

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
CHENNAI**

REGIONAL BENCH - COURT No. III

(1) Excise Appeal No. 41203 of 2015

(Arising out of Order-in-Appeal No.06/2015-SLM-CEX dated 18.03.2015 passed by Commissioner of Central Excise (Appeal-I Coimbatore), Circuit Office @ Salem Commissionerate)

M/s.Bharat Sago Factory

Cuddalore Main Road,
Sarvay 636 121,
Attur Taluk
Salem District

... Appellant

VERSUS

**The Commissioner of GST &
Central Excise,**

No.1, Foulk's compound,
Anai Medu,
Salem 636 001

... Respondent

WITH

**(2) Excise Appeal No. 41204 of 2015 (Bharat Sago
Factory Vs CGST & CE Salem)**

(Arising out of Order-in-Appeal No.07/2015-SLM-CEX dated 18.03.2015 passed by Commissioner of Central Excise (Appeal-I Coimbatore), Circuit Office @ Salem Commissionerate)

**(3) Excise Appeal No.41642 of 2016 (SPA Company
Vs CGST & CE Salem)**

(Arising out of Order-in-Appeal No.10/2016- SLM-CEX dated 24.05.2016 passed by Commissioner of Central Excise (Appeal-I Coimbatore), Circuit Office @ Salem Commissionerate)

**(4) Excise Appeal No. 42131 of 2017 (Sri Karthikeyan
Sago Factory Vs CGST & CE Salem)**

(Arising out of Order-in-Appeal No.27/2017-SLM-CEX dated 26.07.2017 passed by Commissioner of Central Excise (Appeal-I Coimbatore), Circuit Office @ Salem Commissionerate)

**(5) Excise Appeal No. 42121 of 2017 with
E/MISC/40258/2018 (Sri Vinayaka Sago Factory Vs
CGST & CE Salem)**

(Arising out of Order-in-Appeal No.29/2017-SLM-CEX dated 28.07.2017
passed by Commissioner of Central Excise (Appeal-I Coimbatore), Circuit
Office @ Salem Commissionerate)

APPEARANCE :

Shri N. Prasad, Advocate for the Appellant

Shri Sanjay Kakkar, Authorized Representative
for the Respondent

CORAM :

**HON'BLE MR. P. DINESHA, MEMBER (JUDICIAL)
HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)**

FINAL ORDER Nos.41308-41312/2025

**DATE OF HEARING : 09.06.2025
DATE OF DECISION : 13.11.2025**

Per: Shri P. Dinesha

Heard Shri N.Prasad, Ld. Advocate for the
Appellant/Assessees and Shri Sanjay Kakkar, Id. Deputy
Commissioner for the Respondent/Revenue.

(A) FACTS IN BRIEF LEADING TO THE PRESENT APPEALS :

1. The Appellants are the manufacturers of "sabudana", which is being manufactured as a food item, meant for consumption by devotees during the fasting season, "sabudana" has been historically never subject to Duty of Excise under the provisions of the Central Excise Act, 1944 read with the Central Excise Tariff Act, 1985. It was stated that the impugned orders placed the classification of the product "sabudana" under Chapter Heading 1903 0000 of the Central Excise Tariff Act, 1985. It was submitted that from inception of the Central Excise tariff, goods falling under Chapter 1903 of the CETA were subject only to 'nil' rate of duty which is under the six-digit tariff, even after the inception of the eight-digit tariff, goods falling under Chapter 1903 were subject to 'nil' rate. Further, on 01.03.2011, a duty of excise was introduced on the eight-digit tariff of 5% with regard to goods under Chapter Heading 1903 0000.

2. It was stated that on, 01.03.2011, Government of India issued Notification No. 01/2011 – CE dated 01.03.2011 by which in exercise of power under Section 5A of the Central Excise Act, 1944, a duty of excise of 1% was imposed without the benefit of CENVAT credit on goods falling under Chapter Heading 1903 0000 vide Sl. No.12 of the aforesaid Notification. By Notification 16/2012–CE dated 17.03.2012, the rate was increased from 1% to 2%.

