

 सत्यमेव जयते	केन्द्रीय कर आयुक्त (अपील) O/O THE COMMISSIONER (APPEALS), CENTRAL TAX, वस्तु एवं सेवा कर भवन सातवीं मंजिल, पॉलिटेक्निक के पास, आम्बावाडी, अहमदाबाद-380015	 GST Building, 7 th Floor, Near Polytechnic, Ambavadi, Ahmedabad-380015
 079-26305065	टेलीफैक्स: 079-26305136	

क फाइल संख्या : File No : **V2/130/GNR/2018-19**

7846 to 7851

ख अपील आदेश संख्या : Order-In-Appeal No.: **AHM-EXCUS-003-APP-128-18-19**

दिनांक Date : **20-11-2018** जारी करने की तारीख Date of Issue:

2/1/2019

श्री उमाशंकर आयुक्त (अपील) द्वारा पारित

U. Jid

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

ग **अपर** आयुक्त, केन्द्रीय उत्पाद शुल्क, अहमदाबाद-III आयुक्तालय द्वारा जारी मूल आदेश : **19/AC/CGST/2018-19**
दिनांक : **25-05-2018** से सृजित

Arising out of Order-in-Original: **19/AC/CGST/2018-19**, Date: **25-05-2018** Issued by:
Assistant Commissioner, CGST, Div: Kadi, Gandhinagar Commissionerate, Ahmedabad.

घ अपीलकर्ता एवं प्रतिवादी का नाम एवं पता

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

M/s. Shantam Pharma Pvt Ltd

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

I. Any person aggrieved by this Order-In-Appeal issued under the Central Excise Act 1944, 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 पूर्वोक्त 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 मामलों 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 ड्यूटी क्रेडिट 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 दिनांक 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 रुपये या उससे कम हो तो रुपये 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 अपील:-
Appeal to Custom, Excise, & Service Tax Appellate Tribunal.

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1944 की धारा 35- णबी/35-इ के अंतर्गत:-

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

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 दूसरा मंजिल, बहूमाली भवन, असारवा, अहमदाबाद, गुजरात 380016

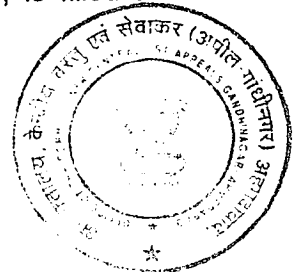
To the west regional bench of Customs, Excise & Service Tax Appellate Tribunal (CESTAT) at 2nd floor, Bahumali Bhavan, Asarwa, Ahmedabad-380016 in case of appeals other than as mentioned in para-2(i) (a) above.

(2) केन्द्रीय उत्पादन शुल्क (अपील) नियमावली, 2001 की धारा 6 के अंतर्गत प्रपत्र इए-3 में निर्धारित किए अनुसार अपीलीय न्यायाधिकरणों की गई अपील के विरुद्ध अपील किए गए आदेश की चार प्रतियाँ सहित जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग और लगाया गया जुर्माना रूपर 5 लाख या उससे कम है वहां रूपर 1000/- फीस भेजनी होगी। जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग और लगाया गया जुर्माना रूपर 5 लाख या 50 लाख तक हो तो रूपर 5000/- फीस भेजनी होगी। जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग और लगाया गया जुर्माना रूपर 50 लाख या उससे ज्यादा है वहां रूपर 10000/- फीस भेजनी होगी। की फीस सहायक रजिस्टार के नाम से रेखांकित 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. Registrar of a branch of any 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 आदेश 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 notwithstanding 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 अनुसूची-1 के अंतर्गत निर्धारित किए अनुसार उक्त आवेदन या मूल आदेश यथास्थिति निर्णयन प्राधिकारी के आदेश में से प्रत्येक की एक प्रति पर रु.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 bear a court fee stamp of Rs.6.50 paise 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 is 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 (सीस्टेट) के प्रति अपीलों के मामलों में केन्द्रीय उत्पाद शुल्क अधिनियम, 1988 की धारा 34फ के अंतर्गत वित्तीय(संख्या-2) अधिनियम 2018(2018 की संख्या 29) दिनांक: 06.08.2018 जो की वित्तीय अधिनियम, 1998 की धारा 23 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 अर्जी एवं अपील को लागू नहीं होगा।

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:

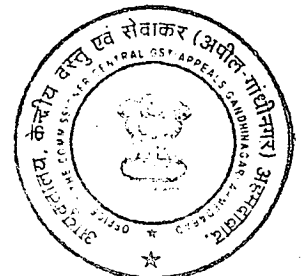
- (i) amount determined under Section 11 D;
- (ii) amount of erroneous Cenvat Credit taken;
- (iii) amount payable under Rule 6 of the Cenvat Credit Rules.

→ 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 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."

II. Any person aggrieved by an Order-in-Appeal issued under the Central Goods and Services Tax Act, 2017/Integrated Goods and Services Tax Act, 2017/Goods and Services Tax (Compensation to States) Act, 2017, may file an appeal before the appropriate authority.

