CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH - COURT NO. III

EXCISE MISCELLANEOUS APPLICATION NO.50629 OF 2023 AND 51251 OF 2025
IN
EXCISE APPEAL NO.52199 OF 2022

[Arising out of Order-in-Appeal No.RPR-EXCUS-000-APP-008-20-21 dated 29.05.2020 passed by the Commissioner(Appeals), Central Goods and Service Tax, Central Excise and Customs, Raipur]

M/s R R ISPAT **....APPELLANT**
(A Unit of Godawari Power and Ispat Limited),Plot No.490/1, Urla Industrial Area, Raipur(C.G)

VERSUS

COMMISSIONER, CUSTOMS, CENTRAL EXCISE & SERVICE TAX **...RESPONDENT**
Building Tikrapara, Raipur, Chhattisgarh

APPEARANCE:
Shri Krisha Mohan K. Menon, Ms. Prena Jain Kala and Ms. Archita Ishani, Advocates, for the appellant
Shri R.K. Mishra, Authorised Representative,for the respondent

CORAM:
HON'BLE MR. ASHOK JINDAL, MEMBER (JUDICIAL)
HON'BLE MR. K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO.50874/2026

Date of Hearing: 05.05.2026
Date of Decision: 13.05.2026

PER: K. ANPAZHAKAN:

1. R R Ispat (hereinafter referred to as "the appellant") has filed this appeal against the Order-in-Appeal No. RPR-EXCUS-000-APP-008-20-21 dated 29.05.2020, wherein the demand of Central Excise duty of Rs. 14,85,067/- has been confirmed along with interest and penalty. Cenvat credit amounting to Rs.52,842/- has also been disallowed along with interest and penalty.

2. The facts of the case are that the appellant M/s RR Ispat had cleared scrap (end cuttings) to the related party M/s.Godawari Power and Ispat Limited (herein after referred as GPIL) at a lower price than the price at which the same goods were sold by the appellant to independent buyers. Accordingly, the audit raised an objection regarding undervaluation of the said goods, since the department was of the opinion that the appellant had not followed the provisions of Rule 9 of the Valuation Rules, 2000 for the purpose of the clearance of the said goods to 'related person' GPIL. Further, the audit has also raised the objection regarding availment of Cenvat Credit of Rs. 52,842/- which had been taken after six months/one year from the date of invoice.

2.1. Accordingly, a show cause notice was issued to the appellant demanding Central Excise duty and recovery of irregularly availed Cenvat Credit. On adjudication, the demand of duty and recovery of irregularly availed Cenvat credit proposed in the show cause notice were confirmed along with equal penalty under Section 11AC of the Central Excise Act. Penalty under Rule 15(2) of the Cenvat Credit Rules was also confirmed along with interest and equal amount of penalty on the appellant. On appeal, the Ld. Commissioner (Appeals) upheld the demands confirmed by the adjudicating authority and rejected the appeal filed by the appellant.

3. The appellant submits that the Department has alleged that they have sold the goods to (GPIL) at a lower price whereas the same goods were sold to independent buyers at a higher price. It was also alleged that they were required to follow Rule 9 of the Valuation Rules 2000, i.e., the price at which similar goods are sold

to unrelated buyers should have been adopted. In this regard, the appellant submits that they had sold scrap (end cuttings) falling under Tariff Entry 72045000 to its other unit GPIL. On 30.03.2011, the Hon'ble High Court of Chhattisgarh approved the amalgamation of both the companies. Thus, the appellant submits that both the units are the same legal entity, as they share the same PAN and Corporate Identification Number. Since the appellant and GPIL are the same legal entity post amalgamation, the transaction between the units is not a "sale" under Section 2(h) of the Central Excise Act, as there are no two legal persons existed as per Section 3(42) of the General Clauses Act, 1897 for a 'sale' to happen. As both the units share the same PAN and Corporate Identification Number, the appellant submits that there is no transfer of ownership or consideration between two distinct persons, which is an essential condition for a transaction to qualify as a 'sale'. Therefore, Valuation Rules such as Rule 9 and Rule 10, which are applicable to related party sales are not attracted in the present case. The appellant further submits that Rule 8 of the Valuation Rules is applicable in the present case. Rule 8 deals with valuation of goods where the same manufacturer transfers goods within the same entity and the goods are not sold but transferred for manufacture of goods. Rule 8 requires cost-based valuation, which was never examined or applied by the authorities. In support of this view, the appellant relied on the decision of Tribunal, Kolkata, in the case of **Jindal Steel and Power Ltd. vs. Commissioner of Central Tax, GST & Central Excise, Rourkela – 2026 (1) TMI 648 CESTAT Kolkata,** wherein on a similar set of facts, the Tribunal has held that Rule 8 of the Central Excise Valuation Rules is applicable for arriving at the value of clearances made to own unit.

