IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL,

WEST BLOCK NO.2, R.K. PURAM, NEW DELHI-110066

BENCH-SM

COURT –IV

Excise Appeal No.E/3871/2012 [SM]

[Arising out of Order-in-Appeal No.123 (RDN)CE/JPR-I/2012 dated 10/12.09.2012 passed by the Commissioner (Appeals), Central Excise, Jaipur]

M/s.Balkrishna Industries Ltd. …Appellant

Vs.

C.C.E., Jaipur … Respondent

Present for the Appellant : Mr.Sukriti Das, Advocate
Present for the Respondent: Mr.K. Poddar, D.R.

Coram: HON'BLE MR. S.K. MOHANTY, MEMBER (JUDICIAL)

Date of Hearing/Decision: 12/10/2017

FINAL ORDER NO. 57386/2017

PER: S.K. MOHANTY

Heard both sides.

2. Demand of interest for delayed reversal of Cenvat Credit is the subject matter of present dispute. In this case, the appellant had availed Cenvat Credit of Central Excise Duty paid on GP Sheet, considering the same as capital goods. However, on pointing out the mistake by the Department, the said credit was reversed from the capital goods account and re-credited in the input account.

3. It is not the case of Revenue that disputed credit availed by the appellant was utilized for payment of Central Excise

duty on the removal of excisable goods from the factory. Thus, in such eventuality, taking of credit should be considered as mere book entry and in absence of its utilization, it cannot be said that the Revenue is deprived of its claim within the stipulated time. Since, interest is compensatory in character and in this case, there is no question of compensating the Revenue in any manner, in absence of any delay, there is no question of payment of any interest amount as held by the authorities below.

4. Therefore, the impugned order passed by the ld. Commissioner (Appeals) in upholding the adjudged interest liability is set aside and the appeal is allowed in favour of the appellant.

[Dictated and pronounced in the Open Court]

(S.K. MOHANTY)
MEMBER (JUDICIAL)

Anita