
 सत्यमेव जयते	<b>केंद्रीय कर आयुक्त (अपील)</b> <b>O/O THE COMMISSIONER (APPEALS), CENTRAL TAX,</b> केंद्रीय उत्पाद शुल्क भवन, 7 <sup>th</sup> Floor, Central Excise Building, सातवीं मंजिल, पॉलिटेक्निक के पास, Near Polytechnic, आम्बावाडी अहमदाबाद-380015 Ambavadi, Ahmedabad-380015	
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रजिस्टर डाक ए.डी.द्वारा

क फाइल संख्या (File No.): V2 (74)64&63/Ahd-II/Appeals-II/2016-17/923 to 928  
स्थगन आवेदन संख्या(Stay App. No.):  
ख अपील आदेश संख्या (Order-In-Appeal No.): AHM-EXCUS-002-APP-72-73-17-18  
दिनांक (Date): 8/28/2017, जारी करने की तारीख (Date of issue): \_\_\_\_\_  
श्री उमा शंकर, आयुक्त (अपील-II) द्वारा पारित  
Passed by Shri Uma Shanker , Commissioner (Appeals)

ग \_\_\_\_\_ आयुक्त, केंद्रीय उत्पाद शुल्क, (मंडल-I), अहमदाबाद- II, आयुक्तालय द्वारा जारी  
मूल आदेश सं \_\_\_\_\_ दिनांक \_\_\_\_\_ से सृजित  
Arising out of Order-In-Original No.(I) 05-06/AC/DEMAND/16-17 Dated: 05/23/16  
issued by: Assistant Commissioner Central Excise (Div-I), Ahmedabad-II

घ अपीलकर्ता/प्रतिवादी का नाम एवम पता (Name & Address of the Appellant/Respondent)

**M/s Delux Metal Works**

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

Any person an 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) (क) (i) केंद्रीय उत्पाद शुल्क अधिनियम 1994 की धरा अतत नीचे बताए गए मामलों के बारे में पूर्वोक्त धारा को उप-धारा के प्रथम परंतुक के अंतर्गत पुनरीक्षण आवेदन अधीन सचिव, भारत सरकार, वित्त मंत्रालय, राजस्व विभाग, चौथी मंजिल, जीवन दीप भवन, संसद मार्ग, नई दिल्ली-110001 को की जानी चाहिए।

A revision application lies to the Under Secretary, to the Government of India, Revision Application Unit, Ministry of Finance, Department of Revenue, 4th Floor, Jeevan Deep Building, Parliament Street, New Delhi-110001, 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 हानि कारखाने से किसी भंडारगार या अन्य कारखाने में या किसी भंडारगार से दूसरे भंडारगार में माल ले जाते हुए मार्ग में, या किसी भंडारगार या भंडार में चाहे वह किसी कारखाने में या किसी भंडारगार में हो माल की प्रक्रिया के दौरान हुई हो।

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 मामले में जो भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित है।

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

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 हों।

- (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-बी/35-इ के अंतर्गत:-

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 मेटल हॉस्पिटल कम्पाउण्ड, मेघानी 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 इए-3 में निर्धारित किए अनुसार अपीलीय न्यायाधिकरण 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 रूपए 5 लाख या उससे कम है वहाँ रूपए 1000/- फीस भेजनी होगी। जहाँ उत्पाद शुल्क की मांग, ब्याज की मांग और 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 और लगाया गया जुर्माना रूपए 50 लाख या उससे ज्यादा है वहाँ रूपए 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 जहाँ उक्त न्यायाधिकरण की पीठ स्थित है।

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 है।

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 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 हैं।

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 उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट), के प्रति अपील के मामले में कर्तव्य मांग (Demand) एवं दंड (Penalty) का 10% पूर्व जमा करना अनिवार्य है। हालांकि, अधिकतम पूर्व जमा 10 करोड़ रुपए है (Section 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994)

केन्द्रीय उत्पाद शुल्क और सेवा कर के अंतर्गत, शामिल होगा "कर्तव्य की मांग" (Duty Demanded) -

- (i) (Section) खंड 11D के तहत निर्धारित राशि;
- (ii) लिया गलत सेनवैट क्रेडिट की राशि;
- (iii) सेनवैट क्रेडिट नियमों के नियम 6 के तहत देय राशि.

