CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
CHANDIGARH

REGIONAL BENCH - COURT NO. I

Excise Appeal No. 60276 of 2018

[Arising out of Order-in-Appeal No. J&K-EXCUS-APP-191-17-18 dated 27.12.2017 passed by the Commissioner (Appeals), CGST, Jammu]

M/s J K Oil Industries ......**Appellant**
Industrial Area, Gangyal,
Jammu and Kashmir-180003

VERSUS

Commissioner of Central Excise, Jammu & Kashmir ......**Respondent**
OB-32, Rail Head Complex,
Jammu & Kashmir-180012

APPEARANCE:

Shri Gurdev Singh Sandhe, Advocate for the Appellant

Shri Aniram Meena, Authorized Representative for the Respondent

CORAM: HON'BLE MR. S. S. GARG, MEMBER (JUDICIAL)
HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)

FINAL ORDER NO. 61611/2025

DATE OF HEARING/DECISION: 17.10.2025

P. ANJANI KUMAR:

Brief issue involved in the case is as to whether the waste, parings and scrap generated during the manufacture of vegetable oils is eligible to the exemption contained under Notification No.89/95-CE dated 18.05.1995.

2. M/s J K Oil Industries, the appellants, are engaged in the manufacture of refined oil (edible grade) and Vanaspati Ghee; during the refining of oil, different wastes referred to as "Soap Stock", "Fatty Acids", "Wax", "Gums" emerge. Revenue was of the opinion that these by-products are not covered by exemption contained under Notification No.89/95-CE dated 18.05.1995. A show cause notice dated 30.03.2007 was issued demanding a duty of Rs.6,55,013/- along with interest and penalty. The proposals in the show cause notice were affirmed by the OIO dated 31.03.2008. On an appeal filed by M/s J K Oil Industries, Commissioner (Appeals) vide impugned order dated 27.12.2017, upheld the order of the lower authority. Hence, this appeal.

3. Shri Gurdev Singh Sandhe, learned Counsel for the appellants, submits that the issue is no longer res integra having been decided by the Larger Bench in the case of Ricela Health Foods Ltd. – 2018 (361) ELT 1049 (Tri. LB).

4. Shri Aniram Meena, learned Authorized Representative for the Department reiterates the findings of the impugned order.

5. Heard both sides and perused the records of the case. We find that the issue had a checkered history; Bangalore Bench of the Tribunal in the case of Priyanka Refineries – 2010 (249) ELT 70 (Tri. Bang.) held that exemption is available to the soap stock arising during the refining of vegetable oils; however, CESTAT Delhi vide Final Order No.648-661/2011 dated 25.07.2011 held the other way; appeals filed in both the above cases were dismissed by the Hon'ble

Supreme Court in the case of A.P Solvex Ltd. – 2014 (300) ELT A74 (SC). We find that Mumbai Bench of the Tribunal in the case of Maheswari Solvent Extraction Ltd. – 2014 (299) ELT 116 (Tri. Mumbai) has gone through all the orders passed in this regard and held that the products are eligible for the exemption. The issue came to be decided finally by the Larger Bench in the case of Ricela Health Foods Ltd. (supra), holding that the exemption is available to the waste, scraps etc. generated during the refining of vegetable oils. Therefore, we find that the issue is no longer res integra.

6. In view of the above, the appeal is allowed.

(Operative part of the order pronounced in the open court)

(S. S. GARG)
MEMBER (JUDICIAL)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)

PK