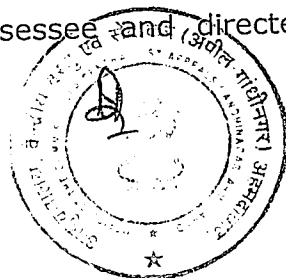


ORDER-IN-APPEAL

This appeal has been filed by M/s Shantam Pharmaceuticals Pvt Ltd, Plot No.546/2,Rakanpur, Tal Kalol, Dist Gandhinagar (hereinafter referred to as 'the appellant') against Order-in-Original No.19/AC/CGST/2018-19 dated 25/30.05.2018 (hereinafter referred to as "the impugned order) passed by the Assistant Commissioner of CGST, Kadi Division (hereinafter referred to as "the adjudicating authority").

2. Briefly stated, the appellant was engaged in the manufacture of P.P. Medicines falling under chapter sub-heading 3003 of the first schedule to the Central Excise Tariff Act, 1985 (CETA, 1985). The appellant was availing value based SSI exemption up to clearance value of Rs.100 Lakhs under Notification No. 08/2003 dated 01/03/2003 (as amended) (hereinafter referred to as the 'SSI notification') for clearance of its own goods, whereas the goods manufactured for loan licensees under various brand names not belonging to the appellant, was cleared on payment of Central Excise duty @ 16% from the first clearance in a financial year. The factory of the appellant was falling within '**rural area**' as defined in paragraph 4 of the SSI notification. The exemption contained in the SSI notification did not apply to specified goods bearing a brand name or trade name whether registered or not, of another person, except in cases where such branded specified goods were manufactured in a factory located in a '**rural area**'. It appeared that the appellant was liable to take into account also the value of branded goods for the purpose of determining the exemption limit of aggregate of first clearance value not exceeding 150 Lakhs Rupees made on or after 1st April in a financial year and also for the purpose of determining the aggregate value of clearances of all excisable goods for home consumption by a manufacturer from one or more factories, or from a factory by one or more manufacturers not exceeding 300/400 Lakhs Rupees in the preceding financial year. As the appellant had failed to add the value of branded goods for the purpose of determining the said aggregate values of clearances in a financial year as well as the preceding financial year, a show cause dated 24.04.2006, covering the period of 2001-02 to 2005-06 was issued to the appellant.

2.1 The said show cause notice was kept in call book as an identical appeal filed by the department in respect of M/s Rhombus Pharma Pvt Ltd against Commissioner (A)'s order was pending before CESTAT. The CESTAT, vide order dated 08.10.2015 has rejected the department appeal and directed to re-quantify the demand for the normal period of limitation. Further, the CESTAT in case of Pharmedia India has passed an order No.A/1330134/2009 dated 07.01.2009, wherein it has held that the duty already paid on branded goods are required to be adjusted against the duty demanded from the assessee and directed for re-quantification of such duty.



2.2 In view of above referred CESTAT's orders, the adjudicating authority has decided the show cause notice, vide impugned order by dropping the demand of Rs.34,37,818/- as time barred as the demand pertains beyond normal period and confirmed the demand of Rs.14,67,567/- with interest falling within normal period. The adjudicating authority has adjusted duty amounting to Rs.8,18,993/- against the demand. A penalty of Rs.50,000/- was also imposed on the appellant.

3. Being aggrieved, the appellant has filed the instant appeal on the grounds that:

- The adjudicating authority has not followed appellate authority's decision, vide OIA dated 25.05.2017 in their own case; that the appellate authority has remanded the said case to decide as per direction of the Hon'ble Tribunal's order. The adjudicating authority has not considered the whole duty paid on the branded goods on which no duty was required to be paid upto the aggregate value of clearance of rupees one crore as contended by the appellate authority as well the Hon'ble Tribunal.
- During the period from April 2005, the appellant had paid duty of Rs.83,88,787/- for both self and loan licensee. The adjudicating authority had computed the from 07.06.2005 to January 2006 for Rs.39,74,104/- and Rs.6,48,574/- and Rs.6,48,574/- and giving adjustment of Rs.8,18,993/- for the clearances from 01.05.2005 to 06.06.2005 amounting to Rs.50,18,337/- pertaining to loan licensee before attaining one crore clearance within normal period. The said computation is wrong.

4. Personal hearing in the instant appeal was held on 25.10.2018. Shri M.H.Raval, Consultant appeared for the same and reiterated the grounds of appeal and submitted further written submission.

5. I have gone through the facts of the case and submissions made in the appeal memorandum.

6. At the outset, I find that the impugned order, against which the appellant has filed the instant appeal, were decided by the adjudicating authority on the basis of the Hon'ble CESTAT's order No.A/11396-11397/2015 dated 08.10.2015 against M/s Rhombus Pharma Pvt Ltd and M/s Pharmanza India. In the case of M/s Rhombus Pharma Pvt Lt, it has been concluded that the demand of duty for the extended period of limitation cannot be sustained and only the demand for the normal period of limitation is sustainable. In the case of M/s Pharmanza India, the Hon'ble Tribunal has held that the duty already paid on goods cleared by the loan licensee is required to be adjusted against the duty demand.

