Collector of Central Excise Vs. Galada Continuous Castings Ltd.

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Court : Supreme Court of India

Decided On : Oct-27-1999

Reported in : 2000(119)ELT272(SC); (2001)9SCC400

Judge : S.P. Bharucha and; V.N. Khare, JJ.

Appeal No. : Civil Appeal No. 2928 of 1989

Appellant : Collector of Central Excise

Respondent : Galada Continuous Castings Ltd.

Disposition : Appeal Dismissed

Judgement :

S.P. Bharucha and; V.N. Khare, JJ.

1. The Revenue challenges the correctness of the interpretation placed by the Customs, Excise and Gold (Control) Appellate Tribunal on Notification No. 43/75, clause 2(a) whereof reads thus:

2. (a) Aluminium in any crude form (including ingots, bars, slabs, billets, shots, pellets) and castings. If manufactured from any of the following materials or combination thereof, namely-

2. The respondents manufacture aluminium bars and the bars are not in crude form. According to the Revenue, therefore, the respondents' bars are not entitled

to the benefit of the exemption conferred by the aforementioned notification.

3. The said notification, in clause 2(a), uses the very language that is employed in Item 27 of the Schedule to the Central Excises and Salt Act, 1944. Sub-item (a)(i) of Item 27 also refers to aluminium in any crude form (including ingots, bars, blocks, slabs, billets, shots and pellets). The description both in sub-item (i) of Item 27 and in clause 2(a) of the said notification is inclusive. In our view, on a plain reading, the sub-item and the said notification apply to aluminium in crude form, and by virtue of the inclusive nature thereof, cover ingots, bars, blocks, slabs, billets, shots and pellets even though they are not in crude form.

4. Our attention was invited by the learned Attorney General, appearing on behalf of the Revenue, to the judgment of this Court in Reserve Bank of India v. Peerless General Finance and Investment Co. Ltd.1 The issue before the Court was Is a prizeless chit a prize chit? The question had to be answered in the light of a very expansive inclusive definition of prize chit, but the Court said that it did not think that by using the word includes in the meaning of prize chit, Parliament intended to so expand the meaning of prize chit as to take in every scheme involving subscribing and refunding of money. The word includes, in the context, showed that it was intended not to expand the meaning of prize chit but to cover all transactions or arrangements of the nature of prize chits under different names.

5. This Court there was interpreting the definition of prize chit in the particular statute before it. We are in no doubt as to the meaning to be attributed to the said Item 27 and clause 2(a) of the said notification. There is no doubt in our mind that, by reason thereof, aluminium bars, among other things, were intended to be treated as aluminium in crude form.

6. The appeal fails and is dismissed with costs.