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

REGIONAL BENCH – COURT NO. 1

**Excise Appeal No. 76993 of 2018**

(Arising out of Order-in-Original No. 42/Central Excise/Pr. Commr/2018 dated 20.03.2018 passed by the Commissioner of Central Goods & Service Tax & Central Excise Central Revenue Building, 5A, Main Road, Ranchi-834001)

**M/s. Steel Authority of India Limited,** **: Appellant**
Bokaro Steel Plant, Administrative Building,
Ispat Bhawan, Bokaro Steel City,
Bokaro -827001 (Jharkhand)

**VERSUS**

**The Principal Commissioner of Central Goods & Service Tax & Central Excise, Ranchi** **: Respondent**
Central Revenue Building, 5A, Main Road, Ranchi-834001

**AND**

**Excise Appeal No. 79795 of 2018**

(Arising out of Order-in-Original No. 42/Central Excise/Pr. Commr/2018 dated 20.03.2018 passed by the Commissioner of Central Goods & Service Tax & Central Excise Central Revenue Building, 5A, Main Road, Ranchi-834001)

**The Principal Commissioner of Central Goods & Service Tax & Central Excise, Ranchi** **: Appellant**
Central Revenue Building, 5A, Main Road, Ranchi-834001

**VERSUS**

**M/s. Steel Authority of India Limited,** **: Respondent**
Bokaro Steel Plant, Administrative Building,
Ispat Bhawan, Bokaro Steel City,
Bokaro -827001 (Jharkhand)

**APPEARANCE:**

Shri Deepro Sen, Advocate, for the Assessees

Shri S. Dutta, Authorized Representative for the Revenue

**CORAM:**

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

**FINAL ORDER NOs.75961-75962/2026**

DATE OF HEARING / DECISION: 29.07.2026

**ORDER: [PER SHRI ASHOK JINDAL]**

The assessee is in appeal against the impugned order wherein a part of the demand has been dropped and a part of the demand has been confirmed, along with interest and imposition of an equivalent of amount of penalty. The Revenue is also in appeal against the impugned order.

2. The facts of the case are that: -

1. M/s. Steel Authority of India Limited, Bokaro Steel Plant (hereinafter referred to as the 'Appellant'), is interalia engaged in the manufacture of various goods of iron and steel falling under Chapters 72 and 73 of the Central Excise Tariff Act, 1985.

2. The Appellant during the relevant period, entered into a joint venture agreement with M/s. Jaiprakash Associated Limited, to form M/s. Bokaro Jaypee Cement Ltd., ('JV') in which the Appellant held 26% stake and M/s. Jaiprakash Limited held the remaining 74% stake. Further, in terms of the agreement, the Appellant agreed to supply granulated slag for manufacture of Portland cement by the JV.

3. Since the Appellant and JV were 'related' persons under Section 4(3)(b) of the Central Excise Act, 1944 being inter-connected undertakings, the Appellant valued the clearances of granulated slag as per Rule 10(b) of the Central Excise Valuation (Determination of Price of Excisable Goods), Rules, 2000) ['Valuation Rules'] wherein it has been stipulated that the value shall be determined under Section 4(1) of the Central Excise Act as if they are not related viz. the transaction value.

4. The Appellant's records were subject to EA-2000 audit, post which a letter dated 10.03.2014 was issued alleging that the Appellant is clearing granulated slag to the JV basis rates which were lower than the rates charged from independent buyers. The Appellant duly replied to the same and submitted that the goods cleared to the JV have been rightly valued under Rule 10(b) of the Valuation Rules.

5. Subsequently, the Department issued the underlying SCN dated 13.04.2016, by invoking extended period of limitation, proposing a demand of Rs. 2,74,43,338/- for the period April 2011 to November 2013, basis the allegation that Rule 10(b) of the Valuation Rules, is applicable only when the goods are solely cleared to inter-connected units. It was alleged that the Appellant cleared the goods to the JV as well as independent buyers during the relevant period, and accordingly Rule 10(b) of the Valuation Rules is inapplicable.

3. On going through the facts of the case and after hearing both the sides, we find that these appeals can be decided by examining as to whether the extended period of limitation was invocable in the facts and circumstances of the case or not.

4. Admittedly, the period involved in this case is from April, 2011 to November, 2013. An EA-2000 Audit took place wherein some deficiency memo was issued to the assessee on 10.03.2014 itself. However, in this case, Show Cause Notice was issued on 13.04.2016 by invoking the extended period of limitation. We find that in such a situation, this Tribunal in the case of *Kirloskar Brothers Ltd. v. Commissioner of C.G.S.T. & C.Ex.,*

*Kolkata [2025 (1) TMI 890- CESTAT Kolkata]* observed as under: -

> *"10. We also find ample force in the appellant's argument that the Show Cause Notice issued on 17.10.2014 for the period 2009-10 to 2012-13. The requisite details have been found from the books of accounts maintained by the appellant, which were made available to the Audit team. Even the proper rectification making entries were put up before them, which was not considered by the Audit team. Being a reputed Public Limited Company, the appellants are required to maintain proper books of accounts as well as rectify the mistakes by passing proper counter entries so as to nullify the same. Since they have undertaken all these steps, we do not find that they have indulged in any activity which would point out to suppression on their part. Hence, we hold that the confirmed demand in respect of the extended period is time barred. We set aside the confirmed demand pertaining to the extended period on account of limitation and allow the appeal even on this ground."*

5. Admittedly, the facts of this case are similar to those in the case of M/s. Kirloskar Brothers Ltd. (Supra). We therefore hold that the extended period of limitation is not invocable in the facts and circumstances of the case. In these circumstances, the impugned proceedings are not sustainable in the eyes of law and accordingly, the impugned demands raised by invoking the extended period of limitation, are set aside.

6. Moreover, we do not find any merit in the appeal filed by the Revenue.

7. In the result, we allow the appeal filed by the assessee and dismiss the appeal filed by the Revenue.

(Dictated and pronounced in the open court)

**(ASHOK JINDAL)**
MEMBER (JUDICIAL)

**(K. ANPAZHAKAN)**
MEMBER (TECHNICAL)

rkp