IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL, CHENNAI

Service Tax Appeal Nos. 42522 to 42527 of 2016

(Arising out of Order in Original No. CHN-SVTAX-001-COM-22 to 27-2016-17 dated 9.9.2016 passed by the Principal Commissioner of Service Tax, Chennai)

M/s. Citibank N.A. **Appellant**
No. 2, Club House Road
Chennai – 600 002.

Vs.

Commissioner of GST & Central Excise **Respondent**
Chennai North Commissionerate
26/1, Mahatma Gandhi Road
Nungambakkam, Chennai – 600 034.

APPEARANCE:

Shri Kumarharsh Vardhan, Advocate and
Ms. Sonakshi Singh, Advocate for the Appellant
Shri Anoop Singh, Authorised Representative for the Respondent

CORAM

Hon'ble Shri M. Ajit Kumar, Member (Technical)
Hon'ble Shri Ajayan T.V., Member (Judicial)

FINAL ORDER NOS. 40898-40903/2026

Date of Hearing: 18.02.2026
Date of Decision: 22.07.2026

Per M. Ajit Kumar,

These appeals are filed by the appellant against Order in Original No. CHN-SVTAX-001-COM-22 to 27-2016-17 dated 9.9.2016 passed by the Principal Commissioner of Service Tax, Chennai (impugned order).

2. Brief facts of the case are that the appellant is registered under the category of 'Banking and Other Financial Services', 'Business Auxiliary Service' Credit Card, Debit Card, Charge card or other payment card service', Manpower Recruitment or Supply Services' etc. During the course of audit of accounts of the appellant, it was noticed that during the years 2009 – 2010 to 2014 - 15, the appellant had

taken service tax credit on ineligible input services such as architect service, cleaning service, club or association services, erection, commissioning or installation services, import services, insurance services, works contract services, event management service, supply of tangible goods service etc. It appeared that the impugned services do not fall under the definition of 'input services' for them and therefore it appeared that the assessee had wrongly taken credit on the same in contravention of the provisions of Rule 3 of the CENVAT Credit Rules, 2004 (**CCR**). Show Cause Notice were issued to the appellant for demanding the ineligible input services along with interest and penalty. Details of Show Cause Notices are as follows:-

S. No.	Show Cause Notice No. and Date	Period	Service Tax Demand
1.	17/2011 dated 21.1.2011	2009 – 10	Rs.7,84,50,016/-
2.	503/2011 dated 18.10.2011	2010 – 11	Rs.13,82,138/-
3.	220/2013 dated 21.6.2013	2011 – 12	Rs.19,58,272/-
4.	21/2014 dated 27.10.2014	2012 - 13	Rs.23,88,707/-
5.	57/2015 dated 20.4.2015	2013 – 14	Rs.1,65,25,316/-
6.	19/2016 dated 1.4.2016	2014 – Sept. 2015	Rs.1,50,77,583/-

After due process of law, the Ld. Principal Commissioner confirmed the demands and partly dropped the demands as under:-

SCN No. and Date	Confirmed	Appropriated	Balance Demand
		(In Rupees)	
17/2011 dt. 21.1.2011	1,41,53,038/-	1,20,49,922	21,03,116/-
503/2011 dt. 18.10.2011	13,82,138/-	2,19,622/-	11,62,516/-
220/2013 dt. 21.6.2013	16,86,316/-	9,79,135/-	7,07,181/-
21/2014 dt. 27.10.2014	16,68,134/-	11,94,353/-	4,73,781/-
57/2015 dt. 20.4.2015	1,17,70,666/-	82,62,657/-	35,08,009/-
19/2016 dt. 1.4.2016	1,00,64,341/-	75,38,790/-	25,25,551/-
Total			1,05,80,154/-

These appeals are against the balance demand of Rs.1,05,80,154/-.

3. The learned Advocate Shri Kumarharsh Vardhan and Ms.Sonakshi Singh appeared for the appellant and Ld. Authorized Representative Shri Anoop Singh appeared for the respondent.

