

Excise Appeal Nos. E/20491, 20492, 20293, 20494, 200495/2015, 20128, 20187, 20188, 20189, 20190, 20191, 20192/2018, 20630, 20631/2022, 20656/ 2023.

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL,
BANGALORE**

REGIONAL BENCH - COURT NO. 1

Central Excise Appeal No. 20491 of 2015

[Arising out of Orders-in-Appeal No. 186 to 190/2014-CE dated 10.12.2014
passed by the Commissioner of Central Excise, Customs and Service Tax
(Appeals-II), Cochin]

M/s. RUBCO Haut Woods Pvt. Ltd.

IIDC, Kinfra, Eranholly
Tellichery
Kerala-673 001

.....Appellant(s)

VERSUS

The Commissioner of Central Excise, Calicut Commissionerate

C.R. Building, Mananchira
Calicut - 673 001

..... Respondent(s)

WITH

- 1. Central Excise Appeal No. 20492 of 2015 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Excise, Calicut)**
- 2. Central Excise Appeal No. 20493 of 2015 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Excise, Calicut)**
- 3. Central Excise Appeal No. 20494 of 2015 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Excise, Calicut)**
- 4. Central Excise Appeal No. 20495 of 2015 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Excise, Calicut)**

[Arising out of Orders-in-Appeal No. 186 to 190/2014-CE dated 10.12.2014
passed by the Commissioner of Central Excise, Customs and Service Tax
(Appeals-II), Cochin]

- 5. Central Excise Appeal No. 20128 of 2018 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax & Central Excise, Cochin)**
- 6. Central Excise Appeal No. 20187 of 2018 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax & Central Excise, Cochin)**
- 7. Central Excise Appeal No. 20188 of 2018 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax & Central Excise, Cochin)**

Excise Appeal Nos. E/20491, 20492, 20293, 20494, 200495/2015, 20128, 20187, 20188, 20189, 20190, 20191, 20192/2018, 20630, 20631/2022, 20656/ 2023.

8. Central Excise Appeal No. 20189 of 2018 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax & Central Excise, Cochin)

9. Central Excise Appeal No. 20190 of 2018 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax & Central Excise, Cochin)

10. Central Excise Appeal No. 20191 of 2018 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax & Central Excise, Cochin)

11. Central Excise Appeal No. 20192 of 2018 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax & Central Excise, Cochin)

[Arising out of Orders-in-Appeal No. CAL-EXCUS-000-APP-175 to 181/2017-CE dated 15.09.2017 passed by the Commissioner of Central Taxes and Central Excise (Appeals-I), Cochin]

12. Central Excise Appeal No. 20630 of 2022 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax & Central Excise, Calicut)

13. Central Excise Appeal No. 20631 of 2022 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax & Central Excise, Calicut)

[Arising out of Orders-in-Appeal No. CAL-EXCUS-000-APP-199 to 200/2022 dated 30.05.2021 passed by the Commissioner of Central Taxes and Central Excise (Appeals), Cochin]

14. Central Excise Appeal No. 20656 of 2023 (M/s. Rubco Haut Woods Pvt. Ltd. Vs. Commissioner of Central Tax, Calicut)

[Arising out of Order-in-Appeal No. CAL-EXCUS-000-APP-155/2023 dated 17.03.2023 passed by the Commissioner of Central Tax, Central Excise and Customs (Appeals), Cochin]

Appearance:

Mr. Arun Kurian Joseph, Advocate for the Appellant.

Mr. Rajesh Shastry, Superintendent (AR) for the Respondent

CORAM:

Hon'ble Mr. P. A. Augustian, Member (Judicial)

Hon'ble Mr. Pullela Nageswara Rao, Member (Technical)

