit for manufacturing cigarette as per capacity declared.
- (v) Intimation/ Verification report of the Electric Safety department in respect of DG

set/ sets installed in the factory premises.

- (vi) Certificate from Chartered Engineer that the electricity meters and the meters of DG set/ sets installed in the factory premises are properly functional.
- (vii) Copy of declaration in respect of production capacity submitted to other departments/ agencies/ organisations, if any
- (viii) Brand names of Cigarettes and the registration certificate of brand name, if brand name is registered.
- (ix) Copy of permission from Tobacco Board.
- (x) Number of shift/shifts operated and timing of shift/shifts
[Proforma of Intimation is enclosed as Annexure-A]

3.1 The said intimation shall be filed with the jurisdictional Deputy/ Assistant Commissioner of CGST and Central Excise with a copy to the jurisdictional Range Superintendent.

3.2 The new units as well as existing units which commences production after the date of issuance of these instructions, who have not filed the intimation as per para 3 above, shall file the intimation at least 3 working days before the commencement of production.

3.3 In case the unit carries out any addition/ reduction in the number of manufacturing machines and/or packing machines, the intimation thereof should be filed at least 24 hours prior to introduction of such changes to Jurisdictional Deputy/ Assistant Commissioner with a copy to the Range Superintendent in the manner as desired at para 3 above. Further such changes shall be made under the physical supervision of the Range Officer or the officer authorized by the Principal Commissioner/ Commissioner.

3.4 The Range Superintendent, the jurisdictional Deputy/ Assistant Commissioner, or any other officer authorized by the Principal Commissioner/ Commissioner of CGST & Central Excise, Bhopal, may at any time verify the number of machines available in the factory premises and the manufacturer and/ or his representative shall countersign the verification report.

4. Number of Shifts and production:

The manufacturers shall file an intimation to Jurisdictional Range officer with a copy of Jurisdictional Deputy/ Assistant Commissioner giving details of number of shifts operated in the factory in a day along with timings of shifts at least 2 days prior. In case of change in such details, a revised intimation shall have to be filed at least 24 hours prior to bringing out such change.

- (i) Batch Numbers must invariably be mentioned in each Cigarette packets as well as on outer cover. Mention of the same should also be made in the records maintained in the factory i.e. production / clearances register etc.
- (ii) Running serial number must invariably be mentioned on the final packed Corrugated Fiberboard carton (CFC) of finished goods starting from the first day of April of each financial year in the manner – running Sl. No./ date/ Month/ Year/ initial of company name.
- (iii) Machine wise production of cigarette produced shall be recorded for each shift

and shall be intimated on next working day to the Range Superintendent with a copy to the jurisdictional Deputy/ Assistant Commissioner of CGST and Central Excise under proper acknowledgement.

(iv) Electricity meter and DG Set meter should be installed and reading of the same must be made on daily basis and shall be submitted by the manufacturer to the Jurisdictional Range Officer with a copy to the Jurisdictional Deputy/ Assistant Commissioner and will be subject to random verification by the Jurisdictional Range Officer or by the Jurisdictional Deputy/ Assistant Commissioner or any officer authorized by the Principal Commissioner/ Commissioner.

(v) A shift-wise attendance register should be maintained by the manufacturers reflecting the number of workers engaged in production activity as well as other work.

5. **Installation of CCTV cameras**

(i) Cameras/ CCTV sets with power backup shall be installed at every possible entry/ exit of the factory, which will record the entry and exit of all transport vehicles and the clearance activity.

(ii) The uninterrupted recording of CCTV shall be retained by the manufacturers for minimum one year and shall be handed over to the department as and when required.

6. **Procedure for non-working machines**

6.1 In case the unit does not propose to operate any of the machines for the shift/ day or for longer duration, the same should be informed by the authorized representative of the unit in writing alongwith the reason to the jurisdictional Deputy/ Assistant Commissioner of CGST & Central Excise with a copy to the Range Superintendent. Such machines shall be sealed by the Range Superintendent. The intimation must be given at least 24 hours in advance.

6.2 The authorized representative of the unit shall inform the Range Superintendent with a copy to jurisdictional Deputy/ Assistant Commissioner of CGST & Central Excise in writing at least 24 hours in advance the date and time they intend to start the machines for production so that concerned machine is de-sealed by the Range Superintendent.

7. The manufacturers shall maintain records of daily receipt, consumption and stock of inputs i.e. cut tobacco, aluminum foil, filter, paper roll, CFC, cigarette papers, BOPP, packing materials and any other such items/ raw material. The said records shall be kept in all the business premises and made available for verification by the jurisdictional Range Superintendent and jurisdictional Deputy/ Assistant Commissioner or any other officer duly authorized by the Principal Commissioner/ Commissioner as and when required.

8. The manufacturers shall also maintain the following records in the prescribed proforma for authentication by the Range Superintendent before such records/ registers are put to use:

(i) Shift wise Production record

- (ii) Raw Material Register
- (iii) Dust Account
- (iv) Winnowing Account
- (v) Shift wise Attendance register of worker and staff
- (vi) Waste Generation Stock Register
- (vii) Shift wise Records of reading of Electricity meters and DG Set meters

9. The authorized representative of the unit shall inform the Range Superintendent in writing at least 24 working hours in advance the date and time they intend to clear the goods. The presence of Superintendent or Inspector of Central Excise in all cases would be mandatory at the time of clearance of goods from the factory for the purpose of assessment of duty and countersigning the invoice as per Rule 6 & 11 of the Central Excise Rules 2002 and as envisaged in the Circular No. 1055/04/2017-CX dated 01.05.2017 issued by Central Board of Indirect Taxes & Customs (erstwhile Central Board of Excise & Customs) .

10. The concerned Range officers shall visit the cigarette unit once every week to check that all records mentioned in Para 8 are being duly maintained. Any discrepancy noticed shall promptly be intimated to jurisdictional Divisional Deputy/ Assistant Commissioner for corrective action.

11. All the records mentioned as above shall also be maintained and intimations as mentioned in above paras are also required to be submitted for all the additional places of business.

12. Above instructions shall come into effect immediately. Any violation in compliance with the above instructions would attract penal action as provided under law.

13. All the trade associations and chamber of commerce & industries and members of regional advisory committee are requested to bring the contents of the trade notice to the knowledge of their constituent members and other concerned persons immediately.

(Rakesh Goyal)
Principal Commissioner

ANNEXURE-A

Intimation to be filed by the units manufacturing Cigarettes:

1. Name of Manufacturer
2. GSTIN No. and Central Excise Registration Number
3. Principal Place of Business
4. Additional Places of Business
5. Details of Machines installed in the factory for manufacturing cigarettes:
 - a. Make & model of each machine.
 - b. Total number of the machines installed in the factory.
 - c. Average number of cigarettes produced by each machine per hour and quantity in unit per packet/ container duly certified by registered chartered engineer.
 - d. Fitness Certificate from the Chartered engineer that the machines are fit for manufacturing cigarette as per capacity declared.
6. Intimation / Verification report of the Electric Safety department in respect of DG set/s installed in the factory premises.
7. Certificate from Chartered Engineer that the electricity meters and the meters of DG set/s installed in the factory premises are properly functional.
8. Copy of declaration in respect of production capacity submitted to other departments/ agencies/ organizations, if any.
9. Brand names of Cigarette and registration certificate of brand name if brand name is registered.
10. Number of Shift/ Shifts operated by the assessee with the timing of shift/ shifts.
11. Copy of permission from Tobacco Board.

Date

Name and Signature of authorized signatory