रजिस्टर्ड डाक ए.डी. द्वारा

: आयुक्त (अपील -I) का कार्यालय, केन्द्रीय उत्पाद शुल्क, :
: सैन्टल एक्साइज भवन, सातवीं मंजिल, पौलिटैक्नीक के पास, :
: आंबावाडी, अहमदाबाद– 380015. :

क फाइल संख्या : File No : **V2(69)43/Ahd-III/2016-17/Appeal-I** 3660 to 3670

ख अपील आदेश संख्या :Order-In-Appeal No.: **AHM-EXCUS-003-APP-241-16-17**

दिनाँक Date : **22.02.2017** जारी करने की तारीख Date of Issue 28/2/17

श्री उमाशंकर आयुक्त (अपील-I) द्वारा पारित

Passed by **Shri Uma Shanker** Commissioner (Appeals-I)Ahmedabad

ग _____ आयुक्त, केन्द्रीय उत्पाद शुल्क, अहमदाबाद-I आयुक्तालय द्वारा जारी मूल आदेश सं _____ दिनाँक : _____ से सृजित

Arising out of Order-in-Original: **488/Reb/Cex/APB/2016**Date: **06.04.2016** Issued by: Assistant Commissioner, Central Excise, Din: Gandhinagar, A'bad-III.

ध अपीलकर्ता एवं प्रतिवादी का नाम एवं पता

Name & Address of the **Appellant** & Respondent

M/s. Regent Granito (India) Ltd.

कोई व्यक्ति इस अपील आदेश से असंतोष अनुभव करता है तो वह इस आदेश के प्रति यथास्थिति नीचे बताएं गए सक्षम अधिकारी को अपील या पुनरीक्षण आवेदन प्रस्तुत कर सकता है।

Any person aggrieved by this Order-In-Appeal may file an appeal or revision application, as the one may be against such order, to the appropriate authority in the following way :

भारत सरकार का पुनरीक्षण आवेदन :

Revision application to Government of India :

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1994 की धारा अंतर्गत नीचे बताए गए मामलों के बारे में पूवोक्त धारा को उप–धारा के प्रथम परन्तुक के अंतर्गत पुनरीक्षण आवेदन अवर सचिव, भारत सरकार, वित्त मंत्रालय, राजस्व विभाग, चौथी मंजिल, जीवन दीप भवन, संसद मार्ग, नई दिल्ली : 110001 को की जानी चाहिए।

(i) A revision application lies to the Under Secretary, to the Govt. of India, Revision Application Unit Ministry of Finance, Department of Revenue, 4th Floor, Jeevan Deep Building, Parliament Street, New Delhi - 110 001 under Section 35EE of the CEA 1944 in respect of the following case, governed by first proviso to sub-section (1) of Section-35 ibid :

(ii) यदि माल की हानि के मामले में जब ऐसी हानि कारखाने से किसी भण्डागार या अन्य कारखाने में या किसी भण्डागार से दूसरे भण्डागार में माल ले जाते हुए मार्ग में, या किसी भण्डागार या भण्डार में चाहे वह किसी कारखाने में या किसी भण्डागार में हो माल की प्रकिया के दौरान हुई हो।

(ii) In case of any loss of goods where the loss occur in transit from a factory to a warehouse or to another factory or from one warehouse to another during the course of processing of the goods in a warehouse or in storage whether in a factory or in a warehouse.

(ख) भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित माल पर या माल के विनिर्माण में उपयोग शुल्क कच्चे माल पर उत्पादन शुल्क के रिबेट के मामलें में जो भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित है।

(b) In case of rebate of duty of excise on goods exported to any country or territory outside India of on excisable material used in the manufacture of the goods which are exported to any country or territory outside India.

(ग) यदि शुल्क का भुगतान किए बिना भारत के बाहर (नेपाल या भूटान को) निर्यात किया गया माल हो।

(c) In case of goods exported outside India export to Nepal or Bhutan, without payment of duty.