Submissions made by the Appellant

3.1 Advocate Shri Kumarharsh Vardhan ld. Counsel for the Appellant during his submissions provided a Table showing the details of the input services on which credit was disallowed. The same is reproduced below:

S. No.	Category of input service	Demand confirmed (Rs.)
1.	Cleaning service	46,90,558
2.	Club / Association Service	10,66,791
3.	Convention Service	13,433
4.	Event Management Service	17,34,013
5.	General Insurance Service	27,39,468
6.	Health and Fitness Service	6,915
7.	Insurance Auxiliary Service	77,250
8.	Mandap Keeper Service	2,10,613
9.	Outdoor catering service	29,684
10.	Rent a cab service	7,667
11.	Tour operator service	3,782
	Total	1,05,80,154/-

He further submitted that:

(A) The Impugned Order has wrongly denied CENVAT credit of Service Tax paid on input services such as cleaning, insurance, club/association, event management, outdoor catering, mandap keeper, rent-a-cab, tour operator, health and fitness and allied services, merely on the ground that they are not directly connected with the Appellant's output services.

(B) The impugned SCNs fail to appreciate that the Appellant is exclusively engaged in providing taxable output services and that the disputed services were used in the course of, and had a clear nexus with, its business operations and output services.

(C) During the disputed period April 2009 to September 2015, the definition of "input service" was of wide amplitude and covered services used for providing output services, including services connected with business activities. Judicial precedents, including CCE, Coimbatore v. Jawahar Mills [2001 (132) ELT 3 (SC)], have consistently held that the expression "input service" must be construed broadly and that even services having a nexus with output services qualify for credit.

(D) The amendment to the definition of "input service" with effect from 01.04.2011, by Notification No. 3/2011-C.E. (N.T.) dated 01.03.2011, did not generally narrow the scope of eligible business-related services. It merely deleted certain expressions, specifically included business exhibition and legal services, and introduced an exclusion clause for identified services such as outdoor catering, rent-a-cab, life insurance and health insurance. The very need for such specific exclusions shows that, but for the exclusion clause, such services would otherwise fall within the ambit of input services.

(E) The Appellant has also filed a detailed statement, annexed as Exhibit "A", establishing the nexus between each disputed input service and the provision of output services, along with supporting judicial precedents. Accordingly, the denial of credit, and the consequential demand, deserve to be set aside.

(F) Further, no interest is payable under Rule 14 of the CCR, 2004 read with Section 75 of the Act, as the disputed credit was not utilized for payment of service tax and the closing CENVAT credit balance at all relevant times exceeded the disputed demand. Consequently, penalty under Sections 76 and 77 of the Act is also unsustainable.

The Ld. Counsel prayed that the impugned Order, along with the demand, interest and penalty, be set aside.

Submissions made by the Respondent-Revenue

3.2 Shri Anoop Singh Ld. Authorised Representative appeared for the respondent. He submitted that the impugned order had made a detailed examination of each input service before coming to a conclusion on its eligibility, which was legal and correct. Further the extended period of limitation was correctly invoked as in the self-assessment regime it was for the appellant to have correctly assessed its liabilities and discharged tax accordingly. By not doing so the demand has correctly been made for the extended period along with penalties. He prayed that the appeals may be dismissed.

Analysis

4. We have carefully gone through the appeal memorandum and the written submissions. We have also heard the rival parties. We find that the issues involved are;

A) Whether the impugned services on which credit has been availed are input services as per the Cenvat scheme.

B) Whether a part of the demand is time barred.

5. We find that the impugned order covers the period from April 2009 to September 2015, i.e. the period pre and post the amendment to the definition of "input service" with effect from 01.04.2011. To appreciate the rival submissions, it is necessary to reproduce the definition of "input service" under rule 2(l) of the CENVAT Credit Rules, 2004, as it stood prior to 01.04.2011; from 01.04.2011 to 30.06.2012 and from 01.07.2012.

> **Prior to 01.04.2011**
>
> "**2(l)** "input service" means any service,-
>
> (i) **used by a provider of taxable service for providing an output service,** or

(ii) used by the manufacturer, whether directly or indirectly, in or in relation to the manufacture of final product and clearance of final products upon the place of removal,
and includes services used in relation to setting up, modernization, renovation or repairs of a factory, premises of provider of output service or an office relating to such factory or premises, advertisement or sales promotion, market research, storage upto the place of removal, procurement of inputs, **activities relating to business**, such as accounting, auditing, financing, recruitment and quality control, coaching and training, computer networking, credit rating, share registry, and security, inward transportation of inputs or capital goods and outward transportation upto the place of removal."

