Customs, Excise & Service Tax Appellate Tribunal
West Zonal Bench at Ahmedabad

REGIONAL BENCH-COURT NO.1

Excise Appeal No. 11261 of 2016-DB

(Arising out of OIO-VLD-EXCUS-000-COM-00 32-15-16 Dated 07.03.2016 passed by Commissioner, Central Excise, Customs and Service Tax-Valsad)

Bayer Vapi P Ltd **........Appellant**
Known as M/s, Bilag Industries P Ltd,
Plot No. 306/3,
II Phase, Gidc,
VAPI, GUJARAT

VERSUS

COMMISSIONER OF CGST & CENTRAL EXCISE –
CGST & Central Excise Surat **........Respondent**
Surat Commissionerate New Central Excise Building,
Opp. Gandhi Baug, Chowk Bazaar, Surat- 395001

WITH

Excise Appeal No. 11262 of 2016-DB

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APPEARANCE:
Shri Ishan Bhatt, Advocate appeared for the Appellant
Shri Rajesh K Agarwal, Superintendent (AR) appeared for the Respondent

CORAM:
HON'BLE MR. SOMESH ARORA, MEMBER (JUDICIAL)
HON'BLE MR. SATENDRA VIKRAM SINGH, MEMBER (TECHNICAL)

FINAL ORDER NO. 10624-10626/2025

DATE OF HEARING/DECISION :28.07.2025

SOMESH ARORA

1. In these appeals, short issue involved is whether demands can be issued on the excise side on the basis of difference between figures in the balance sheet and ER-1 return figures. Learned Advocate draws our attention that for the subsequent period also i.e. from April-2014 to March-2016, the demand were similarly raised by the revenue which were later on dropped by the Commissioner as Adjudicating Authority and department has accepted those orders as also the proposition that the demands cannot be raised on the basis of the balance sheet figures.

2. Learned AR points out that in these appeals at the stage when the matter was heard, reconciliation statement between ER-1 returns and balance sheet was warranted by the Adjudicating Authority, but the same could not be produced at that time. The said reconciliation statement was asked for at the time when the matter was last heard by this bench. While, he has no serious objection to the proposition that the demand cannot be raised because of difference in balance sheet figures and ER-1 returns as in the later period demand & order related thereto has been accepted by the department. He however, points out that reconciliation will only provide additional evidence to indicate that correct figures reported were in ER-1 returns and there was no intent of evasion of duty. He therefore, suggests that the reconciliation statement should be produced by the appellants before the Commissioner for it’s verification. The other side has no serious objection to the course suggested by learned AR.

3. We have examined the matter, the record & all the rival submissions. In our overall view, to find out if figures are account based and can be reconciled, we are inclined to remit the matter. The department will follow the view and accepted by us on merit that demand cannot be raised on the basis of balance

sheet alone, which view is supported by various case law. Despite the legal proposition, verification of figures by process of reconciliation as produced by the appellants shall further convince the department that there is no intended evasion of duty.

4. To that extent and with above directions, we are remanding the matters for the Commissioner to verify the reconciliation. The matters partly remanded for verification purpose only.

5. The appeals are allowed by way of remand, in above terms.

(dictated and pronounced in open court)

(SOMESH ARORA)
MEMBER (JUDICIAL)

(SATENDRA VIKRAM SINGH)
MEMBER (TECHNICAL)

Bharvi