ध अंतिम उत्पादन की उत्पादन शुल्क के भुगतान के लिए जो डयूटी केडिट मान्य की गई है और ऐसे आदेश जो इस धारा एवं नियम के मुताबिक आयुक्त, अपील के द्वारा पारित वो समय पर या बाद में वित्त अधिनियम (नं.2) 1998 धारा 109 द्वारा नियुक्त किए गए हो।

(d) Credit of any duty allowed to be utilized towards payment of excise duty on final products under the provisions of this Act or the Rules made there under and such order is passed by the Commissioner (Appeals) on or after, the date appointed under Sec.109 of the Finance (No.2) Act, 1998.

(1) केन्द्रीय उत्पादन शुल्क (अपील) नियमावली, 2001 के नियम 9 के अंतर्गत विनिर्दिष्ट प्रपत्र संख्या इए–8 में दो प्रतियों में, प्रेषित आदेश के प्रति आदेश प्रेषित दिनाँक से तीन मास के भीतर मूल–आदेश एवं अपील आदेश की दो–दो प्रतियों के साथ उचित आवेदन किया जाना चाहिए। उसके साथ खाता इ. का मुख्यशीर्ष के अंतर्गत धारा 35–इ में निर्धारित फी के भुगतान के सबूत के साथ टीआर–6 चालान की प्रति भी होनी चाहिए।

The above application shall be made in duplicate in Form No. EA-8 as specified under Rule, 9 of Central Excise (Appeals) Rules, 2001 within 3 months from the date on which the order sought to be appealed against is communicated and shall be accompanied by two copies each of the OIO and Order-In-Appeal. It should also be accompanied by a copy of TR-6 Challan evidencing payment of prescribed fee as prescribed under Section 35-EE of CEA, 1944, under Major Head of Account.

(2) रिविजन आवेदन के साथ जहाँ संलग्न रकम एक लाख रूपये या उससे कम हो तो रूपये 200/– फीस भुगतान की जाए और जहाँ संलग्न रकम एक लाख से ज्यादा हो तो 1000/– की फीस भुगतान की जाए।

The revision application shall be accompanied by a fee of Rs.200/- where the amount involved is Rupees One Lac or less and Rs.1,000/- where the amount involved is more than Rupees One Lac.

सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण के प्रति अपीलः–
Appeal to Custom, Excise, & Service Tax Appellate Tribunal.

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1944 की धारा 35– ण्0बी/35–इ के अंतर्गतः–

Under Section 35B/ 35E of CEA, 1944 an appeal lies to :-

(क) वर्गीकरण मूल्यांकन से संबंधित सभी मामले सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण की विशेष पीठिका वेस्ट ब्लॉक नं. 3. आर. के. पुरम, नई दिल्ली को एवं

(a) the special bench of Custom, Excise & Service Tax Appellate Tribunal of West Block No.2, R.K. Puram, New Delhi-1 in all matters relating to classification valuation and.

(ख) उक्तलिखित परिच्छेद 2 (1) क में बताए अनुसार के अलावा की अपील, अपीलो के मामले में सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट) की पश्चिम क्षेत्रीय पीठिका, अहमदाबाद में ओ–20, न्यू मैन्टल हास्पिटल कम्पाउण्ड, मेघाणी नगर, अहमदाबाद–380016.

(b) To the west regional bench of Customs, Excise & Service Tax Appellate Tribunal (CESTAT) at O-20, New Metal Hospital Compound, Meghani Nagar, Ahmedabad : 380 016. in case of appeals other than as mentioned in para-2(i) (a) above.