3.1. The appellant further submits that they have sole scrap (end cuttings) to GPIL , but the department has adopted the price of 'misrolls' which are totally different from 'end cuttings'. Thus, the appellant submits that the price adopted by the Ld. Adjudicating authority to demand central excise has no basis and hence not sustainable.

3.2. The appellant further submits that the entire issue is 'revenue neutral' in situation as whatever duty paid by one unit is available as Cenvat Credit to the other unit. Thus, the appellant submits that the demand confirmed is not sustainable on account of 'revenue neutrality' also.

3.3. The appellant further submits that the show cause notice has wrongly invoked the extended period of limitation. In the present case, the demand has been issued for the period from April 2014 to March 2017 whereas the show cause notice was issued on 18.12.2018 alleging suppression. The appellant submits that audit has been conducted on the records of the appellant and the facts of clearances made to GPIL were already declared in the returns filed by them. Thus, the appellant submits that the department was aware of the clearance of goods to GPIL. Accordingly, the appellant submits that invocation of extended period of limitation is not sustainable. In support of this contention, the appellant placed their reliance on the following decisions:

(i) Accurate Chemicals vs. CCE – 2014 (300) ELT 451 (Tri.-Del.)

(ii) Jay Yushin Ltd. vs. CCE – 2000 (119) ELT 718 (Tribunal)

(iii) Pushpam Pharmaceuticals – 2002-TIOL-235-SC

3.4. The appellant submits that there is no suppression of facts with intent to evade payment of duty has been established in this case and hence no penalty is imposable.

3.5. In view of the above, the appellant contends that the demand of Central Excise duty confirmed in the impugned order is not sustainable and prayed for setting aside the same.

3.6. Regarding the recovery of irregularly availed Cenvat Credit, the appellant has made the submission that receipt and utilisation of the inputs in manufacture of goods is not disputed. The credit availed by the appellant has been denied only on the ground that it was taken beyond the prescribed period of six months/one year from the date of invoice. The appellant submits that this requirement is only procedural in nature and the substantive benefit of Cenvat Credit eligible to them cannot be denied merely on account of procedural irregularity, if any. Accordingly, the appellant prayed for allowing the Cenvat credit which is otherwise eligible to them.

4. On the other hand, the learned Authorised Representative for the Department submits that the appellant and GPIL had separate registrations for Central Excise purposes and therefore they cannot be treated as the same unit. Further, that the contention of the appellant regarding lower price of end cuttings supplied by M/s Hira Steel is incorrect; the department showed that the price of end cuttings supplied to GPIL was lower than the average price of end cuttings supplied to independent buyers. Thus,

the Ld. Departmental Representative submits that the demand of duty has been rightly confirmed. In support of his contention the learned Authorised Representative relied upon the following decisions:

1. M/s COMMISSIONER CEX ROHTAK Vs MERINO PANEL PRODUCTS LTD. (2022) 1CENTAX 59(SC)

2. M/s AQUAMALLI WATER SOLUTIONS LTD VS COMMISSIONER C.EX BANGLORE2003(158) ELT A182 SC

3. M/s AQUAMALLI WATER SOLUTIONS LTD VS COMMISSIONER C.EX BANGLORE 2003(153) ELT 428 (Tri. -Bang) SC

4.1 Regarding disallowance of Cenvat credit, it is submitted by the Revenue that the appellant has taken the credit beyond the prescribed period of six months/one year from the date of invoice and hence the same was rightly disallowed.

