

Eskayef Limited vs Collector Of Central Excise on 14 September, 1990

Equivalent citations: 1990 SCR, SUPL. (1) 442 1990 SCC (4) 680, AIR ONLINE 1990 SC 19, 1990 (4) SCC 680, (1991) 31 ECC 212, (1990) 49 ELT 649, (1990) 4 JT 85, (1990) 4 JT 85 (SC)

Author: S.C. Agrawal

Bench: S.C. Agrawal, N.M. Kasliwal

PETITIONER:
ESKAYEF LIMITED

Vs.

RESPONDENT:
COLLECTOR OF CENTRAL EXCISE

DATE OF JUDGMENT 14/09/1990

BENCH:
AGRAWAL, S.C. (J)
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AGRAWAL, S.C. (J)
KASLIWAL, N.M. (J)

CITATION:
1990 SCR Supl. (1) 442 1990 SCC (4) 680
JT 1990 (4) 85 1990 SCALE (2) 497

ACT:
Central Excises and Salt Act, 1944: First Schedule Item 14E-Bifuran Supplement, Neftin-50 and Neftin-200--Whether chargeable to excise duty as patent or proprietary medicines.

HEADNOTE:
Item 14-E of the First Schedule to the Central Excises and Salt Act, 1944 at the relevant time dealt with patent or proprietary medicines not containing alcohol, opium, Indian hemp or other narcotic drugs or narcotics. Explanation I thereto defined 'patent or proprietary medicines' to mean any drug or medicinal preparation, in whatever form, for use in the internal or external treatment of, or for the prevention of ailments in human beings or animals. Item 68 dealt

with all other goods, not elsewhere specified but excluding alcohol, opium, Indian hemp and other narcotic drugs and narcotics.

The Central Government by a notification dated February 28, 1982 exempted certain goods falling under Item 68 from the levy of central excise duty. Entry at S. No. 10 in the schedule annexed thereto read "animal feed including compound livestock feed". The said notification was superseded by notification dated November 1, 1982 which also provided the same exemption. This notification was again amended by notification dated February 15, 1984. Entry at S. No. 10 in the schedule thereto read "animal feed including compound livestock feed, animal feed supplement and animal feed concentrates".

A question arose as to whether Bifuran Supplement, Neftin-50 and Neftin-200 manufactured by the appellant were chargeable to excise duty as patent or proprietary medicines under Item 14-E or could be classified as "animal feed supplement" under Item 68 and exempted from payment of excise duty. The Assistant Collector of Central Excise held that the said formulations were classifiable under Tariff Item 14-E. His order was, however, set aside by the Collector of Central Excise (Appeals) who held that the said products were animal feed supplements which merited classification only under the erstwhile Tariff Item 68 and not under Tariff Item 14-E. On appeal by the Department, the Tribunal held that the aforesaid three products manufactured by the

443

appellant were patent and 'proprietary medicines as defined in Tariff Item 14-E inasmuch as they have therapeutic and preventive use in respect of the specific ailments in animals, that if the products satisfied the requirements of Tariff Item 14-E there was no question of considering their classification under Tariff Item 68 which was a residuary item.

In this appeal under s. 35-L of the Act it was stated on behalf of the appellant that since the use of Bifuran Supplement was to promote growth rate, weight-gains and feed conversion efficiency in growers and broilers by keeping coccidiosis away during growing period, it could be regarded as a preventive medicine falling under Tariff Item 14-E. However, in respect of Neftin-50 and Neftin-200 it was urged that these were manufactured for use as animal feed supplement and not for use as medicines and, therefore, they should have been classified as animal feed supplement under Tariff Item 68 and exempted from payment of excise duty under notification dated February 15, 1984. It was further contended that the appellant had been subjected to arbitrary and hostile discrimination as similar products of other manufacturers were being exempted from payment of excise duty under the said notification. For the respondent it was contended that Neftin-50 contains Furazolidone 5% w/w and

Neftin-200 contains Furazolidone 20% w/w, that Furazolidone is used as an aid in the prevention of coccidiosis as well as for treatment of coccidiosis, that Furazolidone is a patent drug and in England it is sold to the public on the prescription of a registered practitioner only that the finding that these two products were patent and proprietary medicines failing under Tariff Item 14-E was essentially a finding of fact based on the materials placed before the excise authorities and the said finding was not normally open to challenge in appeal, that the other manufacturers whose products were exempted were located at different places and were assessable to excise duty by different authorities, and that the relevant notifications have been wrongly applied to those manufacturers by the concerned authorities.