From 01.04.2011 upto 30.06.2012

"**2(l)** "input service" means any service,-

(i) **used by a provider of taxable service for providing an output service;** or

(ii) used by a manufacturer, whether directly or indirectly, in or in relation to the manufacture of final products and clearance of final products upto the place of removal,
and includes services used in relation to modernization, renovation or repairs of a factory, premises of provider of output service or an office relating to such factory or premises, advertisement or sales promotion, market research, storage upto the place of removal, procurement of inputs, accounting, auditing, financing, recruitment and quality control, coaching and training, computer networking, credit rating, share registry, security, business exhibition, legal services, inward transportation of inputs or capital goods and outward transportation upto the place of removal; **but excludes services**,-
specified in sub-clauses (p), (zn), (zzl), (zzm), (zzq), (zzzh) and (zzzza) of clause (105) of section 65 of the Finance Act (hereinafter referred as specified services), in so far as they are used for-

(a) construction of a building or a civil structure or a part thereof, or

(b) laying of foundation or making of structures for support of capital goods, except for the provision of one or more of the specified services; or

(B) specified in sub-clauses (o) and (zzzzj) of clause (105) of section 65 of the Finance Act in so far as they relate to a motor vehicle which is not a capital goods; or

(BA) specified in sub-clauses (d) and (zo) of clause (105) of section 65 of the Finance Act, except when used by-

(a) a manufacturer of a motor vehicle in respect of a motor vehicle manufactured by him; or

(b) a provider of output service as specified in sub-clause (4) of clause (105) of section 65 of the Finance Act, in so far as they relate to a motor vehicle which is not a capital goods in respect of a motor vehicle insured or reinsured by him; or

(C) such as those provided in relation to outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, membership of a club, health and fitness centre, lift insurance, health insurance and travel benefits extended to employees on vacation such as Leave or Home Travel Concession, **when such services are used primarily for personal use or consumption of any employee**;'

(emphasis supplied)

From 01.07.2012

"(l) "Input service" means any service –

(i) used by a provider of output service for providing an output service; or

(ii) used by a manufacturer, whether directly or indirectly, in or in relation to the manufacture of final products and clearance of final products upto the place of removal, and includes services used in relation to modernisation, renovation or repairs of a factory premises of provider of output service or an office relating to such factory or premises advertisement or sales promotion, market research, storage upto the place of removal, procurement of inputs, accounting, auditing, financing, recruitment and quality control, coaching and training, computer networking, credit rating, share registry, security, business exhibition, services, inward transportation of inputs or capital goods and outward transportation upto the place of removal; **but excludes**:-

(A) service portion in the execution of a works contract and construction services including service listed under clause (b) of section 66E of the Finance Act (hereinafter referred as specified services) in so far as they are used for-

(a) construction or execution of works contract of a building or a civil structure or a part thereof, or
(b) laying of foundation or making of structures for support of capital goods, except for the provision of one or more of the specified services; or";

(B) services provided by way of renting of a motor vehicle, in so far as they relate to a motor vehicle which is not a capital goods, or

"(BA) service of general insurance business, servicing, repair and maintenance, in so far as they relate to a motor vehicle which is not a capital goods, except when used by-

(a) a manufacturer of a motor vehicle in respect of a motor vehicle manufactured by such person; or

(b) an insurance company in respect of a motor vehicle insured or reinsured by such person; or";

(C) such as those provided in relation to outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, membership of a club, health and fitness centre, life insurance, health insurance and travel benefits extended to employers on vacation such as Leave or Home Travel Concession, when such services are used primarily for personal use or consumption of any employee;

6. Hence **before 01.04.2011**, Rule 2(l) defined "input service" in wide terms. It covered services used by a provider of taxable service for providing output service and services used by a manufacturer, directly or indirectly, in or in relation to manufacture and clearance of final products from the place of removal. The inclusive part was especially broad because it referred to services used in relation to "activities relating to business", such as accounting, auditing, financing, recruitment, advertisement, sales promotion, market research, procurement of inputs, and other business-linked services. The phrase "activities relating to business" gave the definition an expansive character. Many general business services could qualify if they were found to be a business necessity or a statutory obligation. Courts and tribunals often treated the expression as covering services having a reasonable nexus with the business of manufacture or provision of taxable service, even if such services were not directly used on the shop floor or in the immediate provision of output service.

