CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
CHANDIGARH
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REGIONAL BENCH – COURT NO. 1

Appeal No.E/60394-60395/2021-Ex

[Arising out of OIO No.LUD-EXCUS-000-COM-004-21-22 dated 15.6.2021 passed by the Commissioner of CGST, Rishi Nagar, Ludhiana]

M/s.Makhan Lal Vinod Kumar **Appellant (s)**
(166, Sector 20-B, Motia Khan, Mandi Gobindgarh)

M/s.Ranjeev Steel Pvt.Ltd.
(Amloh Road, Mandi Gobindgarh)

Vs

Commissioner of CE & CGST ,Ludhiana **:Respondent (s)**
(Rishi Nagar, Ludhiana)

APPEARANCE:
Shri Naveen Bindal, Advocate for the Appellants
Ms.Jaspreet Kaur, Authorised Representative for the Respondent

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

Date of Hearing/Decision:01.11.2021

FINAL ORDER No.60949-60950/2021

***Per :*Ashok Jindal**

The appellants are in appeal against the impugned order wherein the credit has been denied to M/s. Ranjeev Steel Pvt.Ltd. on the basis of statement of M/s.Makhan Lal Vinod Kumar, a dealer and suppler. The penalties have been imposed on both the appellants.

2. The facts of the case are during the course of investigation of M/s.Makhan Lal Vinod Kumar, it was alleged that the firm was engaged in passing of Cenvat credit fraudulently to various manufacturing units on the strength of their cenvatable invoices, it
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was mere paper transactions. On the basis of the statement, a case has been made out and a show cause notice has been issued to both the appellants to deny Cenvat credit and to impose penalty on both the appellants. Initially the credit was denied, the matter came up before this Tribunal, and this Tribunal remanded the matter back for cross examination of the suppliers and thereafter passed an order on merits. In remand proceedings, cross examination was denied. That order was challenged before the Tribunal and this Tribunal directed that the cross examination is necessary to decide the issue in question. Thereafter, cross examination was granted and after cross examination, the impugned order was passed, wherein the credit has been denied and penalties were imposed on both the appellants. Against the said order, the appellants are before me.

3. Ld. Counsel for the appellants submit that if no statement of M/s. Ranjeev Steel Alloys Pvt.Ltd. has been recorded and further in cross examination of Shri Vinod Kumar Guptra, partner of the supplier firm it was specifically asked whether the goods were supplied to M/s. Ranjeev Steel Alloys or not? It was his admission and it was admitted by Shri Vinod Kumar Guptra that they have supplied the goods toM/s.Ranjeev Steel Pvt.Ltd. In that circumstance, merely on the basis of statement of supplier, credit cannot be denied. Therefore, he prayed that the penalty on both the appellant is not imposable.

4. On the other hand, ld.AR admitted that no statement of M/s.Ranjeev Steel Alloys was recorded to allege that they have not received goods. Further, it his submission that the issue of cross

examination elaborately examined in para 15.8 of the impugned order, therefore the credit cannot be allowed.

5. Heard the parties and considered the submissions.

6. It is a fact on record that no statement has been recorded to allege that the appellant No.1 had not received the goods. No investigation was conducted against M/s. Ranjeev Steel to ascertain that if the goods were not supplied by Makhan Lal Vinod Kumar then from where the goods wer procured which were used in the manufacture of final products cleared on payment of duty. Further, during the course of examination, Shri Vinod Kumar Guptra, partner, it has been admitted that they have supplied the goods to the appellant M/s.Ranjeev Steel Pvt.Ltd. In that circumstance, the case of the Revenue is not sustainable without supporting documents. In that circumstance, the credit cannot be denied to M/s.Ranjeev Steel Pvt.Ltd. Therefore, the impugned order is set aside by way of allowing the credit to M/s.Ranjeev Steel Pvt.Ltd. and no penalty is imposable on both the appellants.

(dictated &Pronounced in the open Court)

(Ashok Jindal)
Member (Judicial)

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