

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

REGIONAL BENCH - COURT NO. I

Excise Appeal No. 51083 of 2015

[Arising out of Order-in-Appeal 08/CE/APPEAL-II/DELHI/2014 dated 22.12.2014 passed by the Commissioner (Appeals), Central Excise, Gurgaon]

M/s Grandmaastters Mould Ltd.
Plot No. 116, Sector-6, IMT Manesar,
Gurgaon, Haryana-122052

.....Appellant

VERSUS

**Commissioner of Central Excise,
Gurgaon**
Plot No. 36-37, Sector-32, Gurgaon,
Haryana-122001

.....Respondent

APPEARANCE:

Shri B.L. Yadav, Consultant for the Appellant

Shri Kanish Saini, Authorized Representative for the Respondent

CORAM: HON'BLE MR. S. S. GARG, MEMBER (JUDICIAL)

HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)

FINAL ORDER NO. 61727/2025

DATE OF HEARING: 25.11.2025

DATE OF DECISION: 28.11.2025

P. ANJANI KUMAR :

The appellant, M/s Grandmaster Mould Ltd., filed this appeal against the impugned order dated 22.12.2014 vide which it was held that the appellants were clearing their goods to another related person having common Director and therefore, the goods were liable to be valued under Rule 8 of Central Excise Valuation

Rules, 2000 and the value need to be arrived on the basis of CAS-4; a show cause notice, dated 08.08.2013, was issued to the appellants covering the period 2007-08 to 2011-12, demanding differential duty of 3,73,830; Deputy Commissioner was ordered dated 23.12.2013 confirmed the duty demand along with interest and imposed a penalty of Rs. 1,86,915; the said order was upheld where impugned order. Hence, this appeal.

2. Shri B L Yadav, Learned Consultant for the appellants, submit that the buyer was not related; they are independent companies; just because the Director is common they cannot be said to be related persons; it is not the case of the department that the price at which they are selling the goods to the said related person is less than the price at which they sell to independent buyers; it is also not the case of the department that the buyer is a holding company or a subsidiary company of the appellants; no flowback of money is either alleged or proved; the OIO and the OIA were passed without proper appreciation of the facts and the submissions of the appellants; the Show Cause Notice was issued on the basis of an audit report and therefore, extended period cannot be invoked and penalty cannot be imposed. He relies on the following cases:

- Goodyear South Asia Tyres Pvt. Ltd. 2015 (322) E.L.T. 389 (S.C.)
- Bilag Industries Pvt. Ltd. 2023 (384) E.L.T. 494 (S.C.) / (2023) 4 Centax 362 (S.C.)
- EWAC Alloys Ltd. (2023) 4 Centax 183 (Tri.-Bom.)
- Motorola Speciality Oils Ltd. 2009(243) E.L.T. 499 (Tri.-Ahmd.)
- Super Forgings & Steel Ltd. 2007 (208) E.L.T. 153 (Tri.-Kolkata)
- Lanco Industries Ltd. 2010 (255) E.L.T. 275 (Tri.-Bang.)
- Ramsons Casting Pvt. Ltd. 2017 (357) E.L.T. 431 (Tri.- Mumbai)

3. Shri Kanish Saini, Learned Authorized Representative, for the revenue reiterates the findings of the impugned order and submits that it has been clearly brought out in the impugned order that all the directors are common though the Show Cause Notice it was mentioned as "Common Director" instead of "Common Directors"; as all the directors are common the two companies are related in view of the Supreme Court judgement in the case of ITEC (P.) Ltd. 2002 (145) E.L.T. 280 (SC). At this juncture learned counsel for the appellant submits that they cannot go beyond the Show Cause Notice.

4. Heard both sides and perused the records of the case. We find that revenue has issued the Show Cause Notice, covering a period 2007-08 to 2011-12, on 08.08.2013, clearly after the stipulated period of 01 year. Revenue seeks to invoke in extended period stating that the noticee did not disclose the facts to the department with an intention to evade duty. However, we find that the intent to evade payment of duty is not established. Moreover, we find that there is merit in the argument of the learned counsel for the appellants that even if duty is paid in excess, the same will be available as CENVAT Credit to their clients; therefore, there is no reason to have an intent to evade payment of duty. We find that the Show Cause Notice has been issued consequent upon the conduct of the audit by the internal audit team of the Commissionerate. We understand that audit was conducted as the appellants were regular assessee filing returns and making payment of duty. We find that in a number of cases this bench and other benches of the Tribunal have held that extended period cannot be invoked in cases where Show Cause Notice has been issued on the basis of audit. Therefore, we find that the appeal succeeds on the issue of limitation itself. As the issue succeeds on limitation alone we do not find it is required to go into the merits of the case.

5. In view of the above, the appeal is allowed.

(Order pronounced in the open court on 28.11.2025)

(S. S. GARG)
MEMBER (JUDICIAL)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)

PK