

Punjab Castings (P) Ltd. Vs. Cce

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Oct-16-2007

Reported in : (2008)(125)ECC183

Judge : P Das

Appellant : Punjab Castings (P) Ltd.

Respondent : Cce

Judgement :

2. The appellants are engaged in the manufacture of Steel Ingots falling under sub-heading 7206.90 of the Central Excise Tariff Act, 1985. The Central Excise Officers visited the factory on 5.12.03 and verified the stock of finished goods and ascertained shortage of finished goods involving Central Excise Duty of Rs. 52,596/- which was debited by the appellant vide PLA entry No. 22 dt.6.12.03. A SCN was issued proposing a demand of duty and to appointment the amount as debited by them and also imposition of penalty under Section 11AC and Rule 25 of the Central Excise Rules, 02. The adjudicating authority confirmed the demand of duty of Rs. 52,596/- and imposed penalty of equal amount under Rule 25 of Central Excise Rules, 02 read with Section 11AC of the Central Excise Act, 44.

3. Ld. Advocate fairly submits that they have not disputed the demand of duty which have already been deposited before issuance of SCN. He submits that in this case penalty is to be set aside as the duty deposited before issue of the SCN as held by the Hon'ble High Court in different decisions.

4. I find that shortage was detected during the stock verification of the finished goods. There is no material placed by the Revenue to allege clandestine removal of the goods, therefore, the equal amount of penalty under Section 11AC is not sustainable. However, considering the facts and circumstances of the case, the penalty is reduced to Rs. 10,000/-.

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