5. Heard both sides and perused the documents.

6. We find that the issue involved in this case is regarding recovery of central excise duty on account of undervaluation of goods. The allegation of the Department is that the appellant had cleared scrap (end cuttings) to the related party GPIL at a lower price than the price at which the same goods were sold by the appellant to independent buyers. In this regard, we find that the appellant's unit was amalgamated with M/s GPIL by the order of the Chhattisgarh High Court dated 03.02.2011. We also find that the appellant and GPIL share the same PAN and Corporate Identification Number. Thus, we find

that the appellant and GPIL are the same legal entity post amalgamation. Hence, we are of the view that the transaction between both the units is not a "sale" under Section 2(h) of the Central Excise Act, as there are not two legal persons existed as per Section 3(42) of the General Clauses Act, 1897 for a 'sale' to happen. As both the units share the same PAN and Corporate Identification Number and there is no transfer of ownership or consideration between two distinct persons, which is an essential condition for a transaction to qualify as a 'sale', we hold that the provisions of Valuation Rules such as Rule 9 and Rule 10, which are applicable to related party sales are not attracted in the present case.

6.1. In this regard, we find that a similar issue has been decided by CESTAT Kolkata in the case of **Jindal Steel and Power Ltd. vs. Commissioner of Central Tax, GST & Central Excise, Rourkela – 2026 (1) TMI 648,** wherein it has been held that for arriving at the valuation in respect of clearance of goods to own unit, Rule 8 of the Central Excise Valuation Rules, 2000 would be applicable. Relevant para in the said decision reproduced below for ready reference:

> *"Issue No. (1): Whether the appellant is correct in following Rule 8 of the Valuation Rules for arriving at the value in respect of clearances of goods to their own units at Angul and Raigarh, when most of the quantity of such goods manufactured by them is cleared to their own units and part of the quantity is cleared to third party buyers, or not:*
>
> *9. We find that the Ld. Special Counsel appearing on behalf of the Revenue has heavily relied on the decision in the case of Aquamall Water Solutions Ltd. v. Commissioner of C. Ex., Bangalore [2003 (153) EL.T. 428 (Tri. Bang.)] to say that the valuation is required to be done on the basis of the price at which goods were sold to third-party buyers, wherein,*

admittedly, Mis. Aquamall was selling goods to a related person i.e., M/s. Eureka Forbes Ltd., and also to independent buyers and all such sales were made from depots located in various States; there were no sales made at the factory gate. However, the facts in the present case under dispute is not qua the valuation of sales made to related persons, but in respect of clearances made to their own units, for captive consumption. Therefore, the facts of the present case are altogether different from that in the case of Aquamall Water Solutions Ltd. (supra).

9.1. Further, the Ld. Special Counsel for the Revenue has also heavily relied on the decision of the Larger Bench of this Tribunal in the case of Ispat Industries Ltd. v. Commissioner of C.Ex., Raigad [2007 (209) E.L.T. 185 (Tri. LB)]. It is an undisputed and admitted fact that in that case, the clearances made by M/s. Ispat Industries Ltd. to their other units at Taloja, Kamothe and Kalmeshwar were not captively consumed, but in the facts of the case before us, the case of the appellant was that of clearing goods to their own units for further manufacturing processes and these goods cleared by the appellant were captively consumed by their own units located in other places. Therefore, the decision in the case of Ispat Industries Ltd. (supra) is also clearly not applicable to the facts of this case.

9.2. We find that the case of the appellant is squarely covered by the decision in the case of OCL India Ltd. v. Commissioner of Central Tax, G.S.T. & C.E., Rourkela rendered vide Final Order No. 76670 of 2024 dated 26.06.2024 in Excise Appeal No. 76300 of 2018 [2024 (6) TMI 1463-CESTAT, Kolkata). wherein the facts of the case were as under: -

"2. The facts of the case are that the appellant is engaged in manufacture of clinker cement. Clinker is the intermediate product to manufacture cement. The appellant has two other unit at Kapilas Cement Works, Cuttack in the State of Odisha and Bengal Cement Works at Medinapore,in the state of West Bengal which are engaged in manufacture of cement. For all three units the appellant have opted separate registration. The clinker manufactured in appellant's unit was utilized as follows:

a. Captively consumed by the Appellant (Rajgangpur unit) to manufacture cement

b. Stock transferred to Kapilas unit to manufacture cement.

c. Stock transferred to Bengal unit to manufacture cement starting 2014, and

d. Sold to independent buyers at transaction value (in very meager proportion of 2% to 5%)