⇒ यह पूर्व जमा 'लंबित अपील' में पहले पूर्व जमा की तुलना में, अपील दाखिल करने के लिए पूर्व शर्त बना दिया गया है।

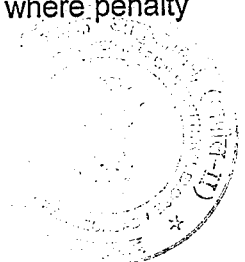
For an appeal to be filed before the CESTAT, 10% of the Duty & Penalty confirmed by the Appellate Commissioner would have to be pre-deposited. It may be noted that the pre-deposit is a mandatory condition for filing appeal before CESTAT. (Section 35 C (2A) and 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994)

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.

इस सन्दर्भ में इस आदेश के प्रति अपील प्राधिकरण के समक्ष जहाँ शुल्क अथवा शुल्क या दण्ड विवादित हो तो मांग किए गए शुल्क के 10% भुगतान पर और जहाँ केवल दण्ड विवादित हो तब दण्ड के 10% भुगतान पर की जा सकती है।

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."

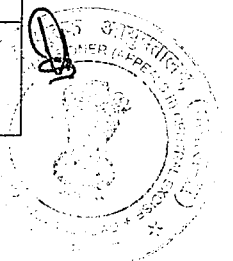


## ORDER-IN-APPEAL

This order covers 1 appeal filed by M/s Delux Metal Works, 407, G.I.D.C., Phase-IV, Naroda, Ahmedabad (hereinafter referred to as 'the appellant') and 1 appeal filed by Shri Jagdishlal Mathuralal Sharma, authorized signatory of the appellant company (hereinafter referred to as 'the co-appellant') against Order in original No.05-06/AC/Demand/16-17 dated 23/05/2016. (hereinafter referred to as 'the impugned orders') passed by the Assistant Commissioner, Central Excise, Division-I, Ahmedabad-II (hereinafter referred to as 'the adjudicating authority').

2. Briefly stated, the facts of the case are that the appellant was engaged in the manufacture and clearance of Copper Zinc Base Alloys (Brass) Sheets / Circles falling under Chapter sub-heading 74092900 of the First Schedule to the Central Excise Tariff Act, 1985 (CETA, 1985). On an inquiry by the jurisdictional Range / Division office based on intelligence, it was revealed that the appellant was not registered with Central Excise and was clearing their products without payment of Central Excise duty, whereas by virtue of Sr. No. 217 of the Notification No. 12/2012-C.E. dated 17-3-2012 and explanation added vide Notification No. 12/2013-CE dated 01/03/2013, '*trimmed or untrimmed sheet or circles of copper and copper alloys including brass, intended for use in the manufacture of handicrafts or utensils*' attracted Central Excise duty at the specific rate of Rs.3500/- per tonne subject to condition No. 19 & 20 of Notification No.12/2012-CE dated 01/03/2013 stipulating that such goods are not produced or manufactured by a manufacturer who produced or manufactures copper from copper ore or copper concentrate; that no credit of duty paid on inputs under Rule 3 or Rule 13 of CCR, 2004 had been taken and that the entire amount of duty was paid in cash or through account current. The appellant responded to the inquiry stating that they were availing exemption benefit under Sr. No.216 of Notification No.12/2012 dated 17/03/2012 whereby all goods other than trimmed or untrimmed sheets or circles of copper, intended for use in the manufacture of handicrafts or utensils attract NIL rate of duty subject to condition 19 thereof, which states that such goods are not produced or manufactured by a manufacturer who produced or manufactures copper from copper ore or copper concentrate. Therefore, the following SCNs were issued to the appellant as well as the co-appellant, which are covered in the impugned order:

