

F. No. 110267/33/2024-CX.1

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs

New Delhi, dated the 3rd July, 2024

To,

1. The Principal Chief Commissioners/Chief Commissioners of CGST & CX (All)
2. The Principal Directors General/Directors General (All)

Subject: Revised Monetary Limits for Adjudication of Show Cause Notices in Central Excise for commodities classified under Chapter 24 of Schedule IV of Central Excise Act, 1944 – reg.

Madam/Sir,

References have been received by the Board on the current adjudication framework under Central Excise and Goods and Services Tax (GST) for cases of commodities classified under Chapter 24 of Schedule IV of the Central Excise Act, 1944 viz., tobacco and tobacco products. In Central Excise, officers of the rank of Principal Commissioner/ Commissioner are empowered to issue show cause notices and orders involving demand of central excise duty/CENVAT credit exceeding Rs. 2 crore. However, in GST, officers of the rank of Additional/Joint Commissioner are empowered to issue show cause notices and orders involving the demand of central tax and/or integrated tax (including cess) exceeding Rs. 2 crore. Further, show cause notices issued by DGGI demanding central excise duty/CENVAT credit of more than Rs. 5 crore are to be adjudicated by the Additional Director General (Adjudication), DGGI. In this regard, reference is invited to CBIC's Circular Nos. 1000/7/2015-CX dated 03.03.2015, 1049/37/2016-CX dated 29.09.2016, 31/05/2018-GST dated 09.02.2018 and 169/01/2022-GST dated 12.03.2022.

2. Thus, it appears that for cases involving demand of central excise duty/CENVAT credit and GST for tobacco and tobacco products, the same facts may be adjudicated by two different levels of adjudicating authorities. Taxpayers/noticees may have to appear before the said two authorities to defend the same facts of the case. Consequently, the process of reviewing an Order-in-Original and filing an appeal against the said order may have to be taken up at different levels within the Central Excise and GST regime.

3. Therefore, to obviate the duplication of work and uphold the principle of ease of doing business, the Board has decided the following:

(i) The monetary limits for issuing show cause notices demanding central excise duty/CENVAT credit and passing adjudication orders thereon for commodities under Chapter 24 of Schedule IV of the Central Excise Act, 1944 shall be as below:

Table

Sl. No.	Designation of Central Excise Officer	Monetary Limit of central excise duty/CENVAT credit
1	Superintendent	Not exceeding Rupees 20 lakh
2	Deputy or Assistant Commissioner	Above Rupees 20 lakh but not exceeding Rupees 2 crore
3	Additional or Joint Commissioner	Above Rupees 2 crore without any limit

(ii) The above monetary limits apply to only those show cause notices that are issued for the period starting from 01.07.2017 which are pending adjudication and for commodities classified under Chapter 24 of Schedule IV of the Central Excise Act, 1944. In any other case, the monetary limits specified in Circular No. 1049/37/2016-CX dated 29.09.2016 shall be applicable.

(iii) In the case of evasion of central excise duty/CENVAT credit and GST by a taxpayer engaged in the manufacture/supply of commodities classified under Chapter 24 of Schedule IV of the Central Excise Act, 1944, two separate show cause notices would be

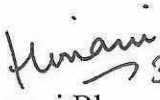
issued under the respective Acts. The amount of GST by way of central tax and state tax/ integrated tax (including cess) is calculated on the transaction value including the amount of central excise duty leviable. Considering the rates of duty/tax/cess leviable, it can be concluded that the amount of GST by way of central tax and state tax/ integrated tax (including cess) shall always be greater than the amount of central excise duty/CENVAT credit involved in a particular case. To ensure that the two show cause notices are adjudicated by the same adjudicating authority, the show cause notice issued under the Central Excise Act, 1944, shall be assigned to the relevant adjudicating authority under the CGST Act, 2017. In this regard, Circular No. 31/05/2018-GST dated 09.02.2018 as amended by Circular No. 169/01/2022-GST dated 12.03.2022 may be referred. This authority shall, in all probable cases, be either of the same or senior level. In case the two adjudicating authorities are of different levels, the Principal Chief Commissioner/Chief Commissioner shall exercise the powers conferred vide notification No. 11/2007-C.E. (N.T.) dated 01.03.2007 for the purpose of assigning adjudication of notices to one authority.

(iv) In case a show cause notice has been issued by the officers of DGGI for commodities classified under Chapter 24 of Schedule IV of the Central Excise Act, 1944, where the place of business of noticee(s) falls under the jurisdiction of a single or multiple Central Excise Commissionerate(s), the show cause notice demanding central excise duty/CENVAT credit shall be assigned to the adjudicating authority who shall be adjudicating the show cause notice under the CGST Act, 2017 based on the Circular No. 31/05/2018-GST dated 09.02.2018 as amended by Circular No. 169/01/2022-GST dated 12.03.2022. Accordingly, the Principal Director General/Director General shall exercise the powers conferred vide notification No. 02/2015-C.E. (N.T) dated 10.02.2015 for the purposes of assigning the cases for adjudication of show cause notices to one authority.

(v) In respect of show cause notices issued by the officers of Audit Commissionerates, where the principal place of business of noticee(s) fall under the jurisdiction of multiple Commissionerates in different Zones, a proposal for the appointment of a common adjudicating authority may be sent to the Board.

(vi) In respect of show cause notices issued before the issuance of this Circular and where no adjudication order has been issued till date, the same may be made answerable to the respective adjudicating authority following the criteria mentioned above, by way of issuing a suitable corrigendum.

4. It is requested that suitable trade notices be issued to publicize the contents of this Circular.
5. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board.
6. The Hindi version would follow.


(Himani Bhayana)

Commissioner (CX & ST)