3. On stock transfer of clinker, the Appellant paid excise duty at 110% of cost of production in accordance with Rule 8 of the Central Excise Valuation Rules, 2000 ('Valuation Rules). The Kapilas and Bengal units availed Cenvat Credit of the excise duty charged and paid by the Appellant

which are almost similar to the facts of the case on hand in the said case, this Tribunal, after relying on the decision in the case of National Aluminium Company Ltd. v. Commissioner of C.G.S.T. & C.Ex.. Bhubaneswar vide Final Order No. 75776 of 2024 dated 26.04 2024 in Excise Appeal No. 75650 of 2021 (2024 (4) TMI 1088-CESTAT, Kolkata), has observed as under. -

"14. We find that a similar issue has been examined by this Tribunal in the case of Nalco (Supra) wherein this Tribunal has observed as under:

"Whether the appellant has paid he duty correctly in accordance with Rule 8 of the Valuation Rules or the appellant is liable to pay duty in terms of Rule 4 of the Valuation Rules?

7. We find that the Circular No.692/8/2003CX dated 13.02.2003 is relevant in the present facts and circumstances of the case. Accordingly, the same is extracted below:

"Valuation (Central Excise) Captive consumption Cost of production to be in accordance with CAS-4

Circular No. 692/8/2003-CX., dated 13-2-2003 F. No. 6/29/2002-CXI Government of India

Ministry of Finance (Department of Revenue)

Central Board of Excise & Customs, New Delhi

Subject: Valuation of goods captively consumed

I am directed to say that on introduction of Central Excise Valuation (Determination of Price of Excisable goods) Rules, 2000, we.f 1-7-2000, it was clarified by the Board vide Circular No. 354/81/2000-TRU, dated 30-62000 (para 21) (2000 (119) ELT. T22] that for valuing goods which are captively consumed, the general principles of costing would be adopted for applying Rule 8. The Board has interacted with the institute of Cost & Works Accountants of India (ICWA)) for developing costing standards for costing of captively consumed goods.

2. The Institute of Cost & Works Accountants of India (ICWAI) has since developed the Cost Accounting Standards, CAS 2, 3 and 4, on capacity determination overheads & cost of production for captive consumption, respectively, which were released by the Chairman CBEC on 23-1-2003

3. It is, therefore, clarified that cost of production of captively consumed goods will henceforth be done strictly in accordance with CAS-4 Copies of CAS-4 may be obtained from the local Chapter of ICWAL

4. Board's Circular No. 258/92/96-CX, dated 30-10-96 [1996 (88) ELT T9), may be deemed to be modified accordingly so far as it relates to determination of cost of production for captively consumed goods.

5. This Circular may be brought to the notice of the field formations

6. Suitable Trade Notices may be issued for the benefit of the Trade

7. Hindi version will follow.

8. Receipt of these instructions may be acknowledged."

In view of the above, the Circular clarified the position that the cost of production of captively consumed goods will be done strictly in accordance with CAS-4 Admittedly, in this case also, the appellant has adopted the above said Circular and was paying duty as per CAS-4 in terms of Rule 8 of the Valuation Rules

8. Further, in the appellant's own case for the earlier period, this Tribunal vide order dated 04.03.2005, has observed as under

5. A perusal of the Circular dated 13-2-2003 makes it clear that what is being advised under that circular is to follow the general principles of costing". The Circular also makes it clear that "ICWAI has since developed the costing standards. About the applicability of the circular and the effect of the new costing instructions on the previous instructions, the Circular states as under

"3. It is therefore, clarified that cost of production of captively consumed goods will henceforth be done strictly in accordance with CAS-4

4. Board's Circular No. 258/92/1996-CX, dated 30-10-1996, may be deemed to be modified accordingly in so far as it relates to determination of cost of production for captively consumed goods"

The above paras make it clear that the cost of production of captively consumed goods will "henceforth" be done strictly in accordance with CAS-4 Even in the absence of such a statement, it would be correct to follow the Circular in as much as 'general principles' are of guidance without regard to time and an assessee would be well within his rights to demand that a dispute involving him may be decided according to the general principles" applicable to the issue in dispute, irrespective of what a Circular of the Government may say. In the present case such a situation does not arise since the Circular has taken care to specifically clarify that "existing instructions may be deemed to be modified". Since the earlier instruction is to be deemed to be modified, it would not be permissible to apply them without the said modification. The appellant- assessees are also right in their contention that Revenue is bound by the Circular, while assessees are at liberty to contest the circulars. Therefore, in pending matters, the assessee can seek determination of his case under a later beneficial circular by pointing out that instructions contained in the earlier circulars are incorrect and the matter should be settled according to "general principles" developed by an authority competent to lay down standards. Tribunal and Courts are duty bound to consider such a contention. This position enunciated in the judgment of the High Court of Calcutta in the case o Birla Jute and industries Ltd. v. Assistant Collector-1992 (57) ELT. 674 has been

