

**Customs, Excise & Service Tax Appellate Tribunal**  
SCO 147-148, SECTOR-17-C, CHANDIGARH-160017

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Application No. E/Misc/60245/2018

Appeal No. E/60283,60286, 60734/2018,

| Sr. No | Case No          | Impugned Order Detail's         | Date of Impugned Order | Passed By                               | Appellant             | Respondent             |
|--------|------------------|---------------------------------|------------------------|-----------------------------------------|-----------------------|------------------------|
| 1      | E/60283/2018-SMC | OIA-LUD-EXCUS-001-APP-124-18    | 19/01/2018             | Commissioner of Central Excise-LUDHIANA | Taksus Steels Pvt Ltd | C.C.E. & S.T.-Ludhiana |
| 2      | E/60286/2018-SMC | OIA-LUD-EXCUS-001-APP-010-17-18 | 08/01/2018             | Commissioner of Central Excise-LUDHIANA | Taksus Steels Pvt Ltd | C.C.E. & S.T.-Ludhiana |
| 3      | E/60734/2018-SMC | OIA-LUD-EXCUS-001-APP-264-18    | 13/02/2018             | Commissioner of Central Excise-LUDHIANA | Sh Mohinder Gupta     | C.C.E. & S.T.-Ludhiana |

**Represented by:**

For Appellant (s) : None

For Respondent (s): Shri H. Singh, AR

**CORAM :**

**Mr. Ashok Jindal, Hon'ble Member (Judicial)**

Date of Hearing/Decision: 13.12.2018

**ORDER No. A/63576-63578 / 2018**

**Per : Mr. Ashok Jindal**

The appellants are in appeals against the impugned orders wherein the cenvat credit on inputs received by them has been denied on the ground that the vehicles used for transportation of the goods are not capable of transportation of the goods.

2. As the issue involved in all the appeals is common, therefore, all the appeals are taken up together for disposal by a common order.

3. Apart from the appeal Shri Mohinder Gupta has also filed a miscellaneous application for praying for taking additional grounds in support of their defence. The facts of the case are that the appellants procured inputs from the main manufacturer M/s Tata Iron & Steel Co. Ltd through their registered dealer located in Mandi Gobindgarh for

manufacture of their final products. The goods received by them duly entered in their statutory records and were using for manufacturing final product which were cleared on payment of duty. An intelligence was gathered by the Revenue that the vehicle number used for transportation of the goods are fake, therefore, investigation was conducted and it was found that number of vehicles mentioned in the invoices issued to the appellants are not capable of transportation of goods as these vehicles registration numbers are of two wheelers/light motor vehicles. Therefore, it was alleged that the appellants have not received the inputs consequently they are not entitled to credit on the said inputs. The show cause notices were issued which were adjudicated and demand of duty was confirmed alongwith interest and penalties on the appellants were also imposed. Against the said orders, the appellants are before me.

5. Heard the Ld. AR for the Revenue.

6. In find that on similar facts the issue has been dealt by this Tribunal in the case of ***Naba Steels Pvt Ltd. Vs. CCE & ST- Ludhiana vide final order No. A/63422-63433/2018 dated 16.11.2018*** wherein this Tribunal observed as under:-

5. Considering the fact that in this case, the credit sought to be denied to manufacturer-buyers solely on the ground that the vehicle number mentioned in the invoices are not capable of transportation of the goods. To counter this allegation, the appellants have produced newspaper cuttings and police report to show that during that period, the transporters were using the fake 4 vehicle numbers to avoid toll tax, road tax, and other local tax and that issue was taken with police as well as transport authority. These facts are not in dispute in adjudication order itself by the adjudicating authority as mentioned that there were almost

500 vehicles involved in such type of activity but the adjudicating authority has not examined whether all 500 vehicles involved in such activity, therefore, the benefit of doubt goes in favour of the appellants who are able to show that these goods have been properly recorded in the stock and after manufacturing the goods, they have cleared the same on payment of duty. When these facts are not disputed, therefore, the credit to the manufacturer-buyer on the goods in question cannot be denied. In that circumstance, the credit is allowed to the appellants, consequently, no penalty is imposable on the appellants.

Therefore, following the precedent decision of this Tribunal on the identical investigation in the case of ***Naba Steels Pvt Ltd. (supra)***, I hold that the cenvat credit cannot be denied on the mere allegation that the vehicles in question are not capable of transportation of goods. Therefore, I set-aside the impugned orders and allow the appeals filed by the appellants with consequential relief, if any. The Miscellaneous Application is also disposed off.

*(Dictated & pronounced in the Court)*

**(Ashok Jindal)**  
Member (Judicial)

G.Y.