

**CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
HYDERABAD**

REGIONAL BENCH - COURT NO. - I

Excise Appeal No. 26314 of 2013

(Arising out of **Order-in-Appeal** No.2/2013-CE-HYD-III-ADJN(COMMNR) dated
28/29.01.2013 passed by Commissioner of Customs, Central Excise & Service Tax,
Hyderabad-III)

Pitti Castings Pvt Ltd.,

Sy. No. 53, Macharam,
Balanagar Mandal,
Mahabubnagar,
Telangana - 509 202.

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APPELLANT

VERSUS

**Pr. Commissioner of Central Tax
Rangareddy - GST**

H.NO. 1-98-7-43, VIP Hills,
Jaihind Enclave, Madhapur,
Tilak Road, Ramkoti,
Hyderabad,
Telangana - 500 081.

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RESPONDENT

APPEARANCE:

Shri Narendra Dave, Advocate for the Appellant.

Shri B. Sangameshwar Rao, Authorized Representative for the Respondent.

**CORAM: HON'BLE Mr. P. ANJANI KUMAR, MEMBER (TECHNICAL)
HON'BLE Mr. ANGAD PRASAD, MEMBER (JUDICIAL)**

FINAL ORDER No. A/30355/2026

Date of Hearing: 07.07.2026

Date of Decision: 10.07.2026

[ORDER PER: P. ANJANI KUMAR]

Pitti castings Pvt Limited, the appellant, challenges the impugned order dated 28/29.01.2013, passed by Commissioner of Customs, Central Excise & Service Tax, vide which it was held that the un-machined castings manufactured by the appellants and supplied for use in the manufacture of Wind Operated Electricity Generator (WOEG), are not eligible for exemption under Notification No. 6/2006-CE dated 01.03.2006.

2. Shri Narendra Dave, Learned counsel for the appellants dwells elaborately on the classification of un-machined castings and submits that

while machined castings are used as it is in the manufacture of WOEG, un-machined castings are drilled for making holes to fit nuts and bolts, painted and thereafter used in manufacture of WOEG. He submits that the classification of un-machined castings has no bearing on the eligibility to the notification as it is applicable for goods falling under 'any chapter'. He submits that the learned commissioner erred in interpreting that only WOEG parts and components classifiable under CETH 8503 are eligible for exemption and not the un-machined castings falling under CETH 7325. He also erred in adopting Section Note to Section XVI which provides that conversion of incomplete blanks in to ready to use parts amounts to manufacture, which has no bearing on the issue before him.

3. Learned Counsel submits that they have manufactured castings, machined or un-machined, strictly as per the specifications and drawings given by their customers who used them as parts in the manufacture of WOEG. These are solely and principally intended to be used as parts of WOEG. The un-machined castings are not whether used elsewhere or not usable also. He submits that even application of Rule 2(a) of General Rules of Interpretation to Tariff will make the un-machined castings to be castings thus, making them eligible for exemption under Notification No. 6/2006-CE dated 01.03.2006.

4. He relies on Tamil Nadu Electricals [2002 (7) TMI 611-CEGAT Chennai] and submit that in the absence of any chapter-specific limitation in the exemption Notification and an item is specially designed device for the windmill (or part thereof), exemption must be extended irrespective of tariff heading. He also relies on following cases.

- High Energy Batteries(I) Pvt Ltd [2002(142) ELT 266(T)]
- Elcon Engineering Co. Ltd [1998(103) ELT 395(T)]

- Mega tech Control Pvt Ltd [2002 (5) TMI-CEGAT, Chennai]
- Hyundai Unitech Electrical Transmission [2005 (187) ELT 112 (Tri-Mumbai)] affirmed [2015 (323) ELT220(SC)]
- SKF Technologies Pvt Ltd [2020 (9) TMI 78-Tri-Ahmedabad]
- Magna Electro-Castings Ltd [2005 (186) ELT 556 (Tri-Chennai)]
- Pearl Insulations Pvt Ltd [2025(393) ELT 546(Tri-Bang)]

5. Shri B. Sangameshwar Rao, Learned Authorized Representative, reiterates the findings of the impugned order. He takes us through the relevant paras and submits that the Commissioner has rightly arrived at the classification of un-machined castings and denied the benefit.

6. Heard both sides and perused the records of the case.

7. Brief question involved in the instant case is as to whether exemption contained under Notification No. 6/2006 is available to the un-machined parts supplied to the manufacturers of WOEg by the appellant. We find that the Show Cause Notice alleges that the purchase order dated 20.05.2010 placed by M/s Leitner Shriram Manufacturing Ltd., and the purchase order dated 18.01.2010 placed by M/s Winergy Drive Systems India Pvt Ltd., mentioned the quantity in Kgs and therefore the same cannot be treated as castings and thus the parts of wind operators electricity generators.