approved by the Apex Court in the case of Eswaran & Sons Engineers Ltd

6. We may also note that the judgment of the Apex Court in the case of Eswaran & Sons Engineers Ltd. does not support the revenue's contention that assessments for each period should be decided in terms of the Circular of the relevant period without considering the modifications subsequently made in them. The issue considered in the Eswaran & Sons Engineers Ltd. judgment war altogether different. It was as to what was the effect of a subsequent circular on a demand which had been raised prior to the issue of a circular. The Court observed as under.

"13. Under Section 378 of the Act, the Board is empowered to issue instructions to Central Excise Officers, for the purpose of uniformity in the classification of excisable goods, which instructions, are required to be followed by such officers. However, under proviso

(a) to Section 378 an exception is made. The said proviso states that the said Instructions, orders or directions cannot make any Central Excise Officer to dispose of a particular case in a particular manner. Similarly, under proviso

(b) such Instructions, shall not bind the discretion of Commissioner of Central Excise (Appeals), appellate In view of the proviso to Section 37B, the said Circular dated 14-7-1994 issued by the Board was not applicable to the facts of the present case, As stated above, in the present case, the Assistant Collector had taken a prima facie view for purposes of reclassification as far back as 17-12-1993.

Therefore, the Circular dated 14-7-1994 had no application to the facts of the present case The judgment of the Supreme Court in the case of HM. Bags Manufacturer (supra) did not deal with the case where the department had issued show cause notice purporting to reclassify the product prior to the issuance of instructions by the Board. Therefore, the said judgment has no application to the facts of the present case."

The ratio of this judgment is that a legally sustainable claim, which had been raised by the Revenue prior to and independently of a circular, cannot be extinguished on a plea that a subsequently issued circular is prospective in operation. That is not the case in the present appeals. The revenue seeks to finalise pending valuations applying different costing principles on the plea that different criteria had been circulated from time to time. The assessees are contesting the correctness of that approach by contending that the instructions contained in the earlier circulars were not in conformity with the general principles of cost accounting, and that the latest circular which incorporated correct principles should be followed in all pending cases. It is also to be noticed that the latest circular of 2003 specifically states that the earlier instructions have to be deemed to be modified" by the later circular Thus, Revenue had no independently sustainable claim its claim is based entirely on circulars issued from to time. That too, on incorrect costing principles. It would be wholly incorrect to apply old circulars without considering the modifications brought about by the latest

circular, particularly when, as noted already, it is well settled that assessees are not bound by any circular, though at liberty to seek the benefit of circulars and a Court has to allow such a claim while Revenue is bound by its own circulars 7. In view of what is stated above, all the appeals are allowed by way of remand with the direction to the original authorities to decide valuation in terms of the Circular No. 692/8/2003, dated 13-2-2003."

The said order of this Tribunal was affirmed by the Hon'ble Apex Court in 2016.

9. The Revenue sought to distinguish the decision of their own case for the earlier period on the ground that in the case of Ispat Industries (supra), the Larger Bench of this Tribunal held that the assessable goods transferred to another plant of the same assesse is required to determine the value as per Rule 4 of the Valuation Rules as the goods were sold to the independent buyers also.

10. We find that said decision is distinguishable on the facts of the case, as in that case, the goods were cleared to another plant not for captive consumption whereas in the case in hand, the goods in question have been cleared to their sister unit for captive consumption in manufacturing of excisable goods ie. aluminium, which has been cleared by the appellant on payment of duty. Therefore, the said decision cannot be applied to this case.

11. We further take note of the fact that the Circular dated 13.02. 2003 on the basis of which the appellant paid the duty is binding on the Revenue as held by the Hon'ble Apex Court in the case of Ratan Melting and Wire Industries (supra)

12. Therefore, we hold that the appellant has correctly paid the duty on the goods in question, which has been captively consumed by the sister unit for manufacturing of excisable goods in terms of CBEC Circular No 692/8/2003-CX dated 13.02.2003. On merit, the appellant has rightly paid the duty as per CAS-4 in terms of Rule & of the Valuation Rules.

