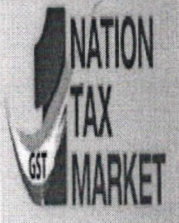
	<p style="text-align: center;">कार्यालय आयुक्त, केन्द्रीय वस्तु एवं सेवा कर “जी.एस.टी. भवन”, रामलीला मैदान के सामने, सैक्टर-8, (गांधीधाम) कच्छ-370201</p> <p style="text-align: center;">OFFICE OF THE COMMISSIONER OF CENTRAL GOODS AND SERVICE TAX - KUTCH (GANDHIDHAM) “GST BHAVAN”, OPP. RAMLEELA MAIDAN, SECTOR -8, GANDHIDHAM – 370201 (KUTCH)</p>	
File No. GEXCOM/ADJN/CE/COM/31/2025-ADJN	By RPAD/Speed Post /Hand Delivery	
<p style="text-align: center;">मूल आदेश संख्या– ORDER IN ORIGINAL NO. KCH-EXCUS-000-COM-11-2025-26</p>	आदेश की तारीख Date of order	19.08.2025
	जारी करने की तारीख Date of Issue	19.08.2025
<p style="text-align: center;">के द्वारा आदेश Ordered by</p>	<p style="text-align: center;">अखिलेश कुमार आयुक्त केन्द्रीय वस्तु एवं सेवा कर आयुक्तलय, गांधीधाम (कच्छ) Akhilesh Kumar Commissioner, Central Goods & Service Tax, Kutch, Gandhidham</p>	
<p style="text-align: center;">के संदर्भ में In the case of</p>	<p style="text-align: center;">M/s Plastene India Ltd. Survey No. 317,316/A-NH 8A, Village Nani Chirai, Taluka Bhachau, Kutch-370140. H.Q. Office at H.B. Jirawala House, 13, Navbharat Society, Usmanpura, Ahmedabad, Gujarat - 380013</p>	
<p style="text-align: center;">कारण बताओ नोटिस संख्या एवं तिथि/ Show Cause Notice No. & Date IV/06-09/Tech/2018-19, dated 24-01-2019</p>	<p style="text-align: center;">Reversal of Cenvat Credit Amount of Rs. 79,88,512/-</p>	
<p style="text-align: center;">DIN- 20250864WX000061666B</p>		

विशेष सूचना /NOTE BELOW

- आदेश की यह प्रति उस व्यक्ति के निजी उपयोग के लिए निःशुल्क प्रदान की जाती है, जिसे यह जारी की जाती है।
This copy is granted free of charge for private use of the person to whom it is issued.
- कोई भी व्यक्ति जो स्वयं को इस आदेश से व्यथित समझता है, वह केंद्रीय उत्पाद शुल्क अधिनियम, 1944 की धारा 35बी(1)(ए) के प्रावधान के अनुसार सीमा शुल्क, उत्पाद शुल्क और सेवा कर अपीलीय न्यायाधिकरण, पश्चिम क्षेत्रीय बेंच, अहमदाबाद, द्वितीय तल, बहुमाली भवन, असरवा, गिरधर नगर ब्रिज के पास, गिरधर नगर, अहमदाबाद-380004 में इस आदेश के विरुद्ध अपील कर सकता है। यदि मामला धारा 35बी(1) (प्रावधान) (ए) से (डी) में निर्दिष्ट श्रेणी के अंतर्गत आता है, यानी हानि, छूट, बांड के तहत निर्यात, शुल्क क्रेडिट मामले, तो संशोधन आवेदन भारत सरकार के संयुक्त सचिव, राजस्व विभाग, वित्त मंत्रालय, नई दिल्ली के पास होगा।

Any person(s) deeming himself aggrieved by this Order may appeal against this order to The Customs, Excise and Service Tax Appellate Tribunal, West Zonal Bench, Ahmedabad, 2nd Floor, Bahumali Bhavan, Asarwa, Nr. Girdhar Nagar Bridge, Girdhar Nagar, Ahmedabad –380004, in terms of the provision of Section 35B(1)(a) of the Central Excise Act, 1944. If the case covered under the category specified in Section 35B(1) (Proviso) (a) to (d), i.e., Loss, Rebate, Export under Bond, duty credit cases, the Revision application shall lies to the Joint Secretary to the Government of India, Department of Revenue, Ministry of Finance, New Delhi.

