CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL MUMBAI

REGIONAL BENCH - COURT NO. I

Excise Appeal No. 85253 of 2016

(Arising out of Order-in-Original No. PUN-EXCUS-001-PR-COM-010-15-16 dated 09.11.2015 passed by the Principal Commissioner of Central Excise, Pune-I.)

Krohne Marshall Pvt. Ltd. **.... Appellant**
A-34/35/MIDC Estate H'Block, Pimpri,
Pune-411018.

Versus

Commissioner of Central Excise and Service Tax, Pune-I **.... Respondent**
ICE House, 41-A Sassoon Road,
Opposite Wadia College
Pune- 411 001.

Appearance:

Shri Mehul Jivani, Chartered Accountant for the Appellant

Shri P.K. Acharya, Authorized Representative for the Respondent

CORAM:

HON'BLE MR. S.K. MOHANTY, MEMBER (JUDICIAL)
HON'BLE MR. M.M. PARTHIBAN, MEMBER (TECHNICAL)

FINAL ORDER NO. A/85530/2025

Date of Hearing: 03.04.2025

Date of Decision: 03.04.2025

Per: S.K. MOHANTY

Heard both sides and perused the case records.

2. The appellants herein are engaged in the manufacture of Pressure Reducing Stations, falling under Chapter 84 of the first schedule to the Central Excise Tariff Act, 1985. During the disputed period i.e. November 2009 to October 2014, the appellant had written off/written down the input raw materials in their books of account. The department had initiated show cause proceedings on the grounds that the appellants are required to reverse the Cenvat Credit on the inputs, which were written off/written down in the books of accounts. Further,

the department had also alleged under valuation of spare parts/components manufactured by the appellants. The discount offered by the appellants were not considered for determination of the transaction value, holding that the appellants are liable to pay the Central Excise duty on the list price issued by the appellants.

3. With regard to a reversal of Cenvat Credit on written off/written down of inputs, the appellant did not contest the demand and had also reversed the Cenvat Credit amounting to Rs.2,79,306/- in terms of the provisions of Rule 3 (5B) of the Cenvat Credit Rules, 2004. As regards under valuation of spare parts and components, the said issue has already been decided by the Tribunal vide Final Order No. A/87463/2024 dated 10.12.2024 in the case of M/s. Forbes Marshall Pvt. Ltd. The Tribunal in the said order has held that the discount offered on the list price should be considered for deduction, while arriving at the transaction value. In this regard, the Tribunal has relied upon the orders passed by the learned Commissioner (Appeals), which were not further appealed against by the Revenue.

4. In view of the fact that the discount offered to the buyer by the appellant should not be considered as a part of the transaction value, we are of the considered view that the adjudged demands confirmed on the appellant on such ground cannot be sustained. With regard to written off/written down the value of input is considered, since the appellant has reversed the credit and the said amount was appropriated by the department in the adjudication order, we are not expressed any opinion on such issue and thus, the impugned order confirming the demand on the appellant on such grounds is sustained.

5. The appeal filed by the appellant is disposed of in above terms.

(Order dictated and pronounced in open court)

(S.K. Mohanty)
Member (Judicial)

(M.M. Parthiban)
Member (Technical)

SM