3. The Appellants stated that the Tamizhaga Starch and Sago Producers Association submitted a representation dated 05.05.2012 to the Chairman, Central Board of Excise and Customs, North Block, New Delhi wherein, they appear to have disclosed the manufacturing process of “sabudana”. It was claimed there is a specific disclosure that “roots are crushed to pulp and sent into fibre extraction stages to remove the fibres and sedimented into settling tanks to obtain the starch slurry which is converted into granules by sizing stages and are roasted and then dried in the sun light followed by grading and packing and then sent to sago serve for

auction". The Appellants appear to have pleaded for restoration of the exemption on the grounds that:

- a) 'sabudana' was a food consumed by devotees;
- b) 'sabudana' had been exempted from sales tax by various states;
- c) the total duty involved for all units put together was only Rs.1.75 crores for the disputed period;
- d) that farmers will be put to difficulty because levy of duty will prejudice, selling price with buyer which was sago serve (a co-operative society), and thereby indirectly affecting procurement of tapioca from farmers.

4. Appellants appear to have represented through their Association to Board on 08.12.2012. It was stated that on 01.03.2013, vide Notification No.12/2013-CE dated 01.03.2013, 'nil' rate was restored. It is thus submitted that while Appellant was constantly contesting the very classification under Chapter Heading 1903 and was also seeking restoration of exemption which stood restored through Notification No.12/2013-CE dated

01.03.2013. Further, that Government inserted a specific entry-24A so as to insert Chapter Heading 1903 0000 to provide for "tapioca sago (sabudana)"; while entry-12 of Notification No.1/2011-CE dated 01.03.2011 remained, a special entry viz., entry-24A was carved out so as to provide total exemption for "sabudana" in response to the hardship pleaded by the Appellants, resulting in the Government extending the benefit and restoring the exemption.

5. The Appellants appear to have submitted an application under Section 11C of the Central Excise Act, 1944 seeking waiver of duty for the period from 01.03.2011 to 28.02.2013 through Association vide representation dated 29.07.2013 and there being no response to their application, Appellant appears to have filed a writ petition [W.P. No. 29770 of 2015] before the Hon'ble High Court Madras to direct disposal of their representation. During the pendency of the Writ Petition, it appears that by proceeding dated 15.03.2016, the Government of India rejected the representation of the Association for waiver. The Hon'ble High Court Madras thus

disposed of the writ petition [W.P. 29770 and 29771 of 2015] vide order dated 19.07.2016 holding that the prayer in the writ petition which was for mandamus to dispose the application for waiver had become infructuous because of the rejection of the waiver application on 15.03.2016. However, the Hon'ble High Court vide paragraphs 5 and 6 of its order dated 19.07.2016, kept all contentions open, to be agitated before the statutory forum.

(B) SUBMISSION OF THE APPELLANTS ON MERITS :

6. The Appellants submitted that Notification 12/2013-CE dated 01.03.2013, is curative in nature. It has been issued on a representation of the Association consisting of the Appellants/Assessees and to cure a hardship, a curative legislation / notification is deemed to be retrospective. In this regard, reliance was placed on the following judgments:

- a) 2009 (11) TMI 27-SUPREME COURT - **Commissioner of Income Tax Vs. Alom Extrusions Limited - vide page 128 vol. III and relevant discussion at pages 132 to 134 of Vol. III** (though the law has its

inception on a given day, it can be held to be retrospective if the law has a curative purpose;

b) Judgement of the Hon'ble High Court Madras in 2022 (4) TMI 1204-MADRAS HIGH COURT in **State of Tamil Nadu Vs. Everest Industries Limited.**

It was submitted that restoration of an exemption to give relief for an interregnum period, would be retrospective. Reliance was placed on the decision reported in 2005 (2) TMI 137-SUPREME COURT – **WPIL Ltd. Vs. Commissioner of Central Excise, Meerut, UP.**

7. It was thus submitted, at the outset, that Notification 12/2013-CE dated 01.03.2013 would be retrospective so as to cover the period between 01.03.2011 to 28.02.2013.

(C) REGARDING INVOCATION OF EXTENDED PERIOD OF LIMITATION AND IMPOSITION OF PENALTIES :

8. The Appellants respectfully state that except in Appeals E/41203/2015 and 41204/2015, the

learned Adjudicating Authority has invoked extended period of limitation apart from imposing penalties under Section 11AC of the Central Excise Act, 1944. In E/41203/2015, the entire period of dispute falls within normal period. There is a penalty under Rules 25 & 27 of Central Excise Rules, 2002. In E/41204/2015, the period of dispute is under normal period and there is a penalty under Rules 25 & 27 of CER 2002.