(2) केन्द्रीय उत्पादन शुल्क (अपील) नियमावली, 2001 की धारा 6 के अंतर्गत प्रपत्र इ.ए–3 में निर्धारित किए अनुसार अपीलीय न्यायाधिकरणें की गई अपील के विरूद्व अपील किए गए आदेश की चार प्रतियाँ सहित जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग ओर लगाया गया जुर्माना रूपए 5 लाख या उससे कम है वहां रूपए 1000/– फीस भेजनी होगी। जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग ओर लगाया गया जुर्माना रूपए 5 लाख या 50 लाख तक हो तो रूपए 5000/– फीस भेजनी होगी। जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग ओर लगाया गया जुर्माना रूपए 50 लाख या उससे ज्यादा है वहां रूपए 10000/– फीस भेजनी होगी। की फीस सहायक रजिस्टार के नाम से रेखाकिंत बैंक ड्राफ्ट के रूप में संबंध की जाये। यह ड्राफ्ट उस स्थान के किसी नामित सार्वजनिक क्षेत्र के बैंक की शाखा का हो

The appeal to the Appellate Tribunal shall be filed in quadruplicate in form EA-3 as prescribed under Rule 6 of Central Excise(Appeal) Rules, 2001 and shall be accompanied against (one which at least should be accompanied by a fee of Rs.1,000/-, Rs.5,000/- and Rs.10,000/- where amount of duty / penalty / demand / refund is upto 5 Lac, 5 Lac to 50 Lac and above 50 Lac respectively in the form of crossed bank draft in favour of Asstt. Registar of a branch of any

OFFICE OF THE ASSTT. REGISTRAR CESTAT AHMEDABAD सहायक रजिस्ट्रार

nominate public sector bank of the place where the bench of any nominate public sector bank of the place where the bench of the Tribunal is situated

(3) यदि इस आदेश में कई मूल आदेशों का समावेश होता है तो प्रत्येक मूल ओदश के लिए फीस का भुगतान उपर्युक्त ढंग से किया जाना चाहिए इस तथ्य के होते हुए भी कि लिखा पढी कार्य से बचने के लिए यथास्थिति अपीलीय न्यायाधिकरण को एक अपील या केन्द्रीय सरकार को एक आवेदन किया जाता हैं।

In case of the order covers a number of order-in-Original, fee for each O.I.O. should be paid in the aforesaid manner not withstanding the fact that the one appeal to the Appellant Tribunal or the one application to the Central Govt. As the case may be, is filled to avoid scriptoria work if excising Rs. 1 lacs fee of Rs.100/- for each.

(4) न्यायालय शुल्क अधिनियम 1970 यथा संशोधित की अनुसूचि–1 के अंतर्गत निर्धारित किए अनुसार उक्त आवेदन या मूल आदेश यथास्थिति निर्णयन प्राधिकारी के आदेश में से प्रत्येक की एक प्रति पर रू.6.50 पैसे का न्यायालय शुल्क टिकट लगा होना चाहिए।

One copy of application or O.I.O. as the case may be, and the order of the adjournment authority shall beer a court fee stamp of Rs.6.50 paisa as prescribed under scheduled-I item of the court fee Act, 1975 as amended.

(5) इन ओर संबंधित मामलों को नियंत्रण करने वाले नियमों की ओर भी ध्यान आकर्षित किया जाता है जो सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (कार्याविधि) नियम, 1982 में निहित है।
Attention in invited to the rules covering these and other related matter contended in the Customs, Excise & Service Tax Appellate Tribunal (Procedure) Rules, 1982.