Dismissing the appeal, the Court,

HELD: 1. Item 68 of the Excise Tariff was a residuary entry which dealt with all other goods not elsewhere specified. A product which is found to be covered by the other items of the Schedule of the Excise Tariff would be outside the ambit of Item 68. [260F]

Dunlop India Ltd. v. Union of India & Ors., [1976] 2 S.C.R. 98 and Collector of Central Excise, Kanpur v. Krishna Carbon Paper Co., [1989] 1 S.C.C. 150, referred to.

444

2. What is required for purposes of Item 14-E is that the product must be a preparation for use in the treatment or prevention of ailments in human beings or animals. Furazolidone is an antibacterial, antifungal and antiprotozoal compound. It is used for prevention and treatment of coccidiosis as well as histomoniasis in poultry. In England it is a veterinary drug and it can be sold or supplied to the public on a practitioner's prescription only. Furazolidone is thus a drug or medicinal preparation used for treatment and prevention of ailments in poultry. Since Neftin-50 and Neftin-200 contain only Furazolidone, the said products are also drugs or medicinal preparations for use in the treatment and prevention of ailments in poultry. They have, therefore, to be regarded as patent and proprietary medicines chargeable to excise duty under Item No. 14-E. [262E-G]

Annapurna Carbon Industries Co. v. State of A.P [1976] 3 SCR 561, referred to.

3. The exemption under notification dated November 1, 1982, as amended by notification dated February 15, 1984 was confined in its application to specified goods which fell under Item 68. The said notification did not grant exemption in respect of a product failing in any other entry 'of the excise tariff. It could not be construed as transferring a product from an entry other than Item 68 to Item 68. The insertion of 'animal feed supplement' in Entry No. 10 in the schedule to the notification dated November 1, 1982 by the notification dated February 15, 1984, would not mean that a

product which was liable to payment of excise duty under Item 14-E prior to such insertion would cease to be so liable and would become exempt from such payment of duty by virtue of that notification. Prior to the notification dated February 15, 1984, the appellant was paying excise duty on Neftin-50 and Neftin-200 as patent and proprietary medicines falling under Item 14-E. In the absence of any notification granting exemption in respect of products falling under Item 14-E, Neftin-50 and Neftin-200 could not be claimed to be exempt from Central Excise duty as animal feed supplement. [263F-H; 264A-B]

4. It was not the case of the appellant that the same authority had passed orders discriminating between the appellant and other producers of similar products. Nor it is said that there has been intentional and systematic discrimination in favour of the producers other than the appellant. The discrimination complained of arose on account of orders passed by different excise authorities acting quasi-judicially. Merely because on account of difference in the interpretation of the relevant notifications by the excise authorities in other regions other manufac-

445

turers of similar products in those regions were enjoying exemption from payment of such duty the same exemption could not be extended to it. The appellant could not obtain such an exemption in disregard of the law by invoking the right to equality before the law and equal protection of the laws guaranteed under Article 14 of the Constitution. [264G-H; 265A-B]

Narain Dass v. The Improvement Trust, Amritsar, & Anr., AIR 1972 S.C. 865, referred to.

Cumberland Coal Co. v. Board of Revision, 76 Law Edn. 147; Iowa-Des Moines National Bank v. E.R. Bennett, 76 Law Edn. 265; Vishnudas Hindumal v. State of Madhya Pradesh & Ors., [1981] 3 S.C.R. 234 and Ramnath Verma v. State of Rajasthan, [1963] 2 S.C.R. 152, distinguished.