3. अपील चार प्रतियों में दायर की जानी चाहिए तथा उसके साथ उस आदेश की समान संख्या में प्रतियां संलग्न होनी चाहिए जिसके विरुद्ध अपील की गई है (जिनमें से कम से कम एक प्रमाणित प्रति होनी चाहिए)

The appeal should be filed in quadruplicate and should be accompanied by an equal number of copies of the Order appealed against (one of which at least should be a certified copy)

4. पार्टी द्वारा इस आदेश को व्यक्तिगत प्राप्त किए जाने की तारीख से नबे (90)दिन के अंदर अपील फाइल की जानी चाहिए।

The appeal should be filed **within Ninety days** from the date of receipt of this order.

5. इसे चार प्रतियों में दाखिल किया जाएगा और इसके साथ उस आदेश की समान संख्या में प्रतियां संलग्न की जाएंगी जिसके विरुद्ध अपील की गई है (जिनमें से कम से कम एक प्रमाणित प्रति होगी)। अपील के सभी सहायक दस्तावेज चार प्रतियों में भेजे जाने चाहिए। अपील व्यक्तिगत रूप से रजिस्ट्रार के समक्ष प्रस्तुत की जाएगी या रजिस्ट्रार को संबोधित पंजीकृत डाक द्वारा भेजी जाएगी। लेकिन उक्त रजिस्ट्रार के कार्यालय में समय पर या अन्यथा प्राप्ति की तारीख समय की सीमा के प्रयोजनों के लिए प्रासंगिक तारीख होगी।

It shall be filed in quadruplicate and shall be accompanied by an equal number of copies of the order appealed against (One of which at least shall be certified copy). All supporting documents of the appeal should be forwarded in quadruplicate. The appeal shall be presented in person to the Registrar or sent by Registered Post addressed to the Registrar. But the date of receipt in office of the said Registrar in time or otherwise will be the relevant date for the purposes of limitation of time.

6. शुल्क का भुगतान न्यायाधिकरण की पीठ के सहायक रजिस्ट्रार के पक्ष में किसी राष्ट्रीयकृत बैंक की शाखा में क्रॉस बैंक ड्राफ्ट के माध्यम से किया जाना आवश्यक है, जो उस स्थान पर स्थित है जहां पीठ स्थित है और इसे अपील के फॉर्म के साथ संलग्न किया जाएगा। इस आदेश के खिलाफ अपील न्यायाधिकरण के समक्ष मांगे गए शुल्क के 7.5% के भुगतान पर की जा सकेगी, जहां शुल्क या शुल्क और जुर्माना विवाद में हैं, या जुर्माना, जहां केवल जुर्माना विवाद में है।

The Fee is required to be paid as through a cross Bank Draft in favour of the Assistant Registrar of Bench of the Tribunal on a branch of any Nationalized Bank located at the place where the Bench is situated and it shall be attached to the form of appeal. An appeal against this order shall lie before the Tribunal on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute

7. इस आदेश की संलग्न प्रति पर न्यायालय शुल्क स्टाम्प अधिनियम, 1970 के अनुच्छेद 6 की अनुसूची 1 के अंतर्गत निर्धारित 50 पैसे का न्यायालय शुल्क स्टाम्प लगा होना चाहिए।

The Copy of this order attached therein should bear a Court fee stamp of 50 paise as prescribed under schedule 1 of Article 6 of the Court fee stamp Act, 1970.

8. अपील प्रपत्र के साथ शुल्क, जुर्माना आदि के भुगतान का मूल प्रमाण भी संलग्न किया जाना चाहिए।

Proof of payment of duty, penalty etc. should also be attached in original to the form of appeal.

9. अपील पर ₹ 5 का न्यायालय शुल्क स्टाम्प लगा होना चाहिए।

Appeal should bear a Court Fee Stamp ₹ 5/-.

10. कृपया पूर्ण विवरण के लिए केन्द्रीय उत्पाद शुल्क (अपील) नियम, 2001 और सीईजीएटी, प्रक्रिया नियम, 1982 देखें।

Please refer to the Central Excise (Appeals) Rules, 2001 and the CEGAT, Procedure Rules, 1982 for complete details.

Notes: - [These notes are for broad general guidance only. The original text of the Finance Act, 1994/The Central Excise Act, 1944 and the Rules framed there under may be referred to before taking any action in terms of these Notes.]

