

HIGH COURT OF CHHATTISGARH, BILASPUR

Central Excise Act Appeal No. 03 of 2004

- Commissioner, Customs and Central Excise, Central Excise Building, Dhamtari Road, Tikrapara, Raipur (CG)

---- Appellant

Versus

- M/s Steel Authority of India Limited, Bhilai Steel Plant, Bhilai (CG)

---- Respondents

For Appellant	: Shri Maneesh Sharma, Advocate
For Respondent	: Shri Sandeep Dubey, Advocate

Hon'ble Shri Ajay Kumar Tripathi, Chief Justice

Hon'ble Shri Justice Parth Prateem Sahu

Judgment on Board

Per Ajay Kumar Tripathi, Chief Justice

14.11.2018

1. Heard learned counsel for the revenue and Steel Authority of India Limited.
2. Perused the impugned order dated 28.10.2003 passed by the Customs, Excise & Service Tax Appellate Tribunal, New Delhi. The Tribunal has reduced the penalty to the extent of Rs.10,00,000/- only, payable by the respondent- Steel Authority of India Limited keeping in mind that even before the demand was raised on the so called dispute relating to reversing of Modvat Credit, the respondent authorities had paid up the said amount and pleaded that they had no intention to evade duty.
3. The appeal has been preferred against the said order. This Court cannot be unmindful of the fact that a public sector undertaking or its functionaries have no personal motive to make gains by evading payment

of any kind of duty, therefore, in the totality of the facts and circumstances, the Tribunal took a view that there need not be penalty equal to the duty which was required to be paid by the public sector undertaking especially when they paid the duty even for the period where limitation could be invoked.

4. Penalty of Rs.10,00,000/- was a good enough message to the said authorities to be more careful in working out obligations of such kind while making assessment for claiming benefits of Modvat.

5. The appeal therefore, is dismissed since in the given facts the Tribunal was not in error in taking such view. Even otherwise since the dispute relates to the period August 1995 till September 2000 it is high time such litigation must rest.

Sd/-
(Ajay Kumar Tripathi)
Chief Justice

Sd/-
(Parth Prateem Sahu)
Judge