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**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE**

**Office of the Principal Commissioner RA and  
Ex-Officio Additional Secretary to the Government of India**  
8<sup>th</sup> Floor, World Trade Centre, Cuffe Parade,  
Mumbai- 400 005

F. No.198/403-404/WZ/2018-RA / 16/19

Date of Issue: 17.03.2023

ORDER NO. <sup>144-145</sup> /2023-CX (WZ) /ASRA/Mumbai DATED 15.03.2023 OF THE GOVERNMENT OF INDIA PASSED BY SHRI SHRAWAN KUMAR, PRINCIPAL COMMISSIONER & EX-OFFICIO ADDITIONAL SECRETARY TO THE GOVERNMENT OF INDIA, UNDER SECTION 35EE OF THE CENTRAL EXCISE ACT, 1944.

- Applicant : Commissioner of CGST & Central Excise, Mumbai East
- Respondent : M/s Asha Cellulose (I) P. Limited,  
Near Water Works, Abrama,  
Valsad - 396 001.
- Subject : Revision Applications filed under Section 35EE of the Central Excise Act, 1944 against the Order-in-Appeal no. PK/670 to 671/ME/2018 dated 26.07.2018 passed by the Commissioner (Appeals - II), CGST & Central Excise, Mumbai.

**ORDER**

The subject Revision Applications have been filed by the Commissioner of CGST & Central Excise, Mumbai East (here-in-after referred to as 'the applicant/Department') against the Order-in-Appeal dated 26.07.2018 passed by the Commissioner (Appeals - II), CGST & Central Excise, Mumbai, which decided appeals filed by the Department against two Orders-in-Original dated 16.10.2017 and 30.11.2017 passed by the original rebate sanctioning authority, which in turn decided the rebate claims filed by M/s Asha Cellulose (I) Pvt.t. Limited, Mumbai (here-in-after referred to as 'the respondent').

2. Brief facts of the case are that the respondent filed rebate claims for the Central Excise duty paid on the goods exported in terms of Rule 18 of the Central Excise Rules, 2002 and notification no.19/2004-CE(NT) dated 06.09.2004. The original authority found that FOB value of the goods was lesser than the invoice value and held that excess duty was paid by the respondent and that the rebate would be limited to the duty payable on the FOB value. However, the original authority, in addition to the rebate found payable also refunded in cash the excess amount totaling to Rs.93,975/- paid by the respondent, in light of Section 142(3) of the Central Goods and Services Tax Act, 2017 (CGST Act, 2017).

3. Aggrieved, the Department filed appeals against the said Orders-in-Original before the Commissioner (Appeals) on the grounds that the original authority had erred in interpreting Section 142(3) of CGST Act, 2017 inasmuch as the amount found to have been paid in excess should have been treated as lapsed in terms of Section 142(3) of CGST Act, 2017. The Commissioner (Appeals) vide the impugned Order-in-Appeal dated 26.07.2018 found that the amount paid in excess has been correctly refunded

in cash to the respondent as Section 142(3) of the CGST Act, 2017 provided for the same.

4. Aggrieved, the Department has filed the subject Revision Applications against the impugned Order-in-Appeal on the following grounds:-

(a) The respondent was not entitled to the rebate of the amount paid over and above the FOB value declared by them and the same was liable to be rejected and the same should be treated as lapsed in terms of Section 142(3) of the CGST Act, 2017;

(b) The refund sanctioning authority has erred in holding that the exporter was eligible for the entire rebate of Central Excise duty paid even on the value over and above the FOB value on the goods exported under notification no.19/2004-CE (NT) dated 06.09.2004 issued under Rule 18 of the Central Excise Rules, 2002 read with Section 11B of the Central Excise Act, 1944 and the provisions of Section 142(3) of the CGST Act, 2017.

(c) The Commissioner (Appeals) had incorrectly interpreted the Transitional provisions of Section 142(3) of the CGST Act, 2017 in holding that the excess amount paid by the respondent was required to be refunded to them in cash; that when an Act is implemented in the Legislature, proviso if any, incorporated therein should also be read with and examined with the Act itself and the eligibility should be determined on the basis of the said main Act as well as the proviso and that the Section cannot be implemented independently. In view of the above the Department has sought for the impugned Order-in-Appeal to be set aside.

5. Personal hearing in the matter was granted to both the applicant and the respondent on 11.10.2022, 01.11.2022, 09.12.2022 and 23.12.2022, however no one from either side appeared for the same. However, the respondent vide their letter dated 22.12.2022 submitted the instant dispute had been settled the Hon'ble High Court of Madras in the case of M/s Ganges International P. Limited vs Assistant Commissioner, Pondichery [2022(66) GSTL 186 (MAD)] and prayed that the Commissioner (Appeals) be upheld and the Application filed by the Department dismissed.

6. Government has carefully gone through the relevant case records, the written and oral submissions and also perused the impugned the Order-in-Appeal.

7. Government notes that the short issue involved in the instant case is whether the amount of Central Excise duty paid in excess of the FOB value of the goods which were exported, has to be treated as lapsed or should be refunded in cash as per the CGST Act, 2017. Government finds that this was the only issue that was agitated before the Commissioner (Appeals) by the Department and the impugned Order-in-Appeal is also limited to the deciding the same.

8. Government notes that the present proceedings are in exercise of the powers vested in terms of Section 35EE of the Central Excise Act, 1944. Government has examined the CGST Act, 2017 and finds that the same does not provide for application of Section 35EE of the Central Excise Act, 1944 in relation to matters under the CGST Act, 2017. The issue in the present case has to be decided as per the provisions of the CGST Act, 2017. Thus, Government finds that it does not have the jurisdiction to decide the issue covered by the subject Revision Application.

9. In view of the above, Government holds that the subject Revision Applications filed by the Department is non-maintainable due to lack of jurisdiction. The Department can seek relief under the provisions of the CGST Act, 2017, with the appropriate authority.

10. The Revision Applications are disposed of in the above terms.

*Shrawan*  
*15/3/23*  
(SHRAWAN KUMAR)

Principal Commissioner & Ex-Officio  
Additional Secretary to Government of India

ORDER No. <sup>1/MH-</sup> ~~1/MH-~~ 2023-CX (WZ) /ASRA/Mumbai dated 15.03.2023

To,

The Commissioner of CGST & Central Excise, Mumbai East,  
9<sup>th</sup> floor, Lotus Info Centre, Station Road,  
Parel (East), Mumbai – 400 102.

Copy to:

1. M/s Asha Cellulose (I) P. Limited, Near Water Works, Abrama, Valsad – 396 001.
2. Commissioner of CGST & Central Excise, (Appeals – II) Mumbai, 3<sup>rd</sup> floor, Utpad Shulk Bhavan, Plot no.C-24, Sector – E, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
3. Sr. P.S. to AS (RA), Mumbai.
4. Notice Board.