(6) सीमा शुल्क, केन्द्रीय उत्पाद शुल्क एवं सेवाकर अपीलीय प्राधिकरण (सीस्तेत) के प्रति अपीलों के मामलों में केन्द्रीय उत्पाद शुल्क अधिनियम, १९४४ की धारा ३५फ के अंतर्गत वित्तीय(संख्या-२) अधिनियम २०१४(२०१४ की संख्या २५) दिनांक: ०६.०८.२०१४ जो की वित्तीय अधिनियम, १९९४ की धारा ८३ के अंतर्गत सेवाकर को भी लागू की गई है, द्वारा निश्चित की गई पूर्व-राशि जमा करना अनिवार्य है, बशर्ते कि इस धारा के अंतर्गत जमा की जाने वाली अपेक्षित देय राशि दस करोड़ रूपए से अधिक न हो

केन्द्रीय उत्पाद शुल्क एवं सेवाकर के अंतर्गत " माँग किए गए शुल्क " में निम्न शामिल है

(i) **धारा 11 डी के अंतर्गत निर्धारित रकम**

(ii) **सेनवैट जमा की ली गई गलत राशि**

(iii) **सेनवैट जमा नियमावली के नियम 6 के अंतर्गत देय रकम**

→ आगे बशर्ते यह कि इस धारा के प्रावधान वित्तीय (सं. 2) अधिनियम, 2014 के आरम्भ से पूर्व किसी अपीलीय प्राधिकारी के समक्ष विचाराधीन स्थगन अर्ज़ी एवं अपील को लागू नहीं होगे।

For an appeal to be filed before the CESTAT, it is mandatory to pre-deposit an amount specified under the Finance (No. 2) Act, 2014 (No. 25 of 2014) dated 06.08.2014, under section 35F of the Central Excise Act, 1944 which is also made applicable to Service Tax under section 83 of the Finance Act, 1994 provided the amount of pre-deposit payable would be subject to ceiling of Rs. Ten Crores,
Under Central Excise and Service Tax, "Duty demanded" shall include:

(i) amount determined under Section 11 D;
(ii) amount of erroneous Cenvat Credit taken;
(iii) amount payable under Rule 6 of the Cenvat Credit Rules.

→Provided further that the provisions of this Section shall not apply to the stay application and appeals pending before any appellate authority prior to the commencement of the Finance (No.2) Act, 2014.

(6)(i) **इस s.dwR me.,इस आदेश के प्रति अपील प्राधिकरण के समक्ष जहाँ शुल्क अथवा शुल्क या दण्ड विवादित हो तो माँग किए गए शुल्क के 10% भुगतान पर और जहाँ केवल दण्ड विवादित हो तब दण्ड के 10% भुगतान पर की जा सकती है।**

(6)(i) In view of above, an appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute."

ORDER-IN-APPEAL

This appeal is filed by M/s Regent Granito (India) Ltd., AT & PO Hajipur, Near Sabar Diary, Himatnagar, Ta.. Prantij, Dist. Sabarkantha Gujarat (*for short - "the appellant"*) against Order-in-Original No. 484 to 488/Reb/Cex/APB/2016 dated 06.04.2016 *(for short-"impugned order)* passed by the Assistant Commissioner of Central Excise, Gandhinagar Division, Ahmedabad-III (*for short - "the adjudicating authority"*).

2. Briefly, the appellant had filed a rebate claim for Rs. 2,81,890/- under Rule 18 of Central Excise Rules, 2002 (for short – CER '02) read with notification No. 19/2004-CE(NT) dated 06.09.2004, in respect of goods exported vide four ARE-1s during November 2013 to February 2014. On his failure to submit the Bill of export, a query memo dated 17.02.2016 was issued to the appellant. Vide the impugned order, the rebate claim was rejected by the adjudicating authority on the grounds of non submission of Bill of export.

3. Feeling aggrieved, the appellant has filed this appeal *inter alia,* stating that the adjudicating authority had erred in considering the rebate claims filed by the appellant as claims under export entitlement; that all the documents except duplicate copy of Bill of export have been submitted with the claim; that the Joint Secretary (Revisionary Authority) has already decided the issue wherein it is held that the substantial benefit cannot be denied for lapse of not filing bill of export, when the fundamental condition for granting rebate of duty paid on export goods stands fulfilled.

4. Personal hearing in the matter was held on 17.01.2017. Shri M.H.Raval, Consultant appeared for the same on behalf of the appellant and reiterated the submissions made in the grounds of appeal.