13. In view of this, we hold that Rule 4 of the Valuation Rules, is not applicable in the facts and circumstances of the case."

15. We find that in similar set of facts this Tribunal has examined the issue in the case of Nalco (Supra) and this Tribunal has came to a conclusion that the Appellant has correctly paid the duty on goods in question, which has been captively consumed by the sister unit for manufacturing of excisable goods in terms of CBEC Circular No. 692/8/2003-CX dated 13.02.2003.

16. Therefore, Appellant has correctly paid duty as per CAS-4 in terms of Rule 8 of the Valuation Rules."

10. As the issue is squarely covered by the decision in the case of OCL India Ltd. (supra), in view of this, we hold that the appellant has correctly valued their goods in terms of Rule 8 of the Valuation Rules and therefore, the demand of central excise duty by adopting Rules 4 and 11 of the Valuation Rules is not sustainable."

6.2. We find that the ratio of the decision cited supra is applicable to the facts and circumstances of the present case. Thus, by relying on the decision cited supra, we hold that Valuation Rules such as Rule 9 and Rule 10, which are applicable to related party sales, are not attracted in the present case. We also hold that Rule 8 of the Valuation Rules is applicable in the present case. Rule 8 deals with valuation of goods where the same manufacturer transfers goods within the same entity and the goods are not sold but transferred for manufacture of goods. Rule 8 requires cost-based valuation, which was never examined or applied by the authorities. Thus, we hold that the demand of central excise duty confirmed in the impugned order is not sustainable and hence we set aside the same. As the demand of duty is not sustained, the question of demanding interest or imposing penalty does not arise.

6.3. The appellant also raised the issue of revenue neutrality. Admittedly, in the present case, we find that the appellant had cleared the goods from one unit to their another for further manufacture. Thus, we find that the duty paid by one unit would be available as Cenvat Credit to the other unit. Thus, we observe that the 'revenue neutral' situation existed in this case. In such a revenue neutral situation, the demand of central excise duty confirmed is not sustainable. We find that this view is supported by the decision in the case Britco Foods Company Ltd. vs. Commissioner of C.Ex., Pune [2001 (127) E.L.T. 73 (Tri.-Mumbai)] which was affirmed by the Hon'ble Supreme Court reported in 2007 (213) E.L.T. 490 (S.C.). Thus, we find that the demand of central

excise duty confirmed is not sustainable on account of revenue neutrality also.

6.4. The appellant also raised the issue of limitation and contended that the demands confirmed are not sustainable on account of limitation also. We find that the appellant had been filing returns regularly. Also, it is observed that audit has been conducted on the records of the appellant at regular intervals. Thus, we find that the clearance of goods by the appellant to GPIL was within the knowledge of the department. Accordingly, we hold that there was no suppression of facts with an intent to evade payment of tax has been established in this case. Therefore, we hold that the demand raised and confirmed by invoking the extended period of limitation is not sustainable.

6.5. For the same reasons, we hold that the penalty imposed under Section 11AC of the Central Excise Act is also not sustainable and hence we set aside the same.

6.6 We have gone through, the case laws relied upon by the learned Auhtorised Representative. We find that the facts and circumstances of the present case on hand are different from the facts of the decisions cited by the learned Authorised Representative. Thus, the decisions are distinguishable and hence not applicable to the present issue.

7. Regarding irregular availment of Cenvat Credit, we find that the receipt and utilisation of the inputs in the manufacture of goods is not in dispute. We find that the credit availed by the appellant has been denied only on the ground that it was taken beyond the prescribed period of six months/one year from the date

of invoice. In this regard, we observe that this requirement is only procedural in nature and the substantive benefit of Cenvat Credit, which is otherwise eligible to the appellant cannot be denied merely because of the procedural irregularity, if any. Thus, we hold that denial of Cenvat Credit of Rs. 52,842/- is not sustainable. Consequently, the demand of interest and imposition of penalty on this count is also not sustainable and hence the same are set aside.

8. In view of the above findings, the demands confirmed in the impugned order are set aside and the appeal filed by the appellant is allowed with consequential relief, if any, as per law. The Miscellaneous Application No.50629 of 2023 and 51251 of 2025 filed by the appellant also stands disposed off.

[Order pronounced on 13.05.2026]

(ASHOK JINDAL)
MEMBER (JUDICIAL)

K. ANPAZHAKAN
MEMBER (TECHNICAL)

RR