

**IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
EASTERN ZONAL BENCH : KOLKATA
REGIONAL BENCH – COURT NO. 1
E/CROSS/77316/2018**

Excise Appeal No. 78090 of 2018

(Arising out of Order-in-Appeal No.213/JSR/2018 dated 02.05.2018 passed by
Commissioner of CGST & Central Excise, Jamshedpur)

Commissioner of CGST & C.Ex, Ranchi, : **Appellant**
2nd & 3rd Floor, Grand Emareld, Ashok Nagar, Ranchi-
834002.

VERSUS

M/s. JMT Auto Ltd. : **Respondent**
Unit-I, A-20 Phase-I Industrial Area Adityapur Saraikela
Kharsawan Jamshedpur, Jharkhand-832109.

APPEARANCE:

Ms. Suman, Authorized Representative for the Appellant

None for the Respondent

CORAM:

HON'BLE SHRI ASHOK JINDAL, MEMBER (JUDICIAL)
HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO. 77866/ 2025

DATE OF HEARING :02.12.2025

Order : [Per Shri Ashok Jindal]

Revenue is in appeal against the impugned order wherein both authorities below has dropped the proceedings against the Respondent.

2. The facts of the case are that the Respondent is a manufacturer of part and accessories of motor vehicles namely MVPA, Transmission gears, Engineering components and excavator parts. The appellants were clearing the goods during the period June, 2004 to 2007-08 on the basis of job work challan. During the period 2004—2007-08 the Respondent cleared goods to the sister unit on job work challan on payment of duty and later on the

said goods were sold by the sister unit in open market on payment of duty. The Respondent was clearing goods from June, 2004 to March, 2008 to other units under job work challans without payment of Central Excise duty in terms of Rule 4(5) (a) of CENVAT Credit Rules, 2004 and a part from clearance of used goods from unit 2 to unit 1 on payment of duty under provision of Rule 9 of the Valuation Rules for onwards sale on the buyers without any further process of activity. As the Respondent was clearing the goods to the sister unit the Revenue was of the view that Respondent has to pay duty in terms of Rule 8 of the Valuation Rules.

3. In view of this several Show Cause Notice were issued to the Respondent which were adjudicated by the authorities below holding that as from June, 2004 to March, 2008 the Respondent was clearing goods on job work challan and paying duty in terms of Rule 9 of Valuation Rules therefore, demand is not sustainable and for the period 2008-09 the AD (COST) was appointed who found that no short payment was made by the Respondent in terms of Rule 8 of the Valuation Rules and for the remaining period the Respondent was paying duty as per CAS-4 and it was found that no short duty was paid by the Respondent in terms of Rule 8 of the Valuation Rules.

4. Against the said order Revenue is before us on the ground that the CAS-4 submitted by the AD (COST) is not reliable. We have gone through the papers placed before us. We found that it is a fact on record that till March 2008 the Respondent was clearing goods under Rule 4(5)(a) of CENVAT CREDIT Rules and paying duty in terms of Rules 9 of the Valuation Rules. For that period we do not find

any infirmity in the impugned order. For the remaining period AD(COST) was appointed who has examined the document and found that duty paid by the Respondent in terms of CAS -4 and which is not short payment in terms of Rule 8 of the Valuation Rules, 2004. Admittedly, the duty has not short paid by the Respondent in terms of Rule 8 of the Valuation Rules. In that circumstances, the allegation made in the Show Cause Notice does not survive.

5. In view of that we do not find any merit in the appeal filed by the Revenue. Accordingly, the same is dismissed. Cross Objection filed by the Respondent are also disposed off in the above terms.

(Dictated and pronounced in the open court)

(ASHOK JINDAL)
MEMBER (JUDICIAL)

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)