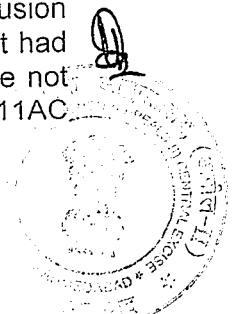
Sl. No.	SCN F.No. & Date	Period covered	Demand details	Penalty provisions
1.	V/16-27/Dem/Delux-Registration/14-15 Dated 16/03/2015	Mar.-2013 to Oct.-2014	Rs.1,67,665/- u/S 11A (4) of CEA, 1944	i) u/S 11AC of CEA, 1944 r/w Rule 25 of CER, 2002.  ii) u/R 26(1) of CER, 2002.
2.	V/16-27/Dem/Delux Metal Works/periodic/15-16 Dated 17/11/2015	Nov.-2014 to May-2015	Rs.55,112/- u/S 11A(1) of CEA, 1944	i) u/S 11AC(1)(a) of CEA, 1944 r/w Rule 25(1) of CER, 2002.



2. Both the above SCNs were adjudicated vide the impugned order, confirming the demands for duty and interest as well as imposing penalty on the appellant as proposed in the SCNs. A penalty of Rs.50,000/- was imposed on the co-appellant under Rule 26(1) of CER, 2002.

3. Being aggrieved by the impugned order, the appellant has filed the instant appeal, mainly on the following grounds:

- i. The charges and the allegations in the SCNs and confirmed in the impugned order are not in accordance with the legal position stated under entry no. 216 of the Notification No. 12/2012 dated 17/03/2012. The entire controversy had arisen because of the explanation inserted in entry no. 217 of the said Notification. The subject goods manufactured by them are covered under entry no. 216 and attract NIL rate of duty till 28/02/2013 as settled by Supreme Court in the case of Meware Bartan Nirmal Udyog in Civil Appeal No. 3269 of 2003. From 01/03/2013 there is a change in Entry No. 217 introduced by way of Notification No. 112/2013 dated 01/03/2013 due to budget of 2013-14. However, there was no change in Entry No. 216 covering goods falling under sub-heading no. 74092900 Copper Zinc Based alloys (Brass) sheets / circles) other than copper i.e. refined copper sheets / circles falling under sub-heading 7409110 / 74091900. As there was no change in entry no. 216 of the said Notification even after budget of 2013-14, the subject goods attract NIL rate of duty. Hon'ble Supreme Court in the case of Oblum Electrical Industries Pvt. Ltd., vs Collector of Customs Bombay – 1997 (94) E.L.T. 449 (S.C.) have held that the words in a Notification have to be construed keeping in view the object and purpose of the exemption. The denial of exemption by mechanically interpreting entry nos. 216 of Notification No. 12/2012 contrary to what has been mentioned therein only for the purpose of charging duty would frustrate the very object and purpose for the issuance of the Notification and the intent of legislature to issue such a notification. Justice G.P. Singh in his book Principles of Statutory Interpretation has explained that '*interpretation must depend on the text and the context*'. One may well say that if the text is texture, context is what gives it color and both neither can be ignored. Hon'ble Supreme Court in the case of CCE vs Rupa and Co. Ltd. – 2004 (170) E.L.T. 129 (SC) held that a strict interpretation of legislative construction cannot be at the expense of the object and purpose of the Notification. Entry no. 216 of Notification No. 12/2012 was pursuant to the commitment made by legislature and therefore it is submitted that the doctrine of promissory estoppels is duly applicable in the instant case. It is settled law as per Hon'ble S.C. in the case of Jain Eng. Co. vs Collector of Customs – 1987 (32) ELT 3 (SC) and Johnson & Johnson vs Commissioner – 1007 (92) ELT 23 (SC) that where the goods are directly and squarely covered by the description under an exemption Notification, the benefit thereof cannot be denied merely because the department has opted a different interpretation. Assuming without admitting that the view of the department is correct and Copper alloys including brass are not covered under entry no. 216 of the said notification, then the question arises as to what is the implication of description in entry no. 216 saying 'all goods other than copper only'. This means that entry 216 excludes only refined copper and does not exclude copper alloys including brass. On the one hand 'copper alloys including brass' finds mention in entry no. 217 and on the other hand the same is not excluded as per the description in entry no. 216. There is no explanation inserted in entry no.216 so as to exclude copper zinc base alloys (brass) sheets or circles from entry 216 of Notification No. 12/2012.
- ii. There was no contravention of rules / notifications by reasons of fraud, collusion or any willful suppression of facts with intent to evade duty as the appellant had submitted letters every year for clarification. The ingredients of Rule 25 are not satisfied in the case of the appellant and penalty thereof read with section 11AC



