

# SUPREME COURT OF INDIA

Commissioner of Central Excise, Meerut

Vs.

Motherson Sumi Systems Ltd.

C.A.Nos.7122-7124 of 2002

(Ashok Bhan and Dalveer Bhandari JJ.)

24.04.2008

## ORDER

1. Herein (hereinafter referred to as the 'respondent') is a manufacturer of wiring harnesses. The manufacture is carried out according to specific orders of automotive and air conditioning industry, against specific contracts. In some cases the appellant received certain component parts of wiring harness, free of charge, from their buyers. These components were also incorporated in the wiring harness. In such cases, the value of the free supply component parts were not added to the price of wiring harnesses while fixing their assessable value and paying excise duty on them. Appellant searched the premises of the respondent and came to know that the respondent was not paying duty on the free supplies received by it from their buyers and thus suppressed the information with the intention to evade payment of duty.

2. Consequently, a show cause notice was issued proposing to demand duty of Rs.96,01,561/- for the period from March, 1995 to January, 1997 on clearance of wiring harness by the respondent. The show cause notice also sought to invoke the extended period of limitation under Section 11A of the *Central Excise & Salt Act, 1944*. Reply to show cause notice was also filed.

3. By his order dated 27th February, 2001, Commissioner confirmed the demanded duty and also imposed a penalty of the same amount and further penalty of Rs.5 lacs and Rs.7 lacs on the Managing Director and DGM(Marketing) of the respondent's company.

4. Aggrieved by the aforesaid order of the Commissioner, respondents filed appeal before the Tribunal. The point on merits was not gone into by the Tribunal but on the point of limitation the case was decided in favour of the assessee.

5. Counsel for the parties state that on merits the issue involved in the present case is concluded against the revenue and in favour of the assessee by a judgment of this Court in the case of *International Auto Ltd. v. Commissioner of Central Excise, Bihar*<sup>1</sup>.

6. Keeping in view the facts and circumstances of the case and especially in view of the fact that the point on merits is concluded against the revenue and in favour of the assessee by a judgment of this court in the case of International Auto Ltd.(supra), we dismiss these appeals filed by the revenue without going into the question of limitation.

The Appeals are dismissed accordingly.

*<sup>1</sup>2005 (183) ELT 239(SC)*