9. The Appellants further submitted that as is evident from the list of Dates & Events there has been full disclosure of all relevant facts to the Board including disclosure of the manufacturing process; the Board itself is a statutory body having power of superintendence and hence, there is full disclosure to the very supervisory body. The Appellants are members of the Association which has made the representation to the Board.

10. The Appellants further submitted that the invocation of extended period of limitation is sought

to be justified on the ground that the Appellants have stopped paying duty because of a pending representation with the Board and they ought to have obeyed the law. In respect of the Appeal in E/41203/2015, the learned Adjudicating Authority has held vide his order dated 18.12.2015 that the Appellants had stopped paying duty without any valid reasons and therefore deliberately contravened Rules 4, 6, 8 & 12 of the Central Excise Rules, 2002.

11. It was submitted in this regard that the Appellant in Appeal E/41203/2015 had stopped paying duty because there was representation made to the Board even as on 05.05.2012 through their Association. Thus, the members of the Association stopped paying duty in the fond hope that benefit would be restored which, in fact, stood restored. There was a representation dated 29.07.2013 addressed to the Board with copy marked to the Commissionerate along with representation, the Appellants had marked copies of its earlier representation dated 05.05.2012 as well. It was thus pleaded that relevant facts were not only

disclosed to the Board but also to the Range for confirmation of same to the Office of the Commissionerate of Central Excise and Superintendent of Central Excise.

12. The Appellants respectfully submit that though representations were filed in the course of the proceedings prior to the adjudication, the Appellants have taken registration under the Central Excise Act, 1944, it is well settled that invocation of the proviso to Section 11A of the Act calls for higher degree of proof and mere non-filing of returns would not result in automatic invocation of extended period of limitation. Reliance in this regard was placed on the following decisions:

- i) **CCE Vs. Chemphar Drugs and Liniments** 1989 (40) ELT 276 (SC) [para 8];
- ii) **Padmini Products Vs. CCE** (1989) 43 ELT 195 (SC) [para 8];
- iii) **Tamil Nadu Housing Board Vs. CCE Madras** – 1994 (74) ELT page 9 (SC) [para 3];
- iv) **Sankar Sealing Systems Pvt. Ltd. Vs CST & CE, Chennai** - 2024 (6)

TMI – 1175 – CESTAT Chennai [para
7.1]

13. The Appellants submitted that when the representations are pending before the Board, extended period of limitation may not be invoked alleging fraud and suppression of facts. They relied on: -

(i) Venkatachalapathy Rice & Sago Factory & Others Vs CCE Coimbatore
(2013) 1 TMI 443 – CESTAT Chennai,

(ii) Pioneer Profiles Industries Vs CCE Pune - (2005) (12) TMI – 420 – CESTAT NEW DELHI.

14. The Appellants submitted that the issue as to the retrospective operation of Notification No.12/2013 – CE dated 01.03.2013 is a question of interpretation. It is well settled that when the issue is one of interpretation, the extended period of limitation cannot be invoked. They relied on the judgment in **International Merchandising Company LLC Vs CST New Delhi** – 2022 (12) TMI 556 – SUPREME COURT (vide paras 22 to 25 of the judgment).

15. It was submitted that the Revenue has placed reliance on judgment of the Hon'ble Andhra Pradesh High Court in the case of **Sriba Nirman Company Vs. The Commissioner (Appeals) Guntur** – 2025 (1) TMI 1518 (AP). There was a clear finding by the Appellate Authority of wilful suppression [para 30]. Further, Section 74 of the GST Law contained a clear explanation that suppression would mean "*non- declaration of facts or information which a taxable person is required to declare in the return statement, report, or other document furnished under the Act or the Rules made thereunder or failure to furnish any information on being asked for, in writing by the proper officer*". Thus, a special provision exists under Section 74 of the GST Law and there is no such explanation under Section 11A of the Central Excise Act. Thus, the provisions are not in *pari-materia*. It is well settled that a judgement rendered in the context of a provision which is not in *pari materia* is not a binding precedent. Reliance in this regard was placed on the judgment in **Sudesh Kumar Vs. State of Uttarakhand** – (2008) 3 SCC 111 (para 17).