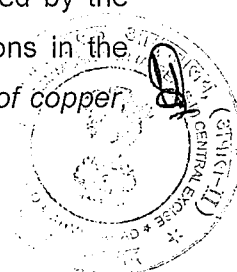
cannot be imposed. The appellant relies on CCE vs Saurashtra Cement Ltd. – 2010 (360) ELT 71 (Guj.). the adjudicating authority ought to have appreciated that penalty under Section 11AC could not be imposed as this was not a case of duty not paid or erroneously refunded by way of fraud, collusion or any willful suppression of facts with intent to evade duty. The conduct of the appellant was *bona fide* and hence no penalty could be imposed. The department was aware of the activities of the appellant as it had submitted letters every year about manufacture and clearance of its products. It is settled law that when demand was not sustainable, penalty also was not sustainable. Similarly no interest was payable as the subject goods attracted NIL rate of duty.

3.1 The co-appellant has preferred an appeal against the impugned order imposing penalty on him under Rule 26 of CER, 2002 on the following grounds:

- i. The impugned notice merely reproduces the language of Rule 26(1) which, by itself, cannot be the ground or basis to apply against the co-appellant. There is absolutely no discussion or any evidences regarding the role, if played by the co-appellant and it has not been explained as to in what manner, the co-appellant had acted or failed to act so as to justify the invocation of Rule 26(1) against him. Letters were submitted regarding the activities of the appellant and hence the co-appellant had not reason to believe that the subject goods are liable to confiscation under the Act or rules made there under and no evidence is adduced in the SCN to support such allegation. The co-appellant relies on the decision of Standard pencils – 1996 (86) ELT 245. Inasmuch as the provisions of Rule 25 were not invoked for the purpose of confiscating the goods no penalty can be imposed under the provisions of Rule 26(1) of CER, 2002. Hon'ble CESTAT in the case of Air carrying corporation P. Ltd. – 2008 (229) ELT 80 (Tri.Mum.) has held that in absence of proposal for confiscation of goods in the SCN, penalty cannot be imposed. In the present case since there was no proposal for confiscation of the goods, imposition of penalty was not warranted. The co-appellant places reliance on the judgments in 213 (294) ELT 159 (Tri.-Ahmedabad); Cosmo Film Ltd. vs CCE, Aurangabad – 2006 (202) ELT 131 (Tri.Mum.); Vaishali Khanapurkar vs CCE, Nasik – 2008 (223) ELT 245 (Tri.Mum.).

4. Personal hearing in the case of the appellant and the co-appellant was held on 19/07/2017 along with the appeals filed by M/s Delux Metal Industries and the co-appellant in his capacity as partner of M/s Delux Metal Industries in the matter of another O.I.O. No. 07-08/AC/DEMAND/16-17 dated 23/05/2016. Shri Harshad Patel, Advocate appeared and reiterated the grounds of appeals.