JUDGMENT:

CIVIL APPELLATE JURISDICTION: Civil Appeal No. 4457 of 1989.

Appeal under Section 35-L(b) of the Central Excise and Salt Act, 1944 from the Order No. 285/89-C dated the 29th June, 1989 of the Customs, Excise and Gold (Control), Appellate Tribunal, New Delhi in Appeal No. E/2489/87-C. K.K. Venugopal, D. Shroff, Ravinder Narain, Raj Darak, P.K. Ram and D.N. Mishra for the Appellant.

Kapil Sibal, Additional Solicitor General, P. Parmeshwaran and Ms. Indu Malhotra for the Respondent. The Judgment of the Court was delivered by S.C. AGRAWAL, J. This appeal involves the question whether the products, Bifuran Supplement, Neftin-50 and Neftin-200, manufactured

by the appellant, are chargeable to excise duty as 'patent or proprietary medicines' under Item 14-E of the First Schedule to the Central Excise and Salt Act, 1944, (hereinafter referred to as the 'Excise Tariff') or the said products are exempted from excise duty under notification No. 6/84 dated February 15, 1984, as animal feed supplement. At the relevant time Item 14-E of the Excise Tariff was as under.

"14-E Patent or proprietary medicines not containing alcohol, opium, Indian Hemp or other narcotic drugs or other narcotics other than those medicines which are exclusively Ayurvedic, Unani, Sidha or Homeopathic. Explanation I--'Patent or Proprietary Medicines' means any drug or medicinal preparation, in whatever form, for use in the internal or external treatment of, or for the prevention of ailments in human beings or animals which bears either or itself or on its container or both, a name which is not specified in a monograph in a pharmacopoeia, formulacy or other publications notified in this behalf by the Central Government in the Official Gazette, or which is a brand name, that is, a name or a registered trade mark under the Trade and Merchandise Marks Act, 1958 (43 of 1958), or any other mark such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to that medicine for the purpose of indicating or so as to indicate a connection in the course of trade between the medicine and some person, having the right either as a proprietor or otherwise to use the name or mark with or without any indication of the identity of that person. Explanation II--'Alcohol', 'Opium', 'Indian Hemp', 'Narcotic Drugs' and 'Narcotics' have the meanings respectively assigned to them in Section 2 of the Medicinal and Toilet Preparations (Excise Duties) Act, 1955."

Item 68 of the Excise Tariff was in the nature of a residuary provision and it read as under:

"All other goods, not elsewhere specified but excluding:

(a) alcohol, all sorts, including alcoholic liquors for human consumption;

(b) opium, Indian Hemp and other narcotic drugs and narcotics; and

(c) dutiable goods as defined in Section 2(c) of the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (16 of 1955).

Explanation--For the purpose of this Item, goods which are referred to in any preceding Item in this Schedule for the purpose of excluding such goods from the description of goods in that Item (whether such exclusion is by means of an Explanation to such Item or by words of exclusion in the description itself or in any other manner) shall be deemed to be goods not specified in that Item."

In exercise of the powers conferred by sub-rule (1) of rule 8 of the Central Excise Rules, 1944, the Central Government issued notification dated February 28, 1982 whereby the goods of the descriptions specified in the Schedule annexed to the said notification and falling under Item 68 of the Excise Tariff were exempted from the levy of central excise duty. Entry at S. No. 10 in the

Schedule annexed to the said notification was:

"Animal feed including compound live stock feed."

The said notification dated February 28, 1982 was superseded by notification dated November 1, 1982, which also exempted from levy of central excise duty goods of the description specified in the Schedule annexed to the said notification falling under Item 68 of the Excise Tariff. Entry at S. No. 10 in the Schedule annexed to the said notification was in the same terms as in the previous notification dated February 28, 1982. The notification dated November 1, 1982 was amended by notification dated February 15, 1984 whereby entry at S. No. 10 in the Schedule annexed to the notification dated November 1982 was substituted by the following entry:

"Animal feed including compound live stock feed, animal feed supplements and animal feed concentrates."