16. It was also submitted that to sustain the penalties under Rules 25 & 27 of CER, 2002, the authorities below have placed reliance on:

- a) **Punjab Tractors Vs. CCE Chandigarh** – 2005 181 ELT page 380 (SC),
- b) **Gujarat Travancore Agency Vs. CIT** – 1989 (42) ELT 350 (SC)
- c) **Gopal Industries Ltd. Vs CCE Indore** – 2007 214 ELT 219 (Tri.– LB).

17. It was submitted that as regards the case of **Punjab Tractors** (*supra*), the Hon'ble Supreme Court has in fact set aside the duty vide para 6 of the judgment. The court found violation of rule with impunity. A penalty at that time for violation of the Rules could only be under Rule 173Q. The period of dispute before the Hon'ble Supreme Court was 03.04.1986 to 28.02.1987. At that time, Rule 173Q was not even subject to Section 11AC. The present appeals before this Hon'ble Tribunal deal with a penalty under Rules 25, 27 in respect of Appeals in E/41203 and 41204 of 2015 and penalties under Section 11AC in respect of the rest of the appeals.

Thus, the provisions invoked are not even in *pari materia*. Importantly, Rule 25 of CER, 2002 as it stood during the period of dispute was specifically subject to Section 11AC of Central Excise Act, 1944. The Hon'ble High Court of Madras has held that, once it is found that there is no suppression of facts warranting levy of penalty under Section 11AC, penalty under Rule 25 also cannot be sustained [**Jeevan Diesels and Electricals Limited Vs. CCE, Puduchery** – 2019 (365) ELT 397 (Mad.) - para 14 and 15].

18. In the circumstances, without prejudice to the contention on merits and limitation, it was respectfully prayed that the penalties may be set aside.

Sri Vinayaka Sago Factory Appeal E/42121 OF 2017 with E/MISC/40258/2018

19. The Appellant submitted that the Appeal was dismissed by the First Appellate Authority on the ground that the Appeal was filed beyond the period prescribed under the Act. It was submitted that

Appellant has filed a Miscellaneous Application in E/MISC/40258/2018 in E/42121/2017 setting out the reasons for delay in filing of the first appeal. It is respectfully submitted that the order of the Adjudicating Authority dated 26.09.2016 was initially served on a worker in the Appellant's factory; Section 37C (1) (a) mandates that the order has to be served on the person whom it is intended or his authorized agent. An 'authorized agent' means a person who is authorized by the person to receive the notices/summons/orders. The Appellant is a partnership-firm, Memorandum of Appeal has been filed by the Managing Partner. The order of adjudication was never served on the partners of the Appellant-firm. Thereafter, on a query being raised by the Range, the Appellant through a consultant has presented an application dated 09.12.2016 for furnishing of a certified copy which was reiterated on 21.12.2016. On receiving the certified copy of the Order-in-Original on 21.12.2016, the application has been filed on 01.03.2017 which is within the condonable period of the first appeal before the Commissioner of Central Excise (Appeals). Under

similar circumstances, the Tribunal has restored an Appeal in E/42219/2018 in the case of **Lakshmi Srinivasa Sago Products Vs CGST & CE Coimbatore** vide Final Order No. 40374/2025 dated 19.03.2025, to the file of First Appellate Authority for deciding the Appeal on merits. In the circumstances, it was prayed that the appeal may be restored to the files of the learned Commissioner of Central Excise (Appeals) for deciding the case on merits. It was thus prayed for allowing the appeals.

20. *Per Contra* Id. Departmental Representative while relying on the findings in the impugned orders, also submitted that the Appellant who was paying duties abruptly stopped paying the same on the 'sago' manufactured and cleared by them with effect from October 2012 and they also did not file their quarterly ER-8 returns from that date. They also did not respond to as many as eight letters from the Department and nor did they comply with the requirements of filing of returns and payment of duty. In so far as the correct classification of 'sago' is concerned which is claimed to be one under CTH 19030000, the Id. Deputy

Commissioner relied on the following decision:

Jai Kunkan Foods Vs CC New Delhi
- 2023 (385) ELT 738 (Tri.-Del.)

21. He would further submit that at no stage before the lower authorities the Appellants did come forward with any alternative classification of the manufactured product which is 'Tapioca Sago'. Any claim of ignorance of law is not a ground or an excuse to evade duty, especially when the Appellant was, in fact, regularly paying the tax/duty.

