IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
EASTERN ZONAL BENCH: KOLKATA

REGIONAL BENCH – COURT NO. 1

Excise Appeal No. 75845 of 2017

(Arising out of Order-in-Original No. 16/COMMR/BOL/2017 dated 31.01.2017 passed by the Commissioner of Central Excise and Service Tax, Bolpur Commissionerate, Nanoor Chandidas Road, Sian, Bolpur, Dist: Birbhum, West Bengal, PIN – 731 204)

M/s. Chhabra Ispat Private Limited **: Appellant**
Nakrajora, P.S.: Salanpur, P.O.: Burdwan,
West Bengal, PIN – 713 357

VERSUS

Commissioner of Central Excise and Service Tax **: Respondent**
Bolpur Commissionerate,
Nanoor Chandidas Road, Sian, Bolpur, District: Birbhum,
West Bengal, PIN – 731 204

WITH

Excise Appeal No. 75846 of 2017

(Arising out of Order-in-Original No. 16/COMMR/BOL/2017 dated 31.01.2017 passed by the Commissioner of Central Excise and Service Tax, Bolpur Commissionerate, Nanoor Chandidas Road, Sian, Bolpur, Dist: Birbhum, West Bengal, PIN – 731 204)

Shri Saurav Jain, Director, **: Appellant**
M/s. Chhabra Ispat Private Limited
Nakrajora, P.S.: Salanpur, P.O.: Burdwan,
West Bengal, PIN – 713 357

VERSUS

Commissioner of Central Excise and Service Tax **: Respondent**
Bolpur Commissionerate,
Nanoor Chandidas Road, Sian, Bolpur, District: Birbhum,
West Bengal, PIN – 731 204

AND

Excise Appeal No. 75847 of 2017

(Arising out of Order-in-Original No. 16/COMMR/BOL/2017 dated 31.01.2017 passed by the Commissioner of Central Excise and Service Tax, Bolpur Commissionerate, Nanoor Chandidas Road, Sian, Bolpur, Dist: Birbhum, West Bengal, PIN – 731 204)

Shri Ravi Jain, Authorized Signatory, **: Appellant**
M/s. Chhabra Ispat Private Limited
Nakrajora, P.S.: Salanpur, P.O.: Burdwan,
West Bengal, PIN – 713 357

VERSUS

Commissioner of Central Excise and Service Tax **: Respondent**
Bolpur Commissionerate,
Nanoor Chandidas Road, Sian, Bolpur, District: Birbhum,
West Bengal, PIN – 731 204

APPEARANCE:

Shri N.K. Chowdhury, Advocate,
For the Appellant(s)

Shri B.K. Singh, Authorized Representative,
For the Respondent

CORAM:

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

FINAL ORDER NOs. 75286-75288 / 2026

DATE OF HEARING: 19.02.2026

DATE OF DECISION: 24.02.2026

ORDER: [PER SHRI ASHOK JINDAL]

The main appellant in this appeal, namely, M/s. Chhabra Ispat Private Limited, is against the demand of central excise duty, along with interest. The appellants have also challenged the imposition of penalty on all the appellants.

2. The facts of the case are that the appellant-company is a manufacturer of M.S. Billets and paying central excise duty on their clearances. The appellant-company were filing their E.R.-1 Returns and as per the prescribed procedure, they were also regular in filing of E.R.-4 Returns, i.e., all the Returns were being filed in time.

3. On 10th March, 2015, investigation was started, during which verification of the E.R.-1 and E.R.-4 Returns filed by the appellant for the periods 2010-11, 2012-13 and 2013-14 was conducted. On the basis of such verification, it was alleged that there was huge difference in the figures shown in the E.R.-1 and E.R.-4 Returns, as filed during the material period. On the basis of this huge difference in figures, explanation was sought from the appellants, to which the appellants replied.

4. A Show Cause Notice dated 10.09.2015 was issued to the appellants, to demand central excise duty on the basis of differences observed between the figures shown in the E.R.-1 and E.R.-4 Returns filed for the periods 2010-11, 2012-13 and 2013-14, along with interest and penalties, by invoking the extended period of limitation.

4.1. The matter was adjudicated and, by way of the impugned order, the demand of duty, along with interest, was confirmed; penalties were imposed on all the appellants.

4.2. Aggrieved from the said order, the appellants are before us.

5. The Ld. Counsel appearing on behalf of the appellants submitted that the clearances were shown by the appellant-company in their E.R.-1 Returns, on which they have paid duty, which are the actual 'sales'. He submits that E.R.-4 Returns reflect the average cost computed from the software, which has nothing to do with the clearances in question; that the appellant-company, in terms of Section 4(3)(d) of the Central Excise Act, 1944, is required to pay duty on the transaction value; there is no allegation against the appellants that they have received any amount over and above that shown in their transaction value and E.R.-1 Returns. In these set of facts, he contends that the demand confirmed against the appellants is on the basis of assumptions and presumptions.

5.1. Further, it is contended that the whole of the demand is barred by limitation. It is submitted by the Ld. Counsel for the appellants that the fact of filing of the E.R.-1 and E.R.-4 Returns was well within the knowledge of the Department and therefore, the extended period of limitation cannot be invoked in this case.

6. On the other hand, the Ld. Authorized Representative of the Revenue supported the impugned order.

7. Heard the parties and considered their submissions.

8. We find that in this case, it is a fact on record that the appellant was filing their E.R.-1 and E.R.-4 Returns regularly, in time. The demand raised in this case is based only on the basis of the figures available in the E.R.-1 Returns and E.R.-4 Returns filed by the appellants. E.R.-4 Returns are nothing but average financial statements of the appellant-company, on the basis of which the demand cannot be raised, without supporting evidence. Admittedly, the Returns were filed within time and the impugned Show Cause Notice has been issued by invoking the extended period of limitation. In these circumstances, we are of the view that the extended period of limitation cannot be invoked in this case as the figures shown by the appellants in their E.R.-1 and E.R.-4 Returns, filed in time, were well within the knowledge of the Revenue. Therefore, we hold that the demand raised in the Show Cause Notice by invocation of extended period of limitation is not sustainable. In view of that, we set aside the impugned order, on the ground of limitation.

9. Consequently, neither is the demand sustainable nor are penalties imposable.

10. In the result, all the appeals are allowed, by setting aside the impugned order.

(Order pronounced in the open court on **24.02.2026**)

Sd/-

(ASHOK JINDAL)
MEMBER (JUDICIAL)

Sd/-

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

Sdd