Final Order Nos. 21152 - 21166/2025

Date Of Hearing: 09.01.2025
Date Of Decision: 08.07.2025

Per: Pullela Nageswara Rao

M/s. Rubco Haut Woods Pvt. Ltd., the appellant filed appeals at Sl.Nos.1 to 5 of the table below aggrieved by the Orders-in-Appeal Nos.186 to 190/2014-CE dated 10.12.2014 of Commissioner (Appeals) upholding the appeals filed by the Department against the orders of the adjudicating authority, who has dropped the proceedings against the appellant. The appeals at Sl. Nos. 6 to 12 are filed by the appellant aggrieved by the Orders-in-Appeal No. CAL-EXCUS-000-APP-175 to 181/2017-CE dated 15.09.2017 of the Commissioner (Appeals) wherein the Orders-in-Original of the adjudicating authority confirming the demands along with interest and imposition of penalty have been upheld. Further the appeals at Sl. Nos. 13 to 15 are filed by the appellant aggrieved by the Orders-in-Appeal No. CAL-EXCUS-000-APP-199 to 200/2022 dated 30.05.2021 and CAL-EXCUS-000-APP-155/2023 dated 17.03.2023 of the Commissioner (Appeals) wherein the Orders-in-Original of the adjudicating authority confirming the demands along with the interest and imposition of penalty have been upheld. The details of the appeals are as under:

Sl. No.	Appeal No.	O-I-A. No. & Date	Amounts involved(Duty, Interest and penalty)	SCN No. & Date	Period of Dispute
1	E/20491/2015	186 to 190/2014-CE dated 10.12.2014	Rs. 3,38,187/- + equal Penalty + interest u/s/ 11AB	01/2008 dt. 05.09.2008	August 2007 to October 2007
2	E/20492/2015	186 to 190/2014-CE dated 10.12.2014	Rs. 4,43,414/- + equal penalty + interest u/s 11AB	04/2008 dt. 28.11.2008	November 2007 to January 2008
3	E/20493/2015	186 to 190/2014-CE dated 10.12.2014	Rs. 3,21,906/- + equal penalty + interest u/s/ 11AB	02/2009 dt. 20.02.2009	February 2008 to March 2008
4	E/20494/2015	186 to 190/2014-CE dated 10.12.2014	Rs. 3,72,096/-+ equal penalty + interest u/s 11AB	03/2009 dt. 23.04.2009	April 2008 to May 2008

Excise Appeal Nos. E/20491, 20492, 20293, 20494, 200495/2015, 20128, 20187, 20188, 20189, 20190, 20191, 20192/2018, 20630, 20631/2022, 20656/ 2023.

5	E/20495/2015	186 to 190/2014-CE dated 10.12.2014	Rs. 3,06,081/- + equal penalty + interest u/s 11AB	05/2009 dt. 23.06.2009	June 2008 to July 2008
6	E/20128/2018	CAL-EXCUS-000-APP-175 to 181/2017-CE dated 15.09.2017	Rs. 2,38,452/- Penalty Rs. 10,000/- + interest u/s 11AA	06/2009 dt. 14.08.2009	August 2008
7	E/20187/2018	CAL-EXCUS-000-APP-175 to 181/2017-CE dated 15.09.2017	Rs. 2,68,835/- Penalty Rs. 10,000/- + Interest u/s 11AA	07/2009 dt. 15.09.2009	September 2008
8	E/20188/2018	CAL-EXCUS-000-APP-175 to 181/2017-CE dated 15.09.2017	Rs. 2,58,251/- Penalty Rs. 10,000/- + interest u/s 11AA	08/2009 dt. 26.10.2009	October 2008
9	E/20189/2018	CAL-EXCUS-000-APP-175 to 181/2017-CE dated 15.09.2017	Rs. 3,85,239/- Penalty Rs. 10,000/- + interest u/s 11AA	09/2009 dt. 02.12.2009	November 2008
10	E/20190/2018	CAL-EXCUS-000-APP-175 to 181/2017-CE dated 15.09.2017	Rs. 3,62,684/- Penalty Rs. 10,000/- + interest u/s 11AA	01/2010 dt. 05.01.2010	December 2008 to January 2009
11	E/20191/2018	CAL-EXCUS-000-APP-175 to 181/2017-CE dated 15.09.2017	Rs. 4,73,492/- Penalty Rs. 10,000/- + interest u/s 11AA	02/2010 dt. 25.02.2010	February 2009 to April 2009
12	E/20192/2018	CAL-EXCUS-000-APP-175 to 181/2017-CE dated 15.09.2017	Rs. 4,37,049/- Penalty Rs. 10,000/- + interest u/s 11AA	05/2010 dt. 11.05.2010	May 2009 to June 2009
13	E/20630/2022	CAL-EXCUS-000-APP-199 to 200/2022 dated 30.05.2021	Rs. 17,50,318 Penalty Rs. 10,000/- + interest u/s 11AA	19/2016 dt. 02.05.2016	April 2015 to January 2016
14	E/20631/2022	CAL-EXCUS-000-APP-199 to 200/2022 dated 30.05.2021	Rs. 29,50,248/- Penalty Rs. 10,000/- Interest u/s 11AA	29/2015 dt. 23.04.2015	April 2014 to March 2015
15	E/20656/2023	CAL-EXCUS-000-APP-155/2023 dated 17.03.2023	Rs. 30,29,062/- Penalty Rs. 10,000/- + interest u/s 11AA	01/2018 dt. 11.01.2018	01.02.2016 to 30.06.2017