1. Present proceedings have arisen out of Final Order No. 13038/2024, dated 04.12.2024, issued by the Hon'ble CESTAT, Ahmedabad, vide which the Order – in - Original No. OIO-KCH-EXCUS-000-COM-15-2018-19, dated 24.01.2019 was set aside and the matter was remanded back to the adjudicating authority to verify the facts whether the Noticee have utilized the Cenvat Credit amount or maintained balance equal and above the Cenvat Credit amount reversed and to take decision accordingly regarding demand of interest, in terms of Rule 14 of the Cenvat Credit Rules, 2004.
- 1.1 Stated in brief, the issued involved is that M/s. Plastene India Ltd., Survey No. 317,316/A-NH 8A, Village Nani Chirai, Taluka Bhachau, Kutch- 370140 (hereinafter referred to as 'the Noticee') are holding Central Excise Registration No. AAACO3087CXM001, for manufacture of excisable goods viz. HDPE/PP Woven Fabrics, falling under CETSH No. 39 & 32 of the First Schedule to the Central Excise Tariff Act, 1985.
- 1.2 It appeared that the Noticee has filed an application dated 12.07.2018 for Remission of Central Excise Duty amounting to Rs. 1,52,70,059/- under Rule 21 of the Central Excise Rules, 2002, on the goods destroyed due to break out of fire at their factory premises on 14.05.2017. Further, in response to the query raised by the Jurisdictional Range Superintendent (JRS) vide letter dated 17.08.2018, the Noticee has informed vide letter dated 23.08.2018 that they have not reversed the Cenvat Credit amounting to Rs. 79,88,512/- availed on the raw materials used for manufacturing of finished products that were burnt in the fire accident. Furthermore, there appeared no evidence that the Central Excise Duty has not been included under the claim of insurance given by the Insurance Company to the Noticee. It also appeared that the Noticee has not mentioned the Central Excise Duty involved on the finished goods, burnt in the fire accident, in their ER-1 Returns of May, 2017. Thus, it appeared that the Noticee has not complied with the basic requisites and conditions required for remission of Central Excise Duty as provided in Section 5 of the Central Excise Act, 1944 read with Rule 21 of the Central Excise Rules, 2002.
- 1.3 Accordingly, the Noticee was issued Show Cause Notice No. IV/16-09/Tech/18-19, dated 11.10.2018 proposing as to why:-
 - i) Remission claim in respect of Central Excise Duty amounting to Rs. 1,52,70,059/- in respect of the finished goods destroyed in the fire accident should not be rejected in terms of Section 5 of the Central Excise Act, 1944 read with Rule 21 of the Central Excise Rules, 2002.
- 1.4 The Show Cause Notice dated 11.10.2018 was adjudicated by the Commissioner, Central GST, Kutch vide Order – in - Original No. KCH-

EXCUS-000-COM-15-2018-19, dated 24.01.2019, whereby, the adjudicating authority has:

(i) Allowed the remission of Central Excise Duty amount of Rs. 1,52,70,059/- subject to compliance of Rule 3(5C) of the Cenvat Credit Rules, 2004.

(ii) Ordered to calculate and recover the Cenvat Credit taken by the Noticee on inputs and input services utilized in relation to manufacture of the finished goods destroyed in the fire accident, in terms of Rule 14 of the Cenvat Credit Rules, 2004 read with Section 11A of the Central Excise Act, 1944 and to appropriate the Cenvat Credit amount of Rs. 79,88,512/- reversed by the Noticee.

(iii) Ordered to charge and recover interest on Cenvat Credit amount payable/reversable as per (ii) above, in terms of Rule 14 of the CENVAT Credit Rules, 2004 read with Section 11AA of the Central Excise Act, 1944.

1.5 Being aggrieved with the Order – in - Original No. KCH-EXCUS-000-COM-15-2018-19, dated 24.01.2019, the Noticee had preferred appeal before the Hon'ble CESTAT, Ahmedabad to the extent of demand of interest on reversal of Cenvat Credit in terms of Rule 14 of the CENVAT Credit Rules, 2004. The Hon'ble Tribunal, Ahmedabad vide Final Order No. 13038/2024, dated 04.12.2024 remanded the matter back to the adjudicating authority to take fresh decision.

