

**SUPREME COURT OF INDIA**

Amrit Papers

Vs.

Commissioner of Central Excise, Chandigarh

C.A.No.3832 of 2000

(Mrs.Ruma Pal and Dr. AR. Lakshmanan JJ.)

09.08.2005

**JUDGMENT**

**Ruma Pal, J.**

1. The appellant manufactures Newsprint out of duty paid pulp. Exemption was granted on the manufacture of newsprint under Rule 8 of the *Central Excise Rules, 1944* by the Central Government. The exemption was subject to the limitation that it would be admissible only in respect of such quantities of newsprint as was authorised by the Registrar of Newspaper for India and only if a certificate to this effect was produced before the Assistant Collector of Central Excise one month from the date of clearance of the newsprint or within such extended period as the Assistant collector of central Excise would allow

2. The appellant claimed and was granted exemption in respect of the duty payable on newsprint but was refused the exemption for the month of April 1995 alone. The ground of refusal, inter alia, was that the appellant had not produced the certificate of entitlement from the Registrar of Newspaper within the stipulated period specified in the notification and, therefore, had not fulfilled the pre-condition for the grant of exemption. The appellant's plea to condone the delay had been refused by the Assistant Commissioner of Central Excise. This refusal had not been challenged by the appellant. The appellant has, accordingly, paid the excise duty on the newsprint for the month of April, 1995. The appellant after claiming the exemption for the month of April, 1995, had debited its credit account with the proportionate amount as was relatable to the quantity of raw- material used in the manufacture of newsprint for that month. The appellant's present grievance is limited to the question whether the appellant is entitled to reverse the entry relating to the Modvat debited by it on the duty paid inputs during April 1995. The appellant seeks to reverse that particular entry.

3. Additionally, the appellant is aggrieved by the imposition of penalty on the appellant by the Assistant Commissioner of Central Excise. According to the appellant, it was denied the exemption for April 1995 because of the failure of the Registrar of Newspapers to issue the certificate of entitlement to the appellant within reasonable time.

4. Learned Additional Solicitor General appearing on behalf of the Revenue has no objection if these reliefs are granted to the appellant. Accordingly, the Appeal is disposed of by permitting the appellant to reverse the debit entry relating to the consumption of pulp for the month of April, 1995, and also setting aside the penalty imposed by the Assistant Commissioner of Central Excise.