

Karan Engineers (P) Ltd. Vs. Cce

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Mar-08-2002

Reported in : (2002)(104)LC215Tri(Delhi)

Judge : S Kang, a T V.K.

Appellant : Karan Engineers (P) Ltd.

Respondent : Cce

Judgement :

1. Appellants filed this appeal against the order-in-appeal passed by the Commissioner (Appeals).
2. Brief facts of the case are that the appellants are engaged in the manufacture of automobile parts and they were availing the benefit of MODVAT Credit in respect of the inputs used in the manufacture of their final product. Appellants are also getting their semi-finished goods job-work done from their job workers under Rule 57F(4) of Central Excise Rules. Show cause notice was issued to the appellants demanding duty in respect of scrap of iron and steel generated at job workers' place which was not received back by the appellants. The adjudicating authority confirmed the demand of Rs. 65,081.25 and imposed a penalty of Rs. one lakh.
3. The appellants filed appeal and the Commissioner (Appeals), in the impugned order, upheld the demand of duty and reduced the penalty amount to Rs. 65,081.00.

5. Appellants are not contesting the demand of duty. They are only requesting for reduction in penalty. The contention of the appellants is that as per provisions of Section 11AC of the Act, penalty of the amount equal to the amount of demand was imposed. Their contention is that there is no intention of the appellants to evade payment of duty.

The appellants were paying duty in respect of scrap, generated at their job-workers place on estimate basis and on asking the revenue, the appellants produced their records and nothing had been concealed therefrom with the intention to evade payment of duty.

6. In the present case, appellants are not contesting the duty.

Therefore, the impugned order, in respect of duty is upheld. Taking into consideration the facts and circumstances of the case, we find a penalty of Rs. 30,000.00 will meet the ends of justice. The penalty is reduced to Rs. 30,000.00, otherwise, the impugned order is upheld.

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