2. The brief facts are the appellant, M/s. Rubco Haut Woods Pvt. Ltd. is engaged in the manufacture of 'Finger Jointed Edge Glued Panels' (FJEGP) and 'laminated wooden beams and boards' falling under Central Excise Tariff Heading (CETH) 4407 1090 of Central Excise Tariff Act, 1985 and are subjected to 'nil' rate of duty. Show-cause notices were issued alleging that central excise duty has not been paid on the wooden furniture manufactured by the job-workers and cleared from

the appellant's depots under their brand name 'Rubco'. It is alleged in the show-cause notice that; cutting of FJEGP panels, boards and laminated beams to specific sizes is an activity 'incidental' and 'ancillary' to the manufacture of furniture and therefore what is sent to the job-worker is only semi-finished goods for further processing; M/s. Pattiam Social Service Society, which does the lacquering and polishing is not a job-worker but only a hired labourer of the assessee; the activity undertaken by the assessee in relation to the manufacture of wooden furniture prior to and after August 2007 do not differ mainly because the finishing activities were done outside the factory premises and marketed through their branch office. A show-cause notice was issued in respect of treated rubber wood furniture falling under Central Excise Tariff Heading (CETH) 94036000 cleared by them through their branch office demanding duty with interest and proposal for penalty.

3. On adjudication, the original authority held that the assessee is only supplying the raw-materials viz., 'Finger Jointed Edge Glued Panels' (FJEGP) and 'laminated wooden beams and boards' which are cleared from their factory on 'nil' rate of duty since they fall under Central Excise Tariff Heading (CETH) 44071090, the furniture is manufactured by 9(nine) job-worker units out of the materials supplied by the appellant which are further sent to M/s. Pattiam Social Service Society for further processing such as lacquering, painting, affixing of labels and packing. The furniture is cleared on completion of the said process to the branches of the appellant for sale. After clearances from M/s. Pattiam Social Service Society there is no manufacturing process carried out by the appellant, therefore, the actual manufacturers of furniture are the job-workers, who manufacture the furniture out of the raw materials supplied by the assessee. M/s. Pattiam Social Service Society is an independent job-worker and not a hired labourer of the assessee and has to be treated as manufacturer in respect of goods manufactured and processed by them on job work and the duty liability of the said goods rest upon them.

4. The original authority further observed that, the nine job-worker units other than the M/s. Pattiam Social Service Society are