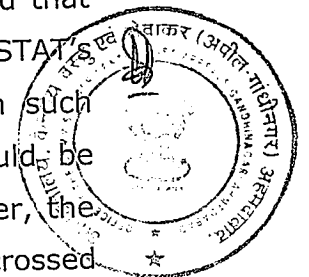
7. I find that similar issue arisen out of Order-in-Original No.9/Addl.Comm/2007 dated 29.11.2007 and 02/ADC (KA)/2009 dated 10.01.2009, covering the period of April 2006 to March 2008 has already been decided by me vide OIA No.AHM-



EXCUS-003-APP-012 to 013-17-18 dated 25.05.2017, by following the ratio of the above referred decision of Hon'ble Tribunal. In the said OIA, I remanded the issue to the adjudicating authority to follow the ratio of the decision of Hon'ble Tribunal.

8. In the instant case, as stated above, the appellant was availing value based SSI exemption up to clearance value of Rs.100 Lakhs under Notification No. 08/2003 dated 01/03/2003 (as amended) for clearance of its own goods, whereas the goods manufactured for loan licensees under various brand names not belonging to the appellant, was cleared on payment of Central Excise duty @ 16% from the first clearance in a financial year. The impugned order states that they had crossed their threshold exemption limit of one crore rupees on 06.06.2005, while considering their own clearance and clearance value of loan licensees. The Hon'ble CESTAT has clearly held that "*duty paid on the clearances, which the Revenue has contended to be exempted, should be considered as deposit and the said duty is required to be adjusted against the duty now being demanded from the appellant*" and *such re-quantification exercise is to be done only for the period within limitation*. Since the appellant has crossed the threshold exemption limit of Rs. One crore on 06.06.2005, no duty was required to be paid by the appellant upto 06.06.2005 and from 07.07.2005 onwards, they were required to pay duty on their own clearances as well as those of the Loan Licensee. However, the appellant had discharged duty in respect of clearance of Loan Licensee from April 2005 onwards and as per Hon'ble CESTAT's order, the duty which has already been paid on such clearances, which the department has contended to be exempted, should be considered as deposit. In the circumstances, whatever duty has already been paid by the appellant from April 2005 to till crossing the threshold limit should be taken into consideration while adjusting the duty. The appellant has contended that the order of the adjudicating authority is not correct and not as per guidelines of the above referred CESTAT's order. They contended that the adjudicating authority has given adjustment of Rs.8,18,993/- for the clearances from 01.05.2005 to 06.06.2005 and not for the clearance from April 2005 to 06.06.2005.

9. I find that the adjudicating authority has re-quantified the duty vide para 24.13 of the impugned order. He stated that "In the instant case the date of delivery of show cause notice is 15.05.2006 i.e considering the period within limitation for re-quantification is 16.05.2005 to 31.03.2006. The said assessee had filed their monthly ER-1 return for April 2005 on 09.05.2005 i.e not within normal period and for the month of May 2005 on 07.06.2005 i.e within normal period. Thus the discharge of C.Excise duty for the clearance for the period 01.05.2005 to 06.06.2005 pertaining to the loan licensee before attaining 1 crore clearance are required to be adjust while demanding the duty on own clearance...". I find that the adjudicating authority has not adjusted the duty as per Hon'ble CESTAT's order as discussed above that the duty which has already been paid on such clearances, which the department has contended to be exempted, should be considered as deposit. Further, I find that in para 8 of the impugned order, the adjudicating authority has stated that "During 2003-04, the assessee crossed



eligibility limit of aggregate clearance value of Rs.300 lacs which was prime requirement for availment of SSI exemption in the next financial year i.e 2004-05. Thus, the assessee was required to pay excise duty at full rate from the first clearance for the year 2004-05." However, I find that the adjudicating authority has not considered this fact and no discussions were made in the impugned order, while re-quantifying the duty.

8. In view of above, I am of the opinion that the matter needs to be verified by the adjudicating authority according to the ratio of the decision of the Hon'ble Tribunal and the duty particulars paid by the appellant as has been observed at para 8 and 9 above. Therefore, I remand the case to the adjudicating authority, in view of foregoing discussions.

उमा शंकर

(उमा शंकर)
आयुक्त (अपील्स - I)

Date: /11/2018

Attested

Mohan V.V
(Mohan V.V)
Superintendent (Appeal-I)
Central Excise, Ahmedabad
BY R.P.A.D.

To,
M/s Shantam Pharmaceuticals Pvt Ltd,
Plot No.546/2, Rakanpur, Tal Kalol, Dist Gandhinagar

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 Additional Commissioner, Central Excise, Ahmedabad-III
5. The AC/DC, Central Excise, Kalol Division
6. Guard file
7. P. A