By the aforesaid notification dated February 15, 1984, the following explanation was also inserted:

"Explanation II--For the purposes of this notification. the expression--

(i) "animal feed supplements" means an ingredient or combi-

nation of ingredients, added to the basic feed mix or parts thereof. to fulfil a specific need, usually used in micro quantities and requiring careful handling and mixing;

(ii) "animal feed concentrates" means a feed intended to be diluted with other feed ingredients to produce complete food of optimum nutrient balance."

The appellant carries on business as manufacturer of pharmaceuticals. Among the products manufactured by it are Bifuran Supplement, Neftin-50 and Neftin-200. Prior to the notification dated February 15, 1984 the appellant was classifying the products mentioned above under Item 14E and was paying central excise duty on that basis. After the notification dated February 15, 1984 the appellant filed a classification list effective from March 1, 1984 whereby the above mentioned products were classified as 'animal feed supplements' under Item 68 and exemption was claimed under notification dated February 15, 1984. The said classification list submitted by the appellant was approved by the Assistant Collector of Central Excise on June 4, 1984. Subsequently the Assistant Collector realised that the said classification had been wrongly approved and he gave a show cause notice dated January 31, 1985 to the appellant wherein it was stated that the above mentioned products classified by the appellant to be "animal feed supplement" do not appear to fulfil the conditions enumerated in the notification dated February 15, 1984 and the appellant was required to show cause why the exemption granted to the said products should not be withdrawn. The appellant submitted a reply dated March 29, 1985 to the said show cause notice. After considering the said reply Assistant Collector passed an order dated August 21, 1985 whereby it was held that the exemption granted to the above mentioned products of the appellant has to be withdrawn with effect from March 1, 1984 as the conditions set out in the Notification No. 6/84

dated February 15, 1984 had not been fulfilled and the duty involved on the clearance of the said formulations had to be paid and further clearance could be effected under the revised classification list by including these items in Tariff Item 14E. The said order was set aside, on appeal, by the Collector of Central Excise (Appeals) by his order dated December 12, 1985 and the matter was remanded to the Assistant Collector to decide the classification in de-novo proceedings after recording evidence to establish that the product has definite therapeutic or preventive value for disease in animals. Thereafter the Assistant Collector initiated de-novo proceedings. The appellant submitted written submissions and filed documents. After giving a personal hearing to the representation of the appellant the Assistant Collector passed an order dated November 17/21, 1986 holding that products Neftin-50, Neftin-200 and Bifuran Supplement manufactured by the appellant are correctly classifiable under erstwhile Tariff Item 14E and that effective from February 8, 1986 the said products are classifiable under sub-heading 3003.9. The said order was set aside by the Collector of Central Excise (Appeals) by his order dated May 28, 1987. who held that the said products are animal feed supplements and these products merit classification only under the erstwhile Tariff Item 68 and not under Tariff Item 14E. Aggrieved by the said order of the Collector (Appeals) the Department filed an appeal before the Customs, Excise & Gold Control Appellate Tribunal, which was allowed by order dated June 29, 1989. The tribunal held that the aforesaid three products manufactured by the appellant are patent and proprietary medicines as defined in Tariff Item 14E inasmuch as they have therapeutic and preventive use in respect of the specific ailments in animals. The tribunal was also of the view that if the products satisfy the requirements of Tariff Item 14E there was no question of considering their classification under Tariff Item 68, which is a residuary item. Aggrieved by the said order of the tribunal the appellant has filed this appeal under Section 35L of the Central Excise and SAIL Act, 1944.

During the course of arguments Shri K.K. Venugopal, the learned counsel for the appellant fairly stated that according to the printed pamphlet issued by the appellant the use of Bifuran Supplement is to promote growth rate, weight-gains and feed conversion efficiency in growers and broilers by keeping coccidiosis away during growing period, and that the said product can be regarded as preventive medicine falling under Tariff Item 14E and he has confined his submissions in respect of the other two products, namely, Neftin-50 and Neftin-200.