manufacturing and clearing these furniture without using the brand name of 'Rubco'. Therefore, they are eligible for small scale exemption under Notification No. 08/2003-CE dated 01.03.2003. M/s. Pattiam Social Service Society is clearing goods manufactured by them after affixing the brand name of 'Rubco'. The assessee has claimed that M/s. Pattiam Social Service Society is situated in a rural area and hence eligible for small scale exemption under Notification No. 8/2003-CE since exemption is eligible for goods bearing the brand name or trade name of 'Rubco' as per sub-clause (4)(c) of the said Notification. As per sub-clause of (4)(c) of Notification No. 8/2003-CE dated 01.03.2003 the exemption contained in the said Notification is applicable to goods bearing the trade name or brand name of another person, if the said goods are manufactured by unit situated in a rural area. Since, M/s. Pattiam Social Service Society is situated in a rural area, they are eligible for the said Notification even for the goods cleared under the brand name of Rubco" and accordingly, the original authority dropped all the proceedings. On appeal by the department against the orders of the adjudicating authority the Commissioner (Appeals) allowed the Departmental appeal holding the basic material FJEGP was manufactured by the appellant and then supplied to the 9(nine) job workers to assemble the furniture and therefore, M/s. Rubco Haut Woods the appellant is liable to pay duty on the items sold against the entry 'SIs ancillary' and upheld the proceedings initiated in the show-cause notices and appeals filed by Department were allowed. Aggrieved by the Orders-in-Appeals of the Commissioner (Appeals) the appellant filed the appeals at Sl.Nos. 1 to 5 of the table at para 1, supra. Thereafter periodical show cause notices were issued for the subsequent periods and the adjudicating authorities confirmed the demands along with interest and imposed penalty, aggrieved the appellant filed appeals before Commissioner (Appeals) who has upheld the orders of the adjudicating authority, these appeals are at serial number 6 to 15 of the table at Para 1, supra. Aggrieved by the Orders-in-Appeal of the Commissioner (Appeals) confirming the demands along with interest and imposition of penalty 15(fifteen) appeals listed at

Sl.Nos.1 to 15 of the table in para1, supra are filed by the appellant before this Tribunal.

5. Since the issue involved in all the 15(fifteen) appeals is common they were together taken up for hearing and are disposed by this order.

6. The appellant in the appeal memorandum in Appeal Nos.20491 to 20495/2015 submitted that; the Commissioner (Appeals) erred in holding that that the Appellant has been contravening the act and rules and clearing the furniture without payment of duty; they are not the manufacturer of the furniture and this work is undertaken by the Job workers and they are only trading, therefore they are not paying duty on the furniture, and if at all any duty is to be paid, it would only be the job worker, who is liable and not the Appellant; the edge glued panel and laminated beams manufactured by them are the raw material for the manufacture of furniture, and are excisable products in their own right, these goods have been cleared to the job worker and are used by them in the manufacture of furniture; the job workers are all independent units doing the business of furniture manufacture, and have other clients/ customers other than the Appellant and they have independent registration under various statutes in respect of their factories, firms etc; the jobs are given to various units situated all over Kerala, who manufacture the furniture as per the specifications given by the appellant; even the statements recorded, which are cited in the show cause notice show that they are doing the job work for the Appellant in addition to manufacture of their own products, clearly showing that they are not entities created for the purpose of the Appellant, nor are they the hired labour of the Appellant having an employer employee relationship. It has been held in the various cases, where the relationship between the job worker and the principal is not that of employer/ employee, they cannot be treated as hired labour.

7. In this regard the appellant relied on the following case laws;

a) In Motor Industries Company Ltd. Vs. CCE,-1999 (111) E.L.T. 163 and Hindustan Zinc Ltd. Vs. CCE-2005 (188) ELT 331, it was held: "It is obvious from the facts of the instant case that the job worker's role was much more than to receive wages for the labour

involved in the manufacture of lead anodes. They employed their own capital goods and their own work force to manufacture the product. The fact that the process was carried out at a site allotted by the appellants or that the raw materials for the process were supplied by them did not detract from the job worker's status as manufacturer"

b) In Pennar Industries Vs. CCE-2005(186) ELT 58A, the Tribunal held that "a hired labourer is a person who has no independent entity with separate established unit. He is under total control of the employer and works as a labourer on wages. The present position is not that of the sub-contractor working on wages although the assessee may be paying only job charges. Merely because job charges of minimal amount is paid that by itself is no ground to hold the job worker as a hired labourer.

c) In Birla Corporation Ltd. Vs. CCE (2002) (145 ELT 719, the Tribunal held that "Even if the goods are received back and despatched by the appellants, this will not make them the manufacturer unless and until it is proved, by bringing evidence on record that the machined castings were not fully manufactured at the job workers premises and further processing were being carried out by the appellants.