2. DEFENCE SUBMISSION

2.1 **The Noticee has made submission vide their letter dated 26.06.2025 stating that:**

1. The Hon'ble CESTAT, Ahmedabad has remanded the matter back to the original authority to verify the factual aspect of the case. The relevant portion of the order passed by the Hon'ble CESTAT, Ahmedabad is reproduced hereunder:

"4. On careful consideration of the submissions made both the sides and perusal of records. We find that during the relevant period the provision of Rule 14 reads as under:-

.....

*From the plain reading of the above rule, it can be seen that the interest was chargeable as per Clause 2 of Rule 14(1)(ii) only when the assessee not alone takes the credit but also utilize the same. In the present case as per the claim of the appellant they have maintained the accumulated Cenvat Credit, which is more than the Cenvat Credit which was required to be reversed. Therefore, in terms of the above rule, the appellant are not required to pay the interest. **This factual aspects needs to be verified by the original authority however, we hold that if it is found for the appellant have not utilized the Cenvat credit and maintained balance equal and above the Cenvat Credit reversed, they are not required to pay the interest.**"*

(emphasis supplied)

2. In this regard, the Noticee would like to state that till May 17, 2018, the balance available in Electronic Credit Ledger ('ECL') of the Company was sufficient to cover the CENVAT credit amounting to Rs. 79,88,512/-, which was subsequently reversed by the Company through the filing of Form GST DRC-03 dated September 20, 2018. Copy of Form GST DRC-03 dated September 20, 2018 is enclosed.
3. Thereafter, from May 18, 2018 onwards, the balance available in ECL reduced, and therefore was not sufficient to cover the reversed CENVAT credit amount as on the date of reversal i.e., September 20, 2018.
4. Therefore, the interest is payable by them only for the intervening period i.e., from May 18, 2018 to September 20, 2018, during which the ECL balance was insufficient to offset the reversed CENVAT credit amount. The interest liability for this intervening period has been calculated as Rs. 4,96,382/-, as follows:

Particulars	Amount (Rs.)	No. of days	Interest rate (%)	Interest amount (Rs.)**
CENVAT credit reversed	79,88,512/-	126 days (From 18.05.2018 to 20.09.2018)	18% p.a.	4,96,382/-

**** Interest amount is calculated using the formula as specified hereunder:**

Interest amount:

$$\begin{aligned}
 &= (\text{Amount} * \text{Interest rate} * \text{No. of days}) / 365 \\
 &= (79,88,512/- * 18\% * 126) / 365 \\
 &= 4,96,382/-
 \end{aligned}$$

5. Further, in support of the aforesaid contentions regarding factual aspects involved in the present case, a copy of the Chartered Accountant's certificate certifying the facts stated in Para 2 to Para 4 above has been enclosed.
- 3. PERSONAL HEARING**
- 3.1 Shri Hemant Thakar, Manager (Indirect Taxation), as authorized person of the Noticee has appeared virtually for personal hearing on 29.07.2025.
 - 3.2 He reiterated the written submissions of the Noticee already filed. He further added that the Noticee agree to pay the due interest liability payable on account of reversal of Cenvat Credit utilized against the inputs and input services used for manufacturing of the finished goods that destroyed in fire accident.
 - 3.3 He also stated that the Noticee has already reversed the Cenvat Credit Amount of Rs. 79,88,512/- on 20.09.2018 and requested for a week time to pay the due interest amount, after calculating the same

4 DISCUSSION & FINDINGS:

4.1 I have carefully gone through the case records, Show Cause Notice dated 11.10.2018, Order – in – Original No. KCH-EXCUS-000-COM-15-2018-19, dated 24.01.2019, Final Order No. 13038/2024, dated 04.12.2024 passed by the Hon'ble CESTAT, Ahmedabad and submissions made by the Noticee, both written as well as oral.

4.2 I find that the impugned SCN was earlier adjudicated by the Commissioner, Central GST, Kutch vide OIO No. KCH-EXCUS-000-COM-15-2018-19, dated 24.01.2019. The adjudicating authority had considered the Noticee's application for remission of Central Excise Duty amounting to Rs. 1,52,70,059/- subject to compliance of Rule 3(5C) of the Cenvat Credit Rules, 2004.