5. I have gone through the facts of the case and submissions made in the appeal memorandum. The limited point to be decided is whether the appellant is eligible for rebate claim.

6. In the instant case, I observe that the rebate claim in question was returned back by the jurisdictional central excise officer vide query memo dated 12.12.2014; that on the basis of the said query memo, the appellant has filed an appeal before the appellate authority. The appellate authority has, vide OIA dated 10.11.2015, remanded the case as the jurisdictional officer has not mentioned the required documents in the query memo. The appellant has again filed the rebate claim on 12.01.2016 and the same was rejected on the grounds of non-submission of bill of export.

6. In the instant case, it is observed that [a] there is no dispute regarding supply of goods to SEZ; [b] that this supply was against payment of duty; and [c] about receipt of the said goods in the SEZ. The only point on which the rebate stands denied is that the duplicate copy of ARE-1s and bill of export has not been submitted by the appellant.

7. The procedure for DTA procurement and clearance to Special Economic Zones has been prescribed under Circular No.29/2006-Cus dated 27/12/2016 issued by C.B.E.C., Ministry of Finance (Department of Revenue). The stipulation regarding proof of export in this circular is as follows:

> *"7. Clearance of goods at the place of dispatch, i.e., at the factory or warehouse may be, at the option of the exporter (DTA Supplier), either 'under examination and sealing of goods by the Central Excise officer', or, 'under self- sealing and self examination', as is applicable in the case of export of goods under Rule 18 or 19 of Central Excise Rules, 2002. The manner of disposal of copies of ARE-1, monitoring of proof of exports, demand of duty in case of non-submission of proof of exports, etc. shall be the same as is applicable in case of exports made under Rule 18 or Rule 19 of the Central Excise Rules, 2002."*

The stipulation for Claim of Rebate under Rule 18 of CER, 2002 read with Notification No. 19/2004-CE(NT) dated 06/09/2014 is as follows:

> *"The Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise of Central Excise having jurisdiction over the factory of manufacture or warehouse or, as the case may be, Maritime Commissioner of Central Excise shall compare the duplicate copy of application received from the officer of customs with the original copy received from the exporter and with the triplicate copy received from the Central Excise Officer and if satisfied that the claim is in order, he shall sanction the rebate either in whole or in part."*

As per the above stipulations, proof of export in case of clearance to SEZ should be in form of endorsement, regarding admittance of goods in full into the SEZ, by the Authorized Officer of Customs posted in the SEZ, on ARE-I and /or Bill of Export. In the present case there is no dispute regarding the fact that admittance of goods in full into SEZ have been endorsed on the body of the ARE-1 in all the cases. Therefore, once the proof of export in the form of such endorsement on ARE-I were available, the non-submission of Bills of Export is to be treated as a procedural lapse and the substantive benefit of Rebate cannot be denied.

8. This issue however, is no longer *res integra*, having been settled by the JS (RA), Government of India, through various orders. The appellate authority has also settled the said issue through various Orders-in-Appeal. The appellant has relied on various case laws, to contend that the rebate has been wrongly rejected. I observe that the Joint Secretary (Revisionary Authority), Government of India, in the case of M/s. Gujarat Organics Limited [2014(314) ELT 981], and in case of M/s Wipro Ltd [2014 (307) ELT 206 (GOI)] has settled the issues relating to non submission of duplicate copy of ARE-1 and Bill of export. The relevant para in the case of M/s. Gujarat Organics Limited is as under:

