CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
CHANDIGARH

REGIONAL BENCH - COURT NO. I

Excise Appeal No. 60272 of 2016

[Arising out of Order-in-Appeal No. LUD-EXCUS-000-APP-0072-16-17 dated 25.05.2016 passed by the Commissioner (Appeals), Central Excise, Chandigarh]

M/s Raj Agro Ltd **......Appellant**
Village-Pawa, GT Raod, Near Civil Air Port,
Ludhiana, Punjab

VERSUS

Commissioner of Central Excise and Service Tax, Chandigarh-I **......Respondent**
Central Revenue Building, Plot No. 19,
Sector 17-C, Chandigarh 160017

APPEARANCE:

Shri Vibhor Garg, CA for the Appellant

Shri Kanish Saini, 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. 61629/2025

DATE OF HEARING: 16.10.2025
DATE OF DECISION: 16.10.2025

S.S. GARG:

The present appeal is directed against the impugned order dated 25.05.2016 passed by the Commissioner (Appeals), whereby, the Commissioner (Appeals) has rejected the appeal of the appellant.

2. Briefly the facts of the present case are that the appellant is engaged in making of Physically Refined Rice Bran Oil. During the course of making of Refined Rice Bran Oil, certain Gums, Waxes and Rice Bran Fatty Acids are also generated, which are cleared by appellant, without payment of any duty thereon. The revenue entertained the view that the waste products are liable to exercise duty at tariff rate, accordingly, the show cause notice was issued and after following the due process, the Central Excise duty of Rs. 24,121 was confirmed along with interest and also imposed equal penalty for the period October, 2010 to July, 2011. Hence, the present appeal.

3. Heard both the parties and perused the material on record.

4. The learned consultant appearing on behalf of the appellant submits that the issue is no more *res integra* and the Tribunal has decided the identical issue in favour of the assessee. He also submits that the issue was finally settled in favour of the assessee by the Larger Bench of the Tribunal in the case of Ricela Health Foods, Ltd. Vs. CCE, Chandigarh vide interim order no. 8-11/2018 dated 30.01.2018. The Larger Bench after considering the earlier decision on the issue has held that the assessee is eligible for exemption under Notification No. 89/95-CE dated 18.05.1995 which exempts waste, paring and scrap arising in the course of manufacture of exempted goods and falling within the schedule to the Central Excise Tariff Act, 1985.

5. On the other hand, learned AR, reiterated the findings of the impugned order.

6. After considering the submissions of both the parties and perusal of the material on record, we find that this issue is no more res integra in the appellant's own case for the earlier period vide its **Final Order No. 60580/2025 dated 29.05.2025** wherein it has been held as under:

> 6. After considering the submissions of both the parties and perusal of the material on record, we find that this issue is squarely covered by the decision of the Larger Bench of the Tribunal in the case of ***M/s Ricela Health Foods Ltd*** cited (Supra), the Larger Bench of its interim order dated 30.01.2018 decided the matter in favour of the assessee and held that gum, wax and fatty acid are waste and the assessee is eligible for exemption under Notification No. 89/1995-CE. Further, we find that the CESTAT, Chandigarh in the case of ***Dhillon Oil and Fats Pvt. Ltd.*** cited (Supra) has held in para **5** which is reproduced here in under:
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> > ***5.*** *Heard both sides and perused the records of the case. We find, as submitted by the learned Counsel for the appellants, that the issue is no longer res integra; we find that Larger Bench of the Tribunal in the case of M/s Ricela (supra) has discussed the issue at length and came to the conclusion that the wax, gums and fatty acids emerging in the process of refining of vegetable*

oils cannot be considered anything other than waste and as such, the exemption contained under the Notification No.89/95-CE is available to the appellants. In view of the same, we find that the impugned orders are not sustainable and are liable be set aside and we do so.

7. In view of our discussion above, we are of the considered opinion that the impugned order denying the exemption to the appellant under Notification No. 89/1995 is not sustainable in law and therefore we set aside the same by allowing the appeal of the appellant with consequential relief if any, as per law.

7. In view of the above facts, the impugned order is not sustainable and the same is set aside by allowing the appeal of the appellant with consequential relief, if any as per law.

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

(S. S. GARG)
MEMBER (JUDICIAL)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)

Kailash