5. I have carefully gone through the impugned orders and the grounds of appeal filed by the appellant as well as the co-appellant. In the present case the disputed issue is whether the goods namely '*Copper Zinc Base Alloys (Brass) Sheets and Circles*' was chargeable to the specific rate of Rs.3,500/- per metric tonne in accordance with Sl.No. 217 of Notification No. 12/2012-C.E. dated 17/03/2012 read with Notification No. 12/2013-C.E. dated 1-3-2013 as claimed by the department or whether the said goods attracted NIL rate of duty as per Sl.No.216 of the said Notification as claimed by the appellant. There is no dispute regarding fulfillment of the stipulated conditions in the Notification or that the goods were '*Trimmed or untrimmed sheets or circles of copper, intended for use in the manufacture of handicrafts or utensils*'.



6. The contents of the relevant S.No.216 and SI.No.217 of Notification No. 12/2012-C.E., dated 17-3-2012 is reproduced as follows:

Notification No. 12/2012-C.E.. dated 17-3-2012

TABLE

216	7409	All goods other than trimmed or untrimmed sheets or circles of copper. intended for use in the manufacture of utensils or handicrafts	Nil	19
217	7409	Trimmed or untrimmed sheets or circles of copper. intended for use in the manufacture of handicrafts or utensils	₹ 3500 per metric tonne	19 and 20

An explanation to above reproduced column no.(3) of Sr. No. 217 of the Notification No. 12/2012-C.E., dated 17-3-2012 was inserted vide Notification No. 12/2013-C.E., dated 01/03/2013 as follows:

(xii) against serial number 217, for the entry in column (3), the entry "Trimmed or untrimmed sheets or circles of copper, intended for use in the manufacture of handicrafts or utensils.

*Explanation* - For the purposes of this entry, "copper" means copper and copper alloys including brass." shall be substituted;

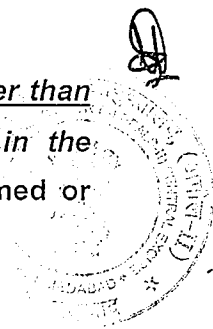
After the above amendment, SI.No. 216 and SI.No.217 under Notification No.12/2013-C.E. dated 01/03/2013 reads as follows:

Notification No. 12/2013-C.E.. dated 01-3-2013

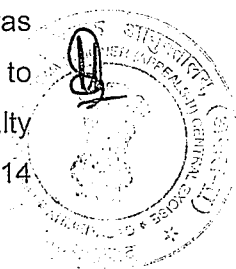
TABLE

216	7409	All goods other than trimmed or untrimmed sheets or circles of copper. intended for use in the manufacture of utensils or handicrafts	Nil	19
217	7409	Trimmed or untrimmed sheets or circles of copper. intended for use in the manufacture of handicrafts or utensils  <i>Explanation</i> - For the purposes of this entry, "copper" means copper and copper alloys including brass." shall be substituted;	₹ 3500 per metric tonne	19 and 20

From the above extracts, it is clear that all goods of Chapter heading 7409 "other than trimmed or untrimmed sheets or circles of copper, intended for use in the manufacture of utensil or handicrafts" fall under SI.No. 216 whereas trimmed or