8. The appellant further submitted that; the Commissioner (Appeals) failed to see that separate job workers are appointed for doing the finishing work on the furniture manufactured by the job workers such as lacquering, painting and polishing; all three job workers are social service societies, registered as micro manufacturing units and are doing lacquering with a certificate from the Department of Industries; the Appellant sends the panels and beams of requisite sizes to the job workers to ensure that there is no wastage/ or minimize the wastage; other customers also, who require the beams to be cut to size, are sold beams cut to size as required by them; it cannot be said that merely because the beams and panels were cut to size, that the manufacture of furniture is undertaken by the Appellant; even after cutting the panel and beams, they continue to be only edge glued panel and laminated

beams and do not become a different commodity; as such, what is cleared from the factory is only edge glued panel and laminated beams and not furniture or parts thereof; it is baseless to state that what is sent to the job worker is a semi-finished goods for further manufacture; the sales register is maintained separately, and the invoices are numbered with different serial number for the goods manufactured by the job worker from the goods manufactured in the Appellant's factory, because as far as the goods manufactured by the job workers are concerned, the Appellant is not the manufacturer and is only trading in the same, therefore, these goods are not brought back into the factory, but sold from the branch office as trading goods; there is no column in the Form to give details of goods manufactured by a job worker; the job worker is the manufacturer and is a settled law, right from the case of Ujjagar Prints, and as such, duty liability if any, would only be fastened on them; merely because the Appellant has ceased to do the polishing and lacquering as was done earlier, but giving the job to other entities, it would not make those entities hired labour of the Appellant. The societies have been in existence for quite some time, and after they put up a lacquering unit with the permission of the Department of Industries, they approached the Appellant for giving them work of polishing and lacquering of furniture; the furniture manufacturers have all entered into agreements with the polishing societies, and it is the responsibility of the job worker to get the furniture polished; the fact that the Appellant earlier did the polishing and lacquering themselves, but has taken a business decision not to do so anymore does not in any way imply that polishers are hired labour, or that 'Rubco' is the manufacturer of the furniture. In fact, the societies have entered into contracts with the job workers to do the polishing and there is no privity of contract between them and the Appellant; the societies concerned are not hired labour of the Appellant, but genuine social service societies which have obtained licence from the Industries department for doing lacquering work; the societies are all situated in a rural area, and as such, the condition regarding not manufacturing goods with the brand name of any other person will not be applicable to them; Notification No. 8/2003-CE dated 01.03.2003 (small scale exemption)

states that the exemption shall not apply to goods bearing a brand name or trade name of another person. However, sub-clause (4) (c) of the Notification excludes specified goods manufactured in a factory located in a rural area from this restriction. Since M/s Pattiam Social Service Society and Patyam Employees Training Society are both situated at East Kadirur, which is a rural area, and M/s Kannur Labour Contract Society, is situated at Kottayam Poyil, Thalassery, which is also a rural area, the fact that they affix the brand name of 'Rubco' on the furniture before packing and sending the same to our branch office will not deny them the small scale exemption; further, the furniture is manufactured by the job workers, and the Societies are only doing the lacquering, painting, polishing, packing and affixing of brand name, which by themselves will not amount to manufacture; there is no attempt to evade payment of duty, and no dutiable goods have been removed by the Appellant without payment of duty; as stated above, what was cleared by the Appellant are only edge glued panels and laminated beams which have been cleared from the factory by following proper procedure; merely because these goods are exempt from duty, it cannot be said that they were cleared in contravention of Rules 4,6, & 8 as alleged.

9. The appellant further submitted that; the goods manufactured and removed by the Appellant are only edge glued panels and laminated beams, in respect of which proper records have been maintained; the furniture was not manufactured by the Appellant, and as such there is no obligation to maintain records relating to them for the purpose of Central Excise; since it is only a trading activity, proper records are maintained under the Kerala State VAT Act and the Central Sales Tax Act, regarding sale of the furniture, from their branch/ depot; thus there is no contravention of Rule 10; no separate invoices have been maintained for manufactured goods, separate invoices have been maintained only with respect to trading goods, which is not forbidden under the Act or Rules; Rule 11 of the Central Excise Rules only pertains to excisable goods removed from a factory or warehouse, and Rule 11(4) stipulates that only one copy of invoice book shall be in use

except where special permission is obtained; what was sold from their branch are only trading goods and are not goods manufactured by the Appellant and as such, the provisions of Rule 11(4) will not apply; The details of production and removal of the furniture is not contained in the Form ER-1 return, since they are not manufactured by the Appellant, but only by the job worker; there is no column in the Form to give details there is no contravention of Rule 12; there was no suppression of facts or any activity with intent to evade payment of duty, and as such penalty u/s 11AC is not warranted.