22. He would submit that the issue involved in the case of M/s.Bharat Sago Factory is identical in the case of M/s.Sri Karthikeyan Sago Factory (E/42131/2017); In respect of M/s.Sri SPA Company (E/41642/2016), it is submitted that the grounds of appeal have no correlation with the issue at hand and hence it is prayed that the appeal may be dismissed summarily; In respect of Appeal E/42121/2017 with E/MISC/40258/2018 filed by M/s.Sri Vinayaga Sago Factory, it is submitted that no power is conferred upon any authority/forum to condone the delay before Commissioner (Appeals) beyond what is prescribed

under the statute and hence, the Commissioner (Appeals) has rightly dismissed the appeal on time-bar placing reliance on the Hon'ble Supreme Court judgment in **Singh Enterprises Vs CCE Jhamshepur** - 2008 (221) ELT 163 (SC). It is prayed that MA No.40258/2018 & Appeal E/42121/2017 may be dismissed.

23. With regard to the extended period of limitation, he would submit that the reliance placed on various case law are not applicable since the Appellants were conscious of the classification in the instant case and it was the Department's continuous follow up with them at least for filing of their returns and hence, the Revenue has made out a case of suppression. He would thus pray for dismissal of the Appeals by upholding the impugned orders.

24. We have considered the rival contentions meticulously; we have also perused documents and various judicial pronouncements relied upon both the parties. After hearing both sides, we find that the following issues arise for our consideration:

1. Whether the extended period of limitation by alleging suppression is justified?

2. Whether the exemption granted was required to be considered retrospectively?

25. We proceed to decide the 2nd issue first. The facts as pleaded by the Appellants are not in dispute; so also the fact as to the 'nil' rate of duty in the beginning, levy of duty later on and the withdrawal of the levy subsequently, by the Government. It also remains undisputed as to the Appellant's Association submitting their representations to the Department/Board marking a copy there of to the concerned Commissioner as well. Further, it is also not in dispute that the Government accepted the representation and issued clarification dated 01.03.2013, granting the exemption from payment, rather 'nil' rate of duty. This Notification which is placed in the paper book, reads as under:

Notification: 12/2013-C.E. dated 01-Mar-2013

Effective rate of duty — Notification No. 12/2012-C.E. amended

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2012-Central Excise, dated the 17th March, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* G.S.R. 163(E), dated the 17th March, 2012, namely : -

In the said notification,-

(a) in the proviso, for the figures, letters and words “31st day of March, 2013”, the figures, letters and words “31st day of March, 2015” shall be substituted;

(b) in the Table,-

(i) after the serial number 8 and the entries relating thereto, the following serial number and the entries shall be inserted, namely :-

“8A.	1108 19	Tapioca starch manufactured and captively consumed within the factory of their production, in the manufacture of Tapioca sago (<i>sabudana</i>)	Nil	-”;
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(ii)

(iii) after the serial number 24 and the entries relating thereto, the following serial number and the entries shall be inserted, namely :-

“24A	1903 00 00	Tapioca sago (<i>sabudana</i>)	Nil	-”;
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... ..

[Notification No. 12/2013-C.E., dated 1-3-2013]

26. Thus, with effect from 01.03.2013 the Appellants were granted the benefit of ‘nil’ rate of duty. In this context it is useful to refer to a decision of the Hon’ble Gujarat High Court in the case of **M/s. Shree Renuka Sugars limited Vs. Union of India** – 2018 (360) ELT 483 (Guj.) wherein, the Hon’ble Court has held as under:

“15. The crux of the issue is that the Government of India withdrew the exemption from payment of duty on export of sugar with the objective of controlling the domestic sugar prices. This had

nothing to do with the exporters such as the petitioners. Raw sugar imported against advance authorization on the condition of re-export had no impact on domestic sugar price. Impounding export duty on such exports would not serve the purpose of controlling local sugar prices. Apparently since inadvertently the withdrawal of exemption also hit the exports of sugar against advance authorization, the Government of India on the representations made by the trade, quickly reintroduced the exemption limited to such class. Very clearly thus, the Government of India was correcting an inadvertent error or an unintentional withdrawal of the exemption. If that be so, the exemption notification dated 6-7-2016 must be viewed as clarificatory or curative in nature. Any other view would leave the said class of exporters uncovered for a period of about three weeks allowing the department to levy the export duty which is a wholly unintended consequence of the Government of India policy.”