untrimmed sheets or circles of copper, intended for use in the manufacture of utensil or handicrafts fall under SI.No. 217. The words 'other than' in SI.No.216 indicates exclusion of trimmed or untrimmed sheets or circles of copper, intended for use in the manufacture of utensils or handicrafts. The explanation inserted vide Notification No.12/2013-C.E. dated 01/03/2013 clarifies that SI.No. 217 cover copper and copper alloys including brass. The appellant has contended in the grounds of appeal that SI.No. 216 excludes only such trimmed or untrimmed sheets or circles that are made out of 'refined copper', thereby claiming that the impugned goods that were not made from refined copper but made out of copper and copper alloys including brass, the same merited classification under SI.No.216. However, on studying the Notifications it is clear that there is no valid basis to support such an argument because SI.No.216 excludes all trimmed or untrimmed sheets or circles of copper intended for use in the manufacture of utensil or handicrafts. There is no reason or evidence to construe that this entry excludes only such items that are manufactured out of refined copper. Further, trimmed or untrimmed sheets or circles of copper *i.e.* copper and copper alloys including brass intended for use in the manufacture of utensils or handicrafts find a definite mention in SI.No. 217. The pertinent fact to note is that there is no dispute regarding the fact that the goods manufactured by the appellant are trimmed or untrimmed sheets or circles of copper intended for use in the manufacture of utensils or handicrafts, which is categorically covered under SI.No.217 meaning that the intent of the Notifications is to clearly charge specific rate of duty on the impugned goods. There is no scope for any doubt or any reason for an alternate interpretation with regard to the intent of these Notifications. The citations relied upon by the appellant to emphasize that a strict interpretation of legislative construction cannot be at the expense of the object and purpose of the Notification does not support the flawed reading to claim that the impugned goods are not excluded from the realm of SI.No. 216 and hence attract NIL rate of duty. The only correct interpretation is that the impugned goods being trimmed or untrimmed sheets or circles of copper intended for use in the manufacture of utensils or handicrafts is clearly excluded from SI.No.216 immaterial of the fact whether such goods are made out of refined copper or out of copper and copper alloys including brass. Accordingly I hold that the impugned goods are correctly classifiable under SL.No.217 of Notification No.12/2012-CE dated 17/03/2012 as amended by Notification No.12/2013-CE dated 01/03/2013 attracting the specific rate of Rs.3,500/- per metric tonne. As regards the invoking of extended period, it is an established fact that the appellant had never applied for or obtained Central Excise registration or followed the stipulated procedures or maintained statutory records or filed the statutory returns. The claim for benefit of Sr.No.216 of the said Notification is totally unjustifiable and appears to be in the nature of an afterthought once the inquiry was initiated by the department. Therefore, the charges of suppression of facts with intent to evade duty is sustainable and the invoking of extended period and imposition of penalty under Section 11AC of CEA, 1944 in the SCN for the period of Mar.-2013 to Oct.-2014





is correct and sustainable. In the subsequent SCN covering the period of November-2014 to May-2015, there is no dispute of limitation. As regards the penalty on the co-appellant, the same has been proposed and confirmed under Rule 26(1) of CER, 2002 only with regards to the SCN for the period of Mar-2013 to October-2014, i.e. the period when the charge of suppression of fact has been upheld as sustainable. As brought out in paragraph 11 of the impugned order, the co-appellant, in his statement dated 05/12/2014 recorded under Section 14 of CEA, 1944 had admitted that as a partner of the appellant company, he was looking after all the work relating to production, marketing, sale and supervision of accounts relating to the appellant company. Thus his role in the evasion of duty by suppression of facts is an admitted fact that has never been retracted. Accordingly, the penalty imposed on the co-appellant is also correct and sustainable. In view of the above discussions, the appeals filed by the appellant as well as the co-appellant are rejected.

7. अपीलकर्ताओं द्वारा दर्ज की गई अपीलों का निपटारा उपरोक्त तरीके से किया जाता है।  
The appeals filed by the appellants stands disposed of in the above terms.

*उमा शंकर*

(उमा शंकर)

आयुक्त

केन्द्रीय कर (अपील्स)

Date: / /2017

Attested

*(K. P. Jacob)*  
(K. P. Jacob)  
Superintendent,  
Central Tax (Appeals),  
Ahmedabad.

By R.P.A.D.

- 1) To  
M/s Delux Metal Works,  
Plot No.407, G.I.D.C., Phase-IV,  
Naroda, Ahmedabad.
- 2) Shri Jagdish Lal Mathur Lal Sharma,  
Authorized Signatory of M/s Delux Metal Works,  
Plot No.407, G.I.D.C., Phase-IV,  
Naroda, Ahmedabad.

Copy to:

1. The Chief Commissioner of C.G.S.T., Ahmedabad.
2. The Commissioner of C.G.S.T., Ahmedabad (North).
3. The Additional Commissioner, C.G.S.T (System), Ahmedabad (North).
4. The A.C / D.C., C.G.S.T Division-I, Ahmedabad (North).
5. Guard File.
6. P.A.



