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SPEED POST



F.No. 198/44-55/2015—R.A.  
198/94/2015---R.A.  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)

14, HUDCO VISHALA BLDG., B WING  
6th FLOOR, BHIKAJI CAMA PLACE,  
NEW DELHI-110 066

Date of Issue.....

Order No. 212-224/2018-CX dated 01-05-2018 of the Government of India, passed by Shri R. P. Sharma, Principal-Commissioner & Additional Secretary to the Government of India, under Section 35 EE of the Central Excise Act, 1944.

Subject : Revision Application filed under section 35 EE of the Central Excise Act, 1944, against the Order-in-Appeal No.188-199(SLM)CE/JPR/2015 dated 21/04/2015 and 362(SLM)CE/JPR/2015 dated 14/05/2015, passed by the Commissioner (Appeals), Customs & Central Excise, Jaipur.

Applicant : Principal Commissioner, Central Excise, Alwar

Respondent : M/s Duraline India Pvt. Ltd., Neemrana

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**ORDER**

Two Revision Applications No. 198/44-55/2015-R.A. dated 23/07/2015 and 198/94/2015 dated 04/09/2015 have been filed by the Principal Commissioner, Central Excise, Alwar (hereinafter referred to as the applicant) against the Orders-in-Appeal No. 188-199(SLM)CE/JPR/2015 dated 21/04/2015 and 362(SLM)CE/JPR/2015 dated 14/05/2015,, passed by the Commissioner (Appeals), Customs & Central Excise, Jaipur, whereby the respondent's appeals against the orders-in-original have been allowed.

2. The brief facts leading to the present proceeding before the Government are that the respondent M/s Duraline India Pvt. Ltd., Neemrana, had filed rebate claims for duty of excise paid on exported goods. In one case the original adjudicating authority sanctioned the rebate claim vide order-in-original dated 20/12/2013 but in another case he rejected the rebate claim vide order-in-original dated 21/03/2014. In the first case revenue filed appeal before the Commissioner (Appeals) against the order-in-original and in the second case where the rebate was rejected the respondent approached the Commissioner (Appeals) who disposed of both the appeals vide said orders-in-appeal dated 21/04/2015 and 14/05/2015.

3. The revenue has filed the present revision application mainly on the ground that respondent could not avail CENVAT credit on the inputs procured against Advance Licences, no central excise duty was required to be paid on the goods exported against Advance Licences and accordingly rebate of duty against wrongly paid central excise duty from the wrongly availed CENVAT credit account is not admissible to the respondent.

4. A personal hearing was offered on 16/03/2018 and it was availed by Sh. S.C. Jain, Advocate, for the respondent. He reiterated the defence

arguments already pleaded in their reply dated 11/09/2015. In addition, he also submitted a compilation of case laws and circulars relevant to their defence in this case in these cases. As regards the applicant, no one appeared for the hearing on 16/03/2018 and instead the Assistant Commissioner of the Behror Division requested for adjournment of the hearing in the month of April, 2018 which is not found acceptable as this case is more than two and a half years old. Moreover, the revision application of the revenue is already available containing all grounds of revision for taking a decision in this matter.

4. The Government has examined the matter and has found that even though the supplier of the goods had option to supply the inputs without payment of duty against advance licences/invalidation letters of the respondent by following the procedure specified under Notification No. 44/2001-CE(NT) dated 26/06/2001, there was no legal compulsion on their part to do so. Notification No. 44/2001-CE (NT) only provide facilities to the exporters to procure duty free inputs etc., but no manufacturer can be forced not to supply the inputs on payment of duty. Notification No. 44/2001 is not even the exemption notification and, therefore, Section 5A (1A) of Central Excise Act, 1944 is not applicable which stipulates that where the duty exemption is given absolutely the manufacturer excisable goods shall not pay the duty of excise on the exempted goods. Above all, whether supplier of the inputs was liable for paying duty or not can be decided only by the jurisdictional authorities of the supplier manufacturer and not by the jurisdictional central excise authorities of the manufacturer-exporter as held by the Hon'ble Supreme Court in the case of CCE & CUS Vs M/s MDS Switchgear Ltd. [2008 (229) ELT 485 (SC)]. Further it is also noted that the present proceeding is regarding admissibility of the rebate

of duty to the respondent and not regarding availability of any benefit due to non-compliance of the procedure under Notification No. 44/2001-CE or advance licence etc. The issue regarding rebate of duty is to guide by Rule 18 of Central Excise Rules, 2004 and Notification No. 19/2004 dated 06/09/2004 which primarily provides that the rebate of duty is to be granted in respect of the duty paid exported goods. This fundamental condition is undisputedly fulfilled in this case and there is no allegation that other conditions envisaged in the above mentioned notification have not been satisfied. This view is strongly supported by Bombay High Court's decision in the case of M/s Oleofine Organics (India) Pvt. Ltd. Vs CCE, Thane [2015 (319) ELT A 192 (Bom)], CESTAT's Order No. A/52301/2016-EX[DB] dated 23/06/2016 in the case of M/s Medicamen Biotech Ltd. and the Hon'ble Rajasthan High Court's decision in the case of M/s Balakrishna Industries Ltd which has been accepted by CBEC vide Circular No.1063/2/2018-CX dated 16/02/2018 which is squarely applicable to the present case. Considering these facts and the legal position, the revision applications filed by the revenue are completely misplaced and are not found maintainable.

7. Accordingly, the revision applications are rejected.

*(R. P. Sharma)*  
1.5.18

(R. P. Sharma)

Additional Secretary to the Government of India

The Commissioner of Central Excise & Service Tax,  
Block "A" Surya Nagar, Alwar.

G.O.I. Order No. 212-224/18-Cx dated 05-5-2018

Copy to:-

1. M/s Duraline India Pvt. Ltd, SP-14 D, RIICO Industrial Area, Neemrana.
2. Commissioner (Appeals), Customs & Central Excise, Jaipur.
3. Guard File

*N.D.* 5-18  
NIRMALA DEVI (Section officer)  
(Revision Application unit)