

**IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
EASTERN ZONAL BENCH: KOLKATA**

REGIONAL BENCH – COURT NO. 1

Excise Appeal No. 77182 of 2018

(Arising out of Order-in-Appeal No. 96/BDN/CT(Audit-II)/2017-18 dated 20.03.2018 passed by the Commissioner of Central Tax (Appeal), Kolkata-II Commissionerate, Kolkata, Bamboo Villa, 5th Floor, 169, A.J.C. Bose Road, Kolkata – 700 014)

M/s. Murlidhar Ratanlal Exports Limited : **Appellant**
Unit: Barshul Tex,
Shaktigarh Jute Park, P.O.: Barshul,
East Bardhaman – 713 124

VERSUS

Commissioner of C.G.S.T. and Central Excise : **Respondent**
Bolpur Commissionerate,
Nanor Chandidas Road, Sian,
Bolpur – 731 204, District: Birbhum

APPEARANCE:

Shri Shyamal Dey, Advocate, for the Appellant

Shri Argho Mukherjee, Authorized Representative, for the Respondent

CORAM:

HON'BLE SHRI ASHOK JINDAL, MEMBER (JUDICIAL)
HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO. 77897 / 2025

DATE OF HEARING / DECISION:09.12.2025

ORDER: [PER SHRI ASHOK JINDAL]

The appellant is in appeal against the impugned order wherein duty has been demanded for non-following of the procedure laid down in terms of Notification No. S.O. 526(E) dated 17.05.2002 read with Notification No. 34/2001-C.E.(N.T.) dated 21.06.2001.

2. The facts of the case are that the appellant is a manufacturer of various jute products such as jute yarn, sacking cloth, sacking bag/B-Twill bag. In terms of the Ministry of Textiles Notification SO. 526(E) dated 17.05.2002, jute manufactures are exempt

from payment of duty of excise if the jute manufactures are consumed within the factory in which they are manufactured. Further, in terms of the proviso to the said Notification, if such jute manufactured is consumed elsewhere than in the factory of manufacture, such duty exemption shall also be allowable only if the procedure laid down in the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001, read with Notification No. 34/2001-C.E.(N.T.) dated 21.06.2001 and C.B.E.C. Circular No. 579/1/2001-CX dated 26.06.2001, is followed. As per the said Notification, the requirement of following the procedure contained in the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001 vide Notification No. 34/2001-C.E.(N.T.) dated 21.06.2001 is to ensure that the exempted jute products reach such other factory for their intended purpose only, without being diverted elsewhere.

3. The appellant removed its final jute products without payment of applicable Jute Manufactures Cess (in short "J.M. Cess") for home consumption. The appellant also removed its final jute products under cover of ARE-3A without payment of J.M. Cess as per the proviso to the Ministry of Textiles Notification dated 17.05.2002 read with Notification No. 34/2001-C.E.(N.T.) dated 21.06.2001, on the basis of the applications in Form Annexure-45 as required under Rule 4 of the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001, requiring execution of bonds before the jurisdictional Deputy or Assistant Commissioner of Central Excise by the appellant's sister units intending to receive such jute products.

4. As per their applications dated 13.01.2011, dated NIL and dated 14.07.2011, in the Form Annexure-45 as required under the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001, filed by the appellant's sister unit, namely, M/s. Murlidhar Ratantlal Exports Limited, Howrah [MREL] and upon execution of bond by them, the Deputy/Assistant Commissioner of Central Excise, Howrah has been pleased to grant permission for procuring various jute products from the appellant's factory without payment of J.M. Cess. On the basis of the above said applications, the appellant has removed 218.458 M.T. of sacking bags/ B-Twill bags to MREL under cover of ARE-3A and invoices without payment of J.M. Cess of Rs.1,14,756/- during the period from January, 2011 to November, 2011.

5. The appellant has cleared jute goods falling under Tariff Item No. 53071010, 53072000, 53101012 and sacking bags / B-Twill bags falling under Tariff Item No. 63051040 during the impugned period.

6. During the course of investigation, the Department noticed that the appellant has contravened the provisions of Rules 4, 6 and 8 of the Central Excise Rules, 2002 as they had not paid Jute Cess of Rs.1,76,445/- (inclusive of cess) during the period from January, 2011 to November, 2011 by not executing the bond as prescribed under the said Rules. Therefore, proceedings were initiated against the respondent to demand Jute Cess.

6.1. The matter was adjudicated and the demand of Jute Cess was confirmed, along with interest; penalty was also imposed.

6.2. Against the said order, the appellant preferred an appeal before the Ld. Commissioner (Appeals), who dismissed their appeal vide the impugned order.

7. Against the said order, the appellant is before us.

8. The Ld. Counsel appearing on behalf of the appellant submits that non-execution of bond by the appellant is a procedural mistake as the appellant is regularly issuing bonds for their other clearances from the factory without payment of Jute Cess and therefore, the impugned order is to be set aside.

9. Heard the Ld. Counsel for the appellant.

10. We find that it is an admitted fact that the appellant has not followed the procedure laid down under the said Rules by non-execution of bond to safeguard the Jute Cess. In these circumstances, it can be termed as a deliberate act on the part of the appellant to evade payment of Jute Cess during the impugned period due to non-following of the procedure of execution of bond for safeguarding the duty/cess. As there is a clear contravention of the Rules by the appellant, therefore, we do not find any ground for interfering with the impugned order. In view of this, we do not find any merit in the appeal filed by the appellant or infirmity in the impugned order.

11. Accordingly, the impugned order is upheld and the appeal filed by the appellant is dismissed.

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

Sd/-

(ASHOK JINDAL)
MEMBER (JUDICIAL)

Sd/-

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

Sdd