7. It is seen that certain changes made **after 01.04.2011** to Rule 2(l) of the CENVAT Credit Rules, 2004 are critical. The amended Rule 2(l) maintained the core requirement that an "input service" must be used directly or indirectly for providing output services or manufacturing final products. However, it introduced two major changes. The broad phrase "activities relating to business" was omitted from the inclusive part and replaced with a specific, itemized list of eligible services like, modernization, accounting, auditing, legal services, transportation up to the place of removal etc. The most significant feature of the amended was an express exclusion clause which, explicitly denied credit for (a) Certain specified construction-related services. (b) Certain motor vehicle-related services and (c) Services for employees' personal use or consumption (e.g., catering, health insurance, and vacation travel). The Hon'ble Supreme Court in **Toyota Kirloskar Motor Pvt. Ltd. Vs Commissioner of Central Tax** [2021 (55) G.S.T.L. 129 (S.C.)], upheld the denial of CENVAT credit on outdoor catering, ruling that post-2011 statutory exclusions are clear and cannot be interpreted broadly. Further in **Solar Industries India Ltd. Vs Commissioner of C. Ex, Cus & S.T., Nagpur -II** [2022 (60) G.S.T.L. 216 (Bom.)], the Hon'ble Bombay High Court, held that employee transportation/ rent-a-cab services for commuting constitute a personal convenience and are ineligible for credit post-01.04.2011. **The judgment was affirmed by the Hon'ble Supreme Court** [2022 (64) G.S.T.L. 257 (S.C.)]. Hence even if an employer incurs the cost, services like outdoor catering, health/life insurance, clubs, and travel benefits are excluded if they are used primarily for personal use or consumption of any employee. **In fine the**

amendment effective from 01.04.2011 marked a decisive narrowing of the definition of "input service" under Rule 2(l) of the CENVAT Credit Rules, 2004. Therefore, for the post-01.04.2011 period, admissibility of credit must be tested in three stages: first, whether the service falls within the main part of the definition; second, whether it is covered by the inclusive part; and third, whether it is barred by any exclusion.

8. **From 01.07.2012**, the exclusions retained the restricted post-01.04.2011 approach but were recast to align with the negative-list regime, replacing references to section 65(105) with descriptive categories such as works contract, construction, motor vehicle renting, insurance, servicing, repair and maintenance.

9. We proceed to examine the detailed order passed by the Ld. Principal Commissioner of Service Tax,

<u>Eligibility of impugned input service prior to 01.04.2011.</u>

10. We have perused the Orders and judgments cited by the Appellant titled 'Exhibit A' submitted along with the written synopsis during the public hearing. The periods for which the judgments apply are not clearly discernable. The amendment to Rule 2(l) of the CENVAT Credit Rules, 2004 with effect from 01.04.2011 assumes significance in examining the eligibility of the disputed input services, due to the major changes made. While at this distant date credit availed on cleaning service; club / association Service; convention service; event management service; general insurance service; health and fitness service; insurance auxiliary service; mandap keeper service; outdoor catering service; rent a cab service and tour operator **<u>service availed prior to 01.04.2011 merits be considered favourably under the</u>**

<u>wider definition of "input service"</u>, and judgments cited, its eligibility for the post 01.04.2011 period when there was a narrowing of the definition requires separate examination, as done below.

<u>Eligibility of impugned input service post 01.04.2011.</u>

11. Post 01.04.2011, after the narrowing of the definition of "input service", Rule 2(l) requires a more proximate and integral nexus between the input service and the taxable output service. One of the test is of dependence, namely, whether the output service is dependent upon or materially facilitated by the impugned input service. **Mere commercial expediency, business necessity, or the fact that the expenditure forms part of the cost of business is insufficient.** It is for the Appellant to discharge the onus of demonstrating that the services being used as input services in relation to their output service. Further as stated by the Hon'ble Supreme court in **Secunderabad Club Vs CIT** [Civil Appeal Nos. 5195-5201 of 2012 Dated: August 17, 2023]

> "14. . . . According to the well-settled theory of precedents, every decision contains three basic ingredients:
>
> (i) findings of material facts, direct and inferential. An inferential finding of fact is the inference which the Judge draws from the direct or perceptible facts;
> **<u>(ii) statements of the principles of law applicable to the legal problems disclosed by the facts</u>**; and
>
> (iii) judgment based on the combined effect of (i) and (ii) above.
>
> For the purposes of the parties themselves and their privies, ingredient (iii) is the material element in the decision, for, it determines finally their rights and liabilities in relation to the subject-matter of the action. It is the judgment that estops the parties from reopening the dispute. **<u>However, for the purpose of the doctrine of precedent, ingredient (ii) is the vital element in the decision. This is the ratio decidendi.</u>** It is not everything said by a judge when giving a judgment that constitutes a precedent. The only thing in a judge's decision binding a party is the principle upon which

