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

REGIONAL BENCH – COURT NO. 2

Excise Appeal No. 79431 of 2018

(Arising out of Order-in-Appeal No. 01/HWH/CE/2018-19 dated 12.04.2018 passed by the Commissioner of Central Excise (Appeals-II), Kolkata Bamboo Villa, 3rd Floor, 169, A. J. C. Bose Road, Kolkata-700014)

M/s. Howrah Mills Company Limited, **: Appellant**
493/C/A, G. T. Road, Howrah-711 102

VERSUS

The Commissioner of CGST & Central Excise, Howrah **: Respondent**
MS Building, Custom House,
15/1, Strand Road, Kolkata-700001,

APPEARANCE:

None for the Appellant

Shri D. D. Chatterjee, Authorized Representative for the Respondent

CORAM:

HON'BLE SHRI R. MURALIDHAR, MEMBER (JUDICIAL)
HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO.76186/2026

DATE OF HEARING / DECISION: 16.09.2026

ORDER: [PER SHRI R. MURALIDHAR]

Nobody has appeared on behalf of the appellant in spite of notice.

2. Finding that the appeal filed in the year 2018, we have taken up the appeal itself for disposal with the help of the Ld. Authorized Representative of the Revenue.

3. From the impugned order, it is found that the demand has been made based on the Trial Balance. The appellant has taken the stand that they had also

carried on trading of the goods in question which is not liable to Cess. The relevant portion of the impugned order is reproduced below: -

> *"8. From the documents and records submitted by the appellant, I find that there is no mention of trading sale in their copy of trial balance for the year 2010-11 as submitted by them. I also find that the appellant had not submitted any other evidence viz. Profit & Loss A/c., Balance Sheet and trading sales ledger, evidencing such trading sale during the year 2010-11. Thus, I find that in the absence of any corroborative evidence, the appellant's claim of trading sale figure during the year 2010-11 is not acceptable nor the said amount can be deducted from the total direct sale figure as shown in their trial balance in addition to the figure in respect of stock transfer to consignment agents to arrive at their direct sale figure as reflected in their ER-1 returns for the year 2010-11. Therefore, I find that the lower authority had rightly confirmed the demand of jute cess of Rs.21,74,931/- and ordered for recovery of the same along with interest and the order of the lower authority needs no interference.*
>
> *9. I also find that the incidence of short payment of jute cess was detected from the trial balance maintained by the appellant and the copy of the same was not submitted before Department. Accordingly, there was suppression of facts by the appellant and hence, penalty of Rs.21,74,931/- imposed on the appellant by the lower authority under section 11AC of the said Act, is justified."*

4. We find that, in the interest of justice, the appellant is required to be given one chance to reconcile their Balance-Sheet and Profit & Loss Account with their actual trading activity and the actual manufacturing activity, for arriving at the quantification

of the Jute Cess. For this purpose, we remand the matter to the adjudicating authority.

5. The appeal stands disposed of thus.

(Dictated and pronounced in the open court)

(R. MURALIDHAR)
MEMBER (JUDICIAL)

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

rkp