8. We find that Notification No. 6/2006-CE dated 01.03.2006 exempts goods falling under any Chapter and used in any conventional energy devices/systems specified in List 5. List 5 of the Notification is as follows:

- (1) Flat plate solar collector
- (2) Black continuously plated solar selective coating sheets (in cut length or in coil) and fins and tubes
- (3) Concentrating and pipe type solar collector
- (4) Solar cooker
- (5) Solar water heater and system
- (6) Solar air heating system
- (7) Solar low pressure steam system
- (8) Solar stills and desalination systems
- (9) Solar pump based on solar thermal and solar photovoltaic conversion
- (10) Solar power generating system
- (11) Solar photovoltaic module and panel for water pumping and other applications
- (12)

Solar crop drier and system (13) Wind operated electricity generator, its components and parts thereof including rotor and wind turbine controller (14) Water pumping wind mill, wind aero-generator and battery charger (15) Bio-gas plant and bio-gas engine (16) Agricultural, forestry, agro-industrial, industrial municipal and urban waste conversion device producing energy (17) Equipment for utilising ocean waves energy (18) Solar lantern (19) Ocean themal energy conversion system (20) Solar photovoltaic cell (21) Parts consumed within the factory of production of such parts for the manufacture of goods specified at S.Nos. 1 to 20 above.

9. We find that Learned Commissioner interprets Serial no. 21 as follows:

19.6 Further, I find that item no. 21 of list 5 of notification, exempts-“Parts consumed within the factory of production of such parts for the manufacture of goods specified at S.Nos. 1 to 20 above”. If the intention of notification is to exempt all the goods going into WOEg, then obviously there is no necessity for including item 21, which exempts parts consumed within the factory of production of such parts of WOEg. If VSP were manufacturing WOEg/Parts and used unmachined castings therein, probably, they would have been eligible for exemption. But the case of VSPL merely involves manufacture of unmachined castings, which are cleared for further manufacture of WOEg/Parts, and accordingly, they are not entitled to exemption.

From the above, it appears that Learned Commissioner has misread the entry no. 21 under List 5 stating that the parts used for manufacture of parts of WOEg and fall under the respective chapter of parts falling under serial no. 1-20 of the said List 5. Learned Commissioner is of the opinion that in case the parts listed under serial no. 1 to 20 are to be taken to belong to any Chapter, entry no. 21 could be redundant. We are of the considered opinion that this understanding does not come from a plain reading of the entries in List 5. We are of the opinion that serial no. 21 of the List 5 is specifically provided to include the parts which further go into making of parts for

WOEG. Therefore, we find that the conclusion arrived at by the Learned Commissioner is misplaced.

10. Further, we find that CBEC vide clarification dated 30.06.2011 clarified as follows:

“A. Whether any design/drawings are provided for making the items.

Yes. Drawings are issued by M/s EIL to M/s Vaksh Steels. Based on these drawings M/s Vaksh makes the mould and further the Un-machined & Machined casting. Drawings are the same for Machined & Un-machined Castings.

C. Whether the item is used after being procured?

The item whether Un-machined or Machined Castings is used only in assembling for producing WOEG.

E. Whether this item can be used anywhere else with some changes or as it is.

No. These castings are used for M/s EIL wind turbines only for the manufacture of WOEG & cannot be used anywhere else with or without any changes. These items are tailor made (whether Un-machined or Machined Castings) i.e. according to the drawing supplied by M/s EIL and hence cannot be used anywhere else with or without any changes. These drawings & moulds are the sole property of M/s EIL. This item whether Un-machined or Machined Castings, are not even displayed at exhibitions as they are secret of EIL.”

11. In the instant case too, it is on record that the castings manufactured by the appellant are tailor made to use of manufacture of WOEG and have been manufactured as per their requirements. Therefore, we find that the un-machined castings are also eligible for exemption. Any other reading of the notification would defeat the intention of the notification itself. We find that Hon'ble Apex Court in the case of Dilip Kumar and Company categorically stated that notification should be construed plainly on the

language without supplementing anything to it. Therefore, we find that as the notification and list are very clear, there is nothing to give interpretation that entry at 21 of the list refers to the same Chapter as the parts at Serial no. 1020 fall. We also find that Tribunal in the case of Magna Gold Castings Ltd., supra, held that classification is not concerned when the exemption notification and even incomplete goods having the essential characteristics of finished goods would also be classifiable under the heading relevant to the finished article. We also find strength from the clarification issued by CBEC and the other cases relied upon by the appellant.

12. In view of the above, we do not find any merit in the impugned order and therefore set aside the same. In the result, we allow the appeal with consequential reliefs, if any, as per law.

(Pronounced in the open court on 10.07.2026)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)

(ANGAD PRASAD)
MEMBER (JUDICIAL)