Accordingly, the adjudicating authority vide OIO No. KCH-EXCUS-000-COM-15-2018-19, dated 24.01.2019, has ordered to calculate and recover the Cenvat Credit taken on inputs and input services utilized in relation to manufacture of the finished goods destroyed in the fire accident, in terms of Rule 14 of the Cenvat Credit Rules, 2004, read with Section 11A of the Central Excise Act, 1944, alongwith the interest amount as applicable in terms of Rule 14 of the CENVAT Credit Rules, 2004, read with Section 11AA of the Central Excise Act, 1944. Subsequently, the adjudicating authority has also ordered to appropriate the Cenvat Credit amount of Rs. 79,88,512/- reversed by the Noticee on 20.09.2018.

4.3 I further find that being aggrieved with the OIO No. KCH-EXCUS-000-COM-15-2018-19, dated 24.01.2019, the Noticee preferred an appeal before the Hon'ble CESTAT, Ahmedabad, which was decided vide Final Order No. 13038/2024, dated 04.12.2024 by allowing the Noticee's appeal by way of remand to the adjudicating authority with the following observations:

"4.

*From the plain reading of the above rule, it can be seen that the interest was chargeable as per Clause 2 of Rule 14(1)(ii) only when the assessee not alone takes the credit but also utilize the same. In the present case as per the claim of the appellant they have maintained the accumulated Cenvat Credit, which is more than the Cenvat Credit which was required to be reversed. Therefore, **in terms of the above rule, the appellant are not required to pay the interest. This factual aspects needs to be verified by the original authority however, we hold that if it is found for the appellant have not utilized the Cenvat credit and maintained balance equal and above the Cenvat Credit reversed, they are not required to pay the interest.***

5. Therefore, we set aside the impugned order and allow the appeal by way of remand to adjudicating authority in the above terms."

- 4.4 In view of the above, I find that there is no dispute in respect of (i) remission of Central Excise Duty amounting to Rs. 1,52,70,059/-; (ii) calculation and recovery of Cenvat Credit amount taken on inputs and input services utilized in relation to manufacture of the finished goods destroyed in the fire accident; and (iii) appropriation of the Cenvat Credit amount of Rs. 79,88,512/- reversed by the Noticee, by the adjudicating authority in the Order – in – Original No. KCH-EXCUS-000-COM-15-2018-19, dated 24.01.2019, as the same is deemed to be accepted by the department, in absence of any record of departmental appeal filed against the said OIO, dated 24.01.2019.
- 4.5 Therefore, I find that the only dispute in the present case is regarding liability of interest on the Noticee on account of reversal of Cenvat Credit amount, which is to be decided in accordance with the Final Order No. 13038/2024, dated 04.12.2024, issued by the Hon'ble CESTAT, Ahmedabad, as the same has been accepted by the department (as informed by the Superintendent (RRA), CGST, HQ, Kutch vide e-mail, dated 26.12.2024).
- 4.6 As regard the Cenvat Credit balance maintained by the Noticee equal and above the Cenvat Credit amount liable to be reversed, the Noticee has submitted vide letter dated 26.06.2025 that they have maintained the balance amount in their Electronic Credit Ledger (ECL) more than the amount of Rs. 79,88,512/- till 18.05.2018, however, they did not have sufficient balance in their ECL, on and after 18.05.2018. Consequently, the Noticee have admitted their liability to pay the interest on Cenvat Credit amount of Rs. 79,88,512/- for the period from 18.05.2018 till the date of reversal of the said amount i.e., 20.09.2018. Therefore, they have agreed to pay the due interest amount of Rs. 4,96,382/-, as calculated by them for the said period.
- 4.6.1 The Noticee have submitted the CA Certificate dated 25.06.2025 issued by Shri Sanjay Trilokkumar Agrawal, Chartered Accountant (M.No. 121559) alongwith ERs-1 (Central Excise Returns) for the month of May, 2017 and June, 2017 and Electronic Credit Ledger for the period from 01.07.2017 to 31.03.2019, in support of their claim that they had maintained the balance amount in their Electronic Credit Ledger (ECL) more than the amount of Rs. 79,88,512/-, till 18.05.2018. The Noticee have also submitted a copy of Final Audit Report No. Audit/Circle-VII/Group-32/951/2018-19, dated 11.03.2019 issued by the Joint Commissioner (in situ), Circle-VII, CGST Audit, Rajkot in support of transfer of Cenvat Credit Amount of Rs. 3,49,79,017/- in TRAN-1 filed for the Month of July, 2017 in GST regime.
- 4.6.2 It is observed from the documents submitted by the Noticee that:
- (i) the closing balance of Cenvat Credit in the ER-1 of the Noticee for the Month of May, 2017 is amounting to Rs. 1,61,16,631/-.