Shri Venugopal has urged that Neftin-50 and Neftin-200 are manufactured by the appellant for use as animal feed supplement and not for use as medicine and therefore they should have been classified as animal feed supplement under Tariff Item 68 and were exempted from payment of central excise duty under notification dated February 15, 1984. Shri Venugopal has invited our attention to the printed literature issued by the appellant for the sale of these products as well as certain certificate issued with regard to the use of these products as additive to poultry feed and their usefulness for that purpose. Shri Venugopal has pointed out that in the printed literature it has been specifically mentioned:

"For use in poultry feed only. Not for medicinal use."

Shri Venugopal also pointed out that as regards uses of Neftin-50 and Neftin-200 it is stated in the said printed literature:

"To improve egg production, feed/egg ratio and hatchability in layers; to increase weight-gains and growth rate in broilers and growers."

The learned Additional Solicitor General, on the other hand, has urged that both these products are patent and proprietary medicines chargeable to central excise duty under Tariff Item 14E. In this connection the learned Additional Solicitor General has pointed out that Neftin-50 contains Furazolidone 5% W/W and Neftin-200 contains Furazolidone 20% W/W. The submission of the learned Additional Solicitor General is that Furazolidone is used as an aid in the prevention of coccidiosis as well as for treatment of coccidiosis and that Furazolidone is a patent drug and in England it is sold to the public on the prescription of a registered practitioner only. The learned Additional Solicitor General also urged that the finding that aforesaid two products are patent and proprietary medicines falling under Tariff Item 14E is essentially a finding of fact based on the materials placed before the excise authorities and the said finding is not normally open to challenge in appeal before this Court. The submission of the learned Additional Solicitor General is further that in the present case it cannot be said that the aforesaid products manufactured by the appellants can be regarded as animal feed supplement as defined in Explanation II, inserted by notification dated February 15, 1984 in the notification dated November 1, 1982. In the instant case we are not required to consider the scope of two competing entries of the Excise Tariff because Item 68 was a residuary entry which dealt with all other goods not elsewhere specified. A product which is found to be covered by the other items of the Schedule of the Excise Tariff would be outside the ambit of Item 68. Therefore, the primary question to be considered is whether the products in question, namely, Neftin-50 and Neftin-200, are patent and proprietary medicines falling within Item 14E. In this context we may refer to the decision of this Court in *Dunlop India Ltd. v. Union of India and Others*, [1976] 2 SCR 98 where the question was whether V.P. Latex manufactured by the appellant in that case was raw rubber and classifiable under Item 39 or it was classifiable under the residuary entry contained in Item 87. It was found that V.P. Latex fell within Item 39 and in view of the said finding it was held that it could not fall within the residuary entry of Item 87. It was observed:

"When an article has, by all standards, a reasonable claim to be classified under an enumerated item in the Tariff Schedule, it will be against the very principle of classification to deny it the parentage and consign it to an orphanage of the residuary clause. The question of competition between two rival classification will, however, stand on a different footing." (P. 113).

Similarly in *Collector of Central Excise, Kanpur v. Krishna Carbon Paper Co.*, [1989] 1 S.C.C. 150 the question was whether carbon paper was taxable under Item 17 or under the residuary entry at Item 68. It was found that carbon paper was taxable as paper under Item 17(2) and, therefore, it would not fall in the residuary entry at Item 68. As noticed earlier, Item 14E refers to patent or proprietary medicines. The expression 'patent or proprietary medicines' has been defined in Explanation I in Item 14E to mean any drug or medicinal preparation, in whatever form, for use in the internal or external treatment of, or for the prevention of ailment in human beings or animals. What is, therefore, required is that the product must be a preparation for use in the treatment or prevention of ailments in human beings or animals. Neftin-50

contains Furazolidone 5% W/W and Neftin-200 contains Furazolidone 20% W. The Assistant Collector in his order dated 17/21 November, 1986 has referred to the following authorities on the subject.