> *9. Government observers that in terms of Para 5 of Board's Circular No. 29/2006-Cus., dated 27-12-2006, the supply from DTA to SEZ shall be eligible for claim of rebate under Rule 18 of Central Excise Rules, 2002 subject to fulfilment of conditions laid thereon. Government further observes that Rule 30 of SEZ Rules, 2006 prescribes for the procedure for procurements from the Domestic Tariff Area. As per sub-rule (1) of the said Rule 30 of SEZ Rules, 2006, DTA may supply the goods to SEZ, as in the case of exports, either under Bond or as duty paid goods under claim of rebate under the cover of ARE-1 form. The original authority has rejected rebate as they failed to produce Bill of Export in term of sub-rule (3) of Rule 30 of SEZ Rules, 2006 and Board's Circular No. 29/2006-Cus., dated 27-12-2006. C.B.E. & C. Circular No. 6/2010-Cus., dated 19-3-2010 further clarified that rebate of duty paid on goods supplied to SEZ is admissible under Rule*

18 of Central Excise Rules, 2002. Government observes that in terms of Rule 30(5) of the SEZ Rules, Bill of Export should be filed under the claim of drawback or DEPB. Since rebate claim is also export entitlement benefit, the respondent was required to file Bill of export. Though Bill of Export is required to be filed for making clearances to SEZ, yet the substantial benefit of rebate claim cannot be denied only for this lapse. Government observes that Customs Officer of SEZ Unit has endorsed on ARE-1 form that the goods have been duly received in SEZ. As the duty paid nature of goods and supply the same to SEZ is not under dispute, the rebate on duty paid as goods supplied to SEZ is admissible under Rule 18 of Central Excise Rules, 2002. Commissioner (Appeals) has rightly allowed the rebate claims in these cases.

The relevant para in case of M/s Wipro Ltd is as under:

8. Government observes that as per procedure, the original and duplicate copy of ARE-1 duly completed in all respects is presented to the Customs along with goods at the port of export. The Customs Officer after being satisfied about the fact that export of said goods is in accordance with law, he certifies in Part-'C' of both the duplicate and original copy of ARE-1 that goods are exported said shipping bill No. After the said customs certification, customs will hand over original copy to the exporter and send the duplicate copy either by post or handover to exporter in a sealed cover for submission before rebate sanctioning authority. In this case the duplicate copy has not reached the rebate sanctioning authority. But the original copies of ARE-1 is submitted. The same customs certification confirming the export of goods is available on original ARE-1. The non-submission of duplicate copy of ARE-1 being a procedural lapse cannot be a ground for denying the substantial benefit of rebate claim. However, the original authority could have made correspondence with the SEZ Customs authority to either ascertain genuineness of ARE-1 certified copy or get confirmation about receipt of said goods in SEZ. The substantial benefit of rebate claim cannot be denied for minor procedural infractions.

7. As is evident, the rationale applies to the present dispute. I find that the issue of non submission of Bill of Export stands settled in favour of the appellant, subject to fulfillment of certain fundamental condition. As in the present case, since there is no dispute regarding supply of goods to SEZ on payment of duty and about receipt of the said goods in the SEZ, the rejection of rebate by the adjudicating authority, is erroneous and is therefore set aside.

8. अपीलकर्ता द्वारा दर्ज की गई अपीलो का निपटारा उपरोक्त तरीके से किया जाता है।

8. The appeals filed by the appellant stand disposed of in above terms.

(उमा शंकर)
आयुक्त (अपील्स - I)
Date: 22/02/2017

Attested

(Mohanan V.V)
Superintendent (Appeal-I)
Central Excise, Ahmedabad

BY R.P.A.D.
To,
M/s Regent Granito (India) Ltd.,
AT & PO Hajipur, Near Sabar Diary,
Himatnagar, Ta.. Prantij, Dist. Sabarkantha
Gujarat
Copy to:

1. The Chief Commissioner of Central Excise Zone, Ahmedabad.
2. The Commissioner of Central Excise, Ahmedabad-III.
3. The Additional Commissioner,(Systems) Central Excise, Ahmedabad - III
4. The Dy./Asstt. Commissioner, Central Excise, Division -Gandhinagar, Ahmedabad-III
5. Guard file
6. P. A.