- (ii) the closing balance of Cenvat Credit in the ER-1 of the Noticee for the Month of June, 2017 is amounting to Rs. 3,51,37,007/-.
- (iii) the Final Audit Report dated 11.03.2019 issued by the CGST Audit, Rajkot manifested that the Noticee have accurately transferred the Cenvat Credit amount to the extent of Rs. 3,49,79,017/- in TRAN-1 for the Month of July, 2017.
- (iv) the Electronic Credit Ledger for the month of July, 2017 to March, 2019 confirms that the Noticee have maintained the balance in their Credit Ledger more than the amount of Rs. 79,88,512/-, upto 18.05.2018 only. Hence, it appeared that the Noticee have utilized the said Cenvat Credit amount of Rs. 79,88,512/- on 18.05.2018.

4.7 In view of the above discussions and submissions made by the Noticee, I find that the Noticee have not maintained the balance amount equal and above the Cenvat Credit amount of Rs. 79,88,512/- till the date of reversal of the said amount, i.e. on 20.09.2018. It is also apparent from the submissions made by the Noticee that they have utilized the said Cenvat Credit Amount on 18.05.2018. Hence, the Noticee is found to be liable to pay the interest for the period from 18.05.2018 till the date of reversal of the said Cenvat Credit amount of Rs. 79,88,512/- i.e. on 20.09.2018, in terms of Rule 14 (1)(ii) of the Cenvat Credit Rules, 2004 read with Section 11A of the Central Excise Act, 1944.

4.8 As discussed in the above para, I find that there is no dispute regarding the Noticee's liability to reverse the Cenvat Credit amount of Rs. 79,88,512/- taken on inputs and input services utilized in relation to manufacture of the finished goods destroyed in the fire accident, in terms of Rule 14 of the Cenvat Credit Rules, 2004 read with Section 11A of the Central Excise Act, 1944, as confirmed under the OIO dated 24.01.2019.

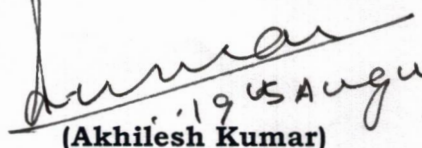
4.9 I further hold that the Noticee is liable to pay the interest on the Cenvat Credit amount of Rs. 79,88,512/- availed and utilized, which was pertaining to the inputs and input services utilized in relation to manufacture of the finished goods destroyed in the fire accident, in terms of Rule 14 of the CENVAT Credit Rules, 2004 read with Section 11AA of the Central Excise Act, 1944.

4.10 In view thereof, I pass the following order:

: ORDER :

- (i) I order to recover the interest at appropriate rate on the Cenvat Credit amount of Rs. 79,88,512/- availed and utilized, for the period from utilization of the said Cenvat Credit amount of Rs. 79,88,512/- till

the date of reversal of the same, in terms of Rule 14 of the Cenvat Credit Rules, 2004, read with Section 11AA of the Central Excise Act, 1944;


(Akhilesh Kumar)
Commissioner
Central GST & Excise
KUTCH
19 August, 2025.

F.No. GEXCOM/ADJN/CE/COM/31/2025-ADJN

R.P.A.D./Speed Post

M/s Plastene India Ltd.

Survey No. 317,316/A-NH 8A,
Village Nani Chirai,
Taluka Bhachau, Kutch- 370140.

o/c

Copy Submitted to:

1. The Chief Commissioner, CGST and Central Excise, Ahmedabad Zone, Ahmedabad.
2. The Assistant Commissioner (TRC), CGST and Central Excise, HQ, Gandhidham - for necessary action.
3. The Assistant Commissioner (System), CGST and Central Excise, HQ, Gandhidham - for uploading on official site.
4. The Assistant Commissioner, CGST and Central Excise, Anjar - Bhachau Division - for information and necessary action.
5. The Superintendent concerned Range of Anjar - Bhachau Division - for information and necessary action.
6. Guard File.