(a) British Pharmacopoeia 1980, Vol. I, wherein with reference to Furazolidone it has been stated:

"A yellow crystalline powder, odourless, to be protected from light. An antibacterial, antifungal and antiprotozoal."

(P. 205)

(b) British Pharmacopoeia Codex 1979 wherein it has been stated:

"A bactericide which is observed only slightly from the intestinal mucosa and has therefore been used in the treatment of bacterial diarrhoea and gastro enteritis. It is also active against, "Giardia lamblia."

"Furazolidone is used in animals as an antibacterial agent and for the promotion and treatment of histomoniasis."

"For histomoniasis in poultry, the usual prophylactic dosage is 100 ppm in the feed and the usual therapeutic dosage is 400 ppm in the feed for 10 days." (P. 376)

(c) Scientific Foundations of Veterinary Medicine, 1980 Edn.:

"Bloody or cecal coccidiosis is an acute hemorrhagic disease and is the most severe form of coccidiosis in chickens."

"Furazolidone is fed continuously at 0.0055% in the feed as an aid in the prevention of coccidiosis caused by E. tenella, E. necatrix, and E. acervulina. Furazolidone can also be used for the treatment of these same coccidia species when fed at 0.011% for 5 to 7 days." (P. 193)

(d) Medicines and Poisons Guide, 2nd Edn. 1980, prepared by the Law Department of Pharmaceutical Society of Great Britain:

ain:

"Furazolidone is a prescription only veterinary drug and by virtue of an entry in the medicines order (prescription only) may be sold or supplied to the public only on a prescription."

tioner's prescription." (P. 59) These observations indicate that Furazolidone is an antibacterial, antifungal and antiprotozoal compound and it is used for prevention and treatment of coccidiosis as well as histomoniasis in poultry. From this material it also appears that in England Furazolidone is a prescription only veterinary drug and it can be sold or supplied to the public on a practitioner's prescription only. Furazolidone is thus a drug or medicinal preparation used for treatment and prevention of ailments in poultry and since Neftin-50 and Neftin-200 contain only Furazolidone, the said products are also drugs or medicinal preparations for use in the treatment and prevention of ailments in poultry. In this context it would be relevant to mention that apart from Neftin-50 and Neftin-200 the appellant also manufactures Neftin Tablets. The appellant has not disputed that Neftin Tablets manufactured by it are drugs or medicines falling within the ambit of Item 14E and it pays central excise duty on the same.

Shri Venugopal has laid stress on the word "used" in Explanation I in Item 14, and has submitted that Neftin Tablets are manufactured for use as medicine whereas Neftin-50 and Neftin-200 are manufactured for use as animal feed supplement and are not manufactured for use as medicine. Shri Venugopal has invited our attention to the decision of this Court in *Annapurna Carbon Industries Co. v. State of Andhra Pradesh*, [1976] 3 S.C.R. 561. In that case the question for consideration was whether Cinema Arc Carbons were taxable to sales tax under the entry relating to cinematographic equipment and parts and accessories 'required for use therewith'. This Court held that the main use of the arc carbon was proved to be that of production of powerful light used in projectors in cinemas and the fact that they can also be used for search lights, signalling, stage lighting or where powerful lighting for photography or other purposes may be required, could not detract from the classification to which the carbon arc belongs, which is determined by their ordinary or commonly known purpose or user and hence their sale was subject to sales tax under the said entry. Here we find that Neftin-50 and Neftin-200 contain Furazolidone which is administered for prevention and treatment of ailments viz., Coccidiosis and Histomoniasis in poultry. Merely because Neftin-50 and Neftin-200 can also be used for improving egg production and increase in growth rate of broilers would not in any way detract from the fact that the said products are medicines for use in the treatment and prevention of ailments in poultry. Once it is found that Neftin-50 and Neftin-200 are medicines for use for treatment and prevention of ailments in poultry they have to be regarded as patent and proprietary medicines chargeable to excise duty under Item No. 14E and the question whether the said products fall in the residuary, entry at Item 68 does not arise.