10. The learned counsel for the Appellant during the hearing reiterated the submissions made in the appeal memorandum and made further submissions with regard to the relevant case laws.

11. The learned Authorised Representative (AR) for the Revenue reiterated the findings in the impugned orders of Commissioner (Appeals).

12. Heard both sides and perused the records.

13. The issue involved in this case is whether the 'Finger Jointed Edge Glued Panel (FJEGP) boards' and 'laminated beams' cut into specified sizes supplied along with the components/ hardware to the job workers for the manufacture of furniture can be considered as supply of semi-finished furniture to the job worker for completing the manufacture of furniture; whether M/s. Pattiam Social Service Society who carries the activity of lacquering, finishing and packing after affixation of brand name of 'Rubco' can be considered as the hired labourer of the Appellant; Whether the appellant is liable to pay Central Excise Duty under Central Excise Tariff Heading 9403 6000 of the Central Excise Tariff Act, 1985.

14. We find that in this case the appellant is supplying the Finger Jointed Edge Glued Panel (FJEGP) boards and laminated beams cut into specified sizes along with the components/ hardware to the 9 (nine) job workers and getting the furniture manufactured and the furniture lacquering, finishing and packing after affixation of the brand name 'Rubco' is undertaken by M/s. Pattiyan Social Service Society and

thereafter the manufactured furniture is sold through the branch offices of the appellant. The appellant contends that they are not manufacturing furniture and there are only trading the furniture manufactured by the job workers and finished and labelled by M/s. Pattiam Social Service Society. We find that prior to 01.08.2007 the appellant was manufacturing the furniture in their factory and post 01.08.2007 they were supplying the cut to size Jointed Edge Glued Panel (FJEGP) boards and laminated beams to the job workers for the manufacture of furniture as per their design/specifications. The department contends that the cutting of Jointed Edge Glued Panel (FJEGP) boards and laminated beams to the required sizes amounts to manufacture and that the appellant is supplying semi-finished furniture to the job workers and therefore they are liable for payment of applicable central excise duty. We find that the appellant has been maintaining different accounts with respect to the furniture manufactured in their factory and the furniture sold through their branch offices manufactured by the job workers and finished and packed by M/s. Pattiam Social Service Society. The department has raised demands on the appellant based on the records maintained as 'Sis ancillary' invoices with respect to the furniture manufactured through the job workers and finished by M/s. Pattiam Social Service Society. We find that show cause notices were issued to the appellant after they have adopted the system of getting the furniture manufactured by the job workers. We find that the adjudicating authority after examining the issue in detail has dropped the show cause notices issued by the department. The findings of the adjudicating authority are detailed at Para 3 & 4, supra. However department has appealed against the order of the adjudicating authority dropping the show cause notices and also issued periodical notices for the subsequent periods. We find that the subsequent periodical show cause notices were also adjudicated and the adjudicating authority in the cases listed at Sl. Nos. 6 to 15 of the table at Para 1, supra confirmed the duty demand along with interest and imposed penalties.

15. We have perused the orders of the adjudicating authority dropping the show cause notices as well as confirming the propositions in the subsequent periodical show cause notices and the findings in the Orders-in-Appeal of Commissioner (Appeals). We find that the contentions raised by the appellant that the furniture is manufactured out of the material supplied by them to the job workers and that the job workers are eligible for the SSI exemption vide Notification No. 8/2003-CE dated 01.03.2003 and M/s. Pattiam Social Service Society is also eligible for exemption since they are located in a rural area are tenable, since we find that the supply of cut to size Finger Jointed Edge glued Panel (FJEGP) boards and laminated beams to the job workers cannot be considered as supply of semi-finished furniture therefore the appellant is not manufacturing furniture to attract levy of central excise duty.

16. In view of the above discussion, we find that the impugned orders of the Commissioner (Appeals) confirming the demand along with interest and penalty are not tenable and are liable to be set aside.

17. Accordingly, the impugned orders are set aside and the appeals are allowed with consequential relief, if any, as per law.

(Order pronounced in Open Court on 08.07.2025)

(P.A. Augustian)
Member (Judicial)

(Pullela Nageswara Rao)
Member (Technical)