Silkaans Vs. Commissioner of Central Excise

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Apr-16-1999

Reported in : (1999)(112)ELT1024Tri(Mum.)bai

Appellant : Silkaans

Respondent : Commissioner of Central Excise

Judgement :

1. The appellants in this case were manufacturing Rivets of Aluminium, Copper and Mild Steel. Separate show cause notices were issued seeking duty not paid by them as also seeking imposition of penalty for their having manufactured dutiable goods without obtaining a licence or without obtaining the exemption from licensing control. The Collector dropped the demands pertaining to the levy of duty as being unsustainable but imposed a penalty on the present appellants. Against this order the present appeal has filed.

2. I have heard Shri K.P. Chaudhari C.A. for the appellants and Shri V.K. Suman for the Revenue.

3. Rule 174 of the Central Excise Rules, 1944 prescribes for licensing control on manufacturers. Rule 174A exempts those manufacturers who are nominated in a notification issued under that Rule from the operation of Rule 174. It is the submission of Shri Chaudhari that Notification No. 111/78-C.E., dated 9-5-1978 exempted from control manufactures of goods which were unconditionally exempted from duty. The fact that these goods were unconditionally exempted

under Notification No.46/81-C.E., dated 1-3-1981 is accepted in the impugned order. The requirement of making a declaration covered only those manufacturer who took the benefit of notifications which were based on the value of clearances made in financial year. In terms of this notification there was no liability on the present applicants either to secure a licence or to file a declaration in terms of the notification. Therefore there was no cause for imposition of the penalty.