

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL**  
**PRINCIPAL BENCH, WEST BLOCK No.2, R.K.PURAM, NEW DELHI - 110066**  
**SINGLE MEMBER APPEAL BRANCH**

Appeal No. E/624 /2006-SM[BR]

Date 05/02/2008

Assistant Registrar  
C.E.S.T.A.T, New Delhi

To :  
M/S TITAWI SUGAR COMPLEX  
TITAWI, DISTT. MUZAFFARNAGAR, U.P.

M/S TITAWI SUGAR COMPLEX


Appellant

Vs

Respondent

C.C.E. MEERUT I

I am directed to transmit herewith a certified copy of Final order No.252/2008-SM[BR] dated 6.12.2007  
passed by the Tribunal under Section 35-C(1)of Central Excises Act, 1944

  
Assistant Registrar  
-(SM Appeal Branch)

**Copy to :**

1. Respondent

C.C.E. MEERUT I

EXCISE CHOWK, UNIVERSITY ROAD, MANGAL  
PANDEY NAGAR, MEERUT - 250005.

2. Adv. / Consult

MR. BIPIN GARG ADV.

B-1/1289-A, VASANT KUNJ NEW DELHI-70

3. S.D.R.

~~4. J.C.D.R.~~

5. Bar association, CESTAT, New Delhi

6. M/s. Deeparchi Publications, M-93, marg. 43, saket, New

7. M/s Centax Publications (P) Ltd., 1512-E, Bhishm Pitamah

8. Excise & Customs cases, B-37, Sector -1, NOIDA - 201301

9. R.Venkatraman Constt. 44-B, S.Suncity, Ghaziabad -

10. Nidheshak publications, I.P.Estate, new Delhi

11. Taxmann Allied Service Pvt Ltd., 21/35, West Punjabi Bagh,

12. Co, Law Institution

13. TAX INDIA, B-XI/8183, Vasant Kunj, New Delhi - 110070

14. Office Copy

15. Guard file

  
Assistant Registrar  
(SM Appeal Branch)

CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL  
PRINCIPAL BENCH, NEW DELHI  
COURT NO.II

E/Appeal No.624 /2006-SM

(Arising out of order in appeal No.48/Commissioner/M.I/2005 dated  
30.11.2005 passed by the Commissioner (Appeals), Customs & Central  
Excise, Meerut)

For approval and signature:

Hon'ble Mr.S.S. Kang, Vice President)

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1. Whether Press reporters may be allowed to see the order for publication as per Rule 27 of the CESTAT (Procedure) Rules, 1982?
2. Whether it should be released under Rule 27 of the CESTAT (Procedure) Rules, 1982 for publication in any authoritative report or not ?
3. Whether Their Lordships wish to see the fair copy of the Order ?
4. Whether Order is to be circulated to the Departmental authorities?

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M/s. Titawi Sugar Complex

Appellant  
(Rep. by Shri Bipen Garg, Advocate)

Vs

CCE, Meerut-I

Respondent  
(Rep. by Shri B.S. Suhag, JDR)

Coram: Hon'ble Mr S.S. Kang, Vice President

Date of Hearing: 6.12.2007

Per S.S. Kang:

Final Order No. 252/06-SM(BR)

Heard both sides. The appellant filed this appeal against the adjudication order whereby the Remission application filed by the appellant was rejected.

2. The appellant filed a remission application in respect of the quantification of sugar which was lost during reprocessing. The appellant manufacture sugar and enter in their R.G.I record. During storage, the sugar becomes unmarketable due to amount of moisture etc. A quantity of 17,400 Quintals of sugar was taken for reprocessing and appellant recovered it which account entered in the statutory record. During reprocessing certain molasses were also came into existence which were cleared on payment of duty. The appellant filed a remission application in respect of the loss of sugar during reprocessing i.e. 285 Qtls. The adjudicating authority rejected the application on the ground that reprocessing losses are not covered under Rule 221 of Central Excise Rules.

3. I find that the contention of appellant is that the remission of duty in respect of sugar lost during reprocessing came before the Tribunal in the case of Kisan Sahkari Chinni Mills Ltd Vs CCE Allahabad reported in 2005 (69) RLT 433 where the Tribunal set aside the demand. The contention is that revenue has also issued show cause notice for demand of this duty which is pending with the adjudicating authority. The contention is that if this remission application is not accepted, the appellant will be liable to pay duty in respect of the sugar which was lost during reprocessing.

4. In the present case, the total of 17400 qtls becomes unfit for marketing and the same has been reprocessed and during reprocessing, there

is a loss of 285 qtls of sugar. The rule provided that where the goods have been lost or destroyed by natural cause, the duty payable can be remitted.

5. In the present case, 17400 qtls of sugar was lying unmarketable and 16200 qtls were retrieved and cleared on payment of duty. Therefore, the appellants were rightly asking 285 qtls of sugar which is lost due to natural cause.

6. The Tribunal in the case of Kissan Sahakari Chinni Mills (supra) set aside the demand which was made in respect of sugar lost during reprocessing. In these circumstances, the impugned order is set aside and the appeal is allowed.

(Order dictated and pronounced in the open Court).

MPS\*

(S.S. Kang)  
Vice President