> the case is decided and for this reason it is important to analyse a decision and isolate from it the ratio decidendi.”
> (emphasis added)

Cleaning Service

11.1 Services such as housekeeping, pest control, hygiene care and cleaning of sofa, chairs and carpets within office premises are part of housekeeping and maintenance of business premises and not personal in nature. The Appellant has relied upon the judgments in the case of Brakes India Ltd - 2019(369) E.L.T. 577 (Mad.); Wipro Ltd – 2018 (10) GSTL 172 (Mad.) and Rane TRW Steering Systems -2015 (39) STR 13 (Mad.). The same is hence an eligible input.

11.2 Club/Association Service

Expenses towards complimentary benefits to high-end card holders, fitness club membership for employees, corporate club memberships and association memberships to similar social clubs do not automatically satisfy the post-01.04.2011 definition of input service. Hence, the credit availed under this head is inadmissible. The judgments cited by the Appellant in the table at Exhibit A, regarding the service, has not been provided. The judgments provided in M/s Asian Paints – 2025 (12) TMI 1667 – CESTAT ALLAHABAD, pertains to a specialized trade club meant for enhancing the knowledge and technology to improve the quality of the final product. In Hero Motor Corp – 2024 (11) TMI 607 – CESTAT CHANDIGARH, there is no discussion on the principle involved. In the case of Reliance Industries – 2016 (45) STR 383 (Tri-Mumbai), the club service relates to business meetings and are hence distinguished.

11.3 General Insurance Services

Insurance premium paid for complimentary insurance provided to cardholders against risks such as fraudulent transactions and card theft is integrally connected with credit card services and qualifies as an eligible input service.

11.4 Convention Services

The convention services are claimed as part of business strategy or sales promotion. The credit is hence admissible, in the light of the judgments cited by them.

11.5 Event Management Service

The events described as being related to contact points, management training and conferences are held in the impugned order to be largely administrative or employee-oriented in nature. The credit is hence admissible, in the light of the judgments cited by them.

11.6 Health and Fitness Service

The service is availed as an employee welfare measure and no evidence has been produced to show that it is used for providing output service. For the period after 01.04.2011, services primarily used for personal consumption of employees stand excluded from the definition of input service. The credit is therefore inadmissible and recoverable. The judgment in DBOI Global – 2019 (20) GSTL 351 (Bom.), relates to the pre 01.04.2011 period. The judgment Reliance Industries – 2016 (45) STR 383 (Tri-Mumbai), does not state any principle involved.

11.7 Outdoor Catering Services

The outdoor catering service is extended to employees and falls within services primarily meant for personal use or consumption of employees. The Hon’ble Supreme Court in **Toyota Kirloskar Motor**

Pvt. Ltd. (supra), upheld the denial of CENVAT credit on outdoor catering, post 01.04.2011. Accordingly, the credit availed on outdoor catering service is inadmissible.

11.8 Rent-a-Cab Service

The assessee has failed to produce evidence to the Original Authority to establish that the rent-a-cab services were used prior to 01.04.2011. As held by the Hon'ble Bombay High Court in **Solar Industries India** (supra), and affirmed by the Hon'ble Supreme Court, employee transportation/rent-a-cab services are for personal convenience and are ineligible for CENVAT credit with effect from 01.04.2011.

11.9 Tour Operator Service

The service is extended to employees and is not shown to have been used for provision of output service as in the case of Rent-a-Cab Service. It therefore does not qualify as an eligible input service under the CENVAT Credit Rules. The credit is inadmissible.

11.10 Insurance Auxiliary Service

The portion of credit related to employees for their personal use, which is specifically excluded from the definition service, is rightly disallowed. The judgment cited by the Appellant in the case of Milestone Preservatives [2023 (71) GSTL 188 (Tri.-Ahmd) and Lipi Data [2014 (34) STR 246 (Tri.-Del), do not disclose the period to which the order relates relates and hence cannot be followed as a precedent.

11.11 Mandap Keeper Service

The Mandap Keeper Service is claimed as part of sales promotion activity. The credit is hence admissible, in the light of the judgments cited by them.