The Hon'ble Court also relied on the decisions of Apex Court in **W.P.I.L limited Vs. CCE, Meerut** – 2005 (181) ELT 359 (SC), **Ralson (India) Ltd. Vs. CCE, Chandigarh** – 2015 (319) ELT 234 (SC), apart from its' own decision in **Gujarat Paraffins Pvt. Ltd. Vs. UOI** – 2012 (282) ELT 33 (Guj). It was thus concluded by the Hon'ble Gujarat High Court that the exemption notification would apply during the interregnum as well.

27. Following therefore the ratio *decidendi* of the Hon'ble Gujarat High Court, the Notification No. 12/2013-C.E., dated 1-3-2013 must be read as a clarification or curative one which means that the 'NIL' rate of duty would become applicable even in the interregnum as well which means that the same would operate retrospectively.

28. In view of the above, we set aside the impugned orders in so far as Appeals **E/41203/2015, E/41204/2015, E/41642/2016 & E/42131/2017** are concerned, and allow these Appeals with consequential benefits, if any, as per law. In view of this, the 1st issue would only be academic.

29. As regards Appeal **E/42121/2017** with **MA/40258/2018** filed by M/s.Sri Vinayaka Sago Factory, we find that First Appellate Authority has dismissed the Appeal on time-bar. We find that in a similar set of facts, the Chennai Bench in the case of **Lakshmi Srinivasa Sago Products Vs CGST & CE Coimbatore** vide Final Order No.40374/2025 dt. 19.03.2025 held as under:

“2.1 The main plea of the Appellant is to remand the matter to the lower appellate authority for deciding the case on merits. The Ld. Counsel Ms. S. Vishnupriya representing the Appellant have submitted that the

Appellant had obtained the Order-in-Original No. 23/2016 (AC) dated 15.11.2016 of the Assistant Commissioner of Customs, Central Excise & Service Tax, Salem only on 26.10.2017 by making correspondence with the Superintendent of the Central Excise, Namakkal. She has informed that the leased premises from where the Appellant was functioning during the disputed period was vacated on 29.11.2014 and the impugned Order-in-Original dated 15.11.2016 was not communicated to the Appellant in terms of Section 37C of the Central Excise Act, 1944. She has further submitted that the Appellant was prevented by sufficient cause from filing the appeal within the stipulated time limit before the Lower Appellate Authority.

... ..

7. Appreciating the ratio of the above decision, we find that in this case the Order-in-Original No. 23/2016 (AC) dated 15.11.2016 passed by the Assistant Commissioner of Customs, Central Excise and Service Tax, Salem against which the party has belatedly filed the appeal and which was sent to the earlier leased factory was received by the appellant only on 26.10.2017 and the appellant has filed the above appeal without any further loss of time on 17.11.2017. As such, we are of the considered view that the appeal has been filed in time as there is no compliance with the provisions of Section 37C of the Act and as there is evidence that the copy of the order was served on some other person or servant working in erstwhile company wherein the name was not even mentioned cannot be treated as service of the order.

8. We do not approve of the rigid approach adopted by the Lower Authority for not considering genuine extenuating circumstances of the Appellant. Given the situation of the Appellant, this decision by the lower Appellate Authority to dismiss the appeal based solely on time bar was unduly harsh and legally not acceptable.

Considering that the Appellant had vacated the premises before the issuance of the Order-in-Original dated 15.11.2016, we consider it appropriate to direct the lower authority to decide the Appellants' appeal on merits. The order to be passed shall be a reasoned order dealing with all submissions of Appellant in strict compliance of the principles of natural justice. It is clarified that this order would not absolve the petitioner from its liability to pay taxes, if any.

9. Thus, the prayer of the Appellant to remand the issue to be heard on merits by the Lower Appellate Authority is allowed.”

Following the above order (*supra*), in so far as Appeal E/42121/2017 is concerned, we remand the issue to be heard on merits by the First Appellate Authority. Accordingly, **Appeal E/42127/2017** is remanded to Commissioner (Appeals) to decide the issue on merits. MA filed by Assessee stands disposed of.

The appeals are disposed of as indicated above.

(Order pronounced in open court on 13.11.2025)

sd/-

(VASA SESHAGIRI RAO)
Member (Technical)

sd/-

(P. DINESHA)
Member (Judicial)