12. Time Bar

As regards the question of time bar, the impugned order has held that in a self-assessment regime, the burden is on the assessee to correctly assess eligibility, disclose material facts in statutory returns and furnish necessary details for scrutiny. The assessee, despite being registered and put to notice on credit eligibility, continued to avail disputed credits and delayed furnishing relevant information. This conduct amounts to suppression of facts with intent to evade payment. We find that the expression "input service" has been the subject of extensive litigation, with courts and tribunals examining the eligibility of various services based on their nexus with manufacture or output service, as has also been tabulated by the Appellant in 'Exhibit A' of his written submissions. The issue has consistently depended on the nature of the service, the relevant period, the language of Rule 2(l), and the prevailing judicial interpretation. Board circulars issued from time to time further reflect that the scope of eligible input services required administrative clarification. The dispute is, therefore, essentially interpretational. The numerous judicial decisions and Board circulars on the subject of input service credit establish that the issue involved a bona fide interpretation of Rule 2(l) of the CENVAT Credit Rules, 2004. In the absence of positive evidence of suppression, fraud, wilful misstatement or intent to evade duty, the extended period of limitation and penal provisions cannot be invoked. Further it is well settled that "suppression of facts" for invoking the extended period does not include every omission, non-disclosure, or erroneous understanding of law. As held by the Supreme Court in **CCE Vs Chemphar Drugs and Liniments** [(1989) 2 SCC 127]; **Cosmic Dye Chemical Vs CCE**

[(1995) 6 SCC 117]; **Pushpam Pharmaceuticals Company Vs Collector of Central Excise** [1995 (78) ELT 401], and **Uniworth Textiles Ltd. Vs Commissioner of Central Excise, Raipur** [2013 (288) ELT 161 (SC)], suppression or misstatement must be wilful and deliberate, with intent to evade duty; mere omission or failure to disclose, without such intent, is insufficient. Revenue has hence not established a case for invoking the extended period of limitation. The demand has to be limited to the normal period. In the circumstance no penalties are imposable.

13. Interest

The Appellant submits that no interest is leviable under Rule 14 of the CCR, 2004, read with Section 75 of the Act, because the monthly closing Cenvat credit balance was consistently higher than the demanded amount. We find that prior to April 2012, Rule 14 used the expression "taken or utilized wrongly", leading to disputes on whether mere availment attracted interest. To remove this anomaly, **Notification No. 18/2012-CE (N.T.), dated: 17.03.2012**, substituted "or" with "and" ("taken **and** utilized wrongly"), stating that interest is payable only where wrongly availed credit is also utilized. [See: **CCE & ST Vs Bill Forge Pvt. Ltd.** - 2012 (26) S.T.R. 204 (Kar.); **CCE Vs Maruti Udyog Ltd.** - 2007 (214) E.L.T. 173 (P&H) and **Union of India Vs Ind-Swift Laboratories Ltd.** - 2011 (265) E.L.T. 3 (S.C.)]. Hence no interest is payable where the Cenvat credit balance was consistently higher than the demanded amount. This claim of the Appellant however requires verification with the factual position.

14. <u>Penalty</u>

The Appellant further submits that penalty under Sections 76 and 77 of the Act should not be levied, as the CENVAT credit in question has not been utilized. We agree. Since the dispute involves interpretational issues and the demand has been limited to the normal period, no case for imposition of penalties has been made out.

Conclusion

15. Having regard to the discussions above we set aside the impugned order and remand the matter back to the Original Authority only for re-quantifying the demand as stated above and by limiting it to the normal period. The levy of interest has been addressed by us above and will be payable after verification only if the credit has been taken **and** utilized wrongly as evidence by the net Cenvat credit balance falling below the demanded amount as reflected in the ST3 Return pertaining to the disputed period. Penalties are set aside. The lower authority shall furnish the worksheet to the Appellant, follow the principles of natural justice and afford a reasonable and time bound opportunity to the Appellant to state its case both orally and in writing if it so wishes, before issuing a speaking order in the matter. The appellant should also co-operate with the adjudicating authority in completing the process expeditiously and in any case within ninety days of receipt of this order. The appellant is eligible for consequential relief, if any, as per law. The appeals are disposed of accordingly.

(Order pronounced in open court on 22.07.2026)

Sd/-
(**AJAYAN T.V.**)
Member (Judicial)

Sd/-
(**M. AJIT KUMAR**)
Member (Technical)

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