The exemption from payment of central excise duty which has been granted under notification dated November 1, 1982 as amended by notification dated February 15, 1984, is confined in its application to goods specified in the Schedule annexed to the said notification which fall under Item

68. The said notification does not grant exemption in respect of a product falling in any other entry of the excise tariff. It cannot be construed as transferring a product from an entry other than Item 68 to Item 68. The insertion of animal feed supplement in the Schedule to the Notification dated November 1, 1982 by the Notification dated February 15, 1984, would not mean that a product which was liable to payment of central excise duty under Item 14E prior to such insertion would cease to be so liable and would become exempt from such payment of duty by virtue of this notification. It is not disputed that prior to the notification dated February 15, 1984, the appellant was

paying central excise duty on Neftin-50 and Neftin-200 patent and proprietary medicines falling under Item 14E. In the absence of any notification granting exemption in respect of products falling under Item 14E, Neftin-50 and Neftin-200, which are patent and proprietary medicines falling under Tariff Item 14E and which do not fall under the residuary entry at Item 68, cannot be claimed to be exempt from central excise duty as animal feed supplement under notification dated November 1, 1982, as amended by notification dated February 15, 1984.

Shri Venugopal has contended that the appellant has been subjected to arbitrary and hostile discrimination inasmuch as similar products of other manufacturers which contain the same percentage of Furazolidone as Neftin-50 and Neftin-200 are being exempted from payment of central excise duty under notification dated November 1, 1982, as amended by notification dated February 15, 1984. In support of this submission Shri Venugopal has invited our attention to the pamphlets issued by other manufacturers about their products and the contents of those products. Shri Venugopal has placed reliance on the decisions of the U.S. Supreme Court in *Cumberland Coal Co. v. Board of Revision*, 76 Law Edn. 147 and *Iowa-Des Moines National Bank v. E.R. Bennett*, 76 Law Edn. 265 as well as the decision of this Court in *Vishnudas Hindumal Etc. v. State of Madhya Pradesh and Ors.*, [1981] 3 S.C.R. 234. The learned Additional Solicitor General has submitted that the other manufacturers referred to by Shri Venugopal are located at different places and are assessable to excise duty by different authorities and that merely because the relevant notifications have been wrongly applied to those manufacturers by the concerned authorities and the said manufacturers are enjoying exemption from duty in respect of their products would not mean that the impugned order passed against the appellant is liable to be quashed on the ground on violation of the right to equality under Article 14 of the Constitution. The learned Additional Solicitor General has also stated that proceedings would be initiated against those manufacturers in the light of the decision of this Court in this case.

It is not the case of the appellant that the same authority has passed orders discriminating between the appellant and other producers of similar products. The grievance of the appellant is that on account of difference in the interpretation of notification dated February 15, 1984, amending notification dated November 1, 1982, by the excise authorities in other regions while the appellant is being required to pay excise duty on Neftin-50 and Neftin-200 manufactured by it, other manufacturers of similar products in other regions are enjoying exemption from payment of such duty. The appellant, in substance, wants that because other producers have been granted exemption, though wrongly, the same exemption should be extended to it. In our opinion this is impermissible. The appellant cannot obtain such an exemption in disregard of the law by invoking the right to equality before the law and equal protection of the laws guaranteed under Article 14 of the Constitution. A similar question arose before this Court in *Narain Dass v. The Improvement Trust, Amritsar & Another*, AIR 1972 S.C. 865. In that case it was contended that while administering Section 56 of the Punjab Town Improvement Act, 1922, there had been hostile discrimination against the appellants because lands under orchards belonging to persons similarly placed had been exempted whereas the appellants had been refused exemption. Rejecting this contention this Court has observed:

"In any event if the appellants had failed to bring their case within Section 56 of the Act, then merely because some other party had erroneously succeeded in getting his lands exempted ostensibly under that Section that by itself would not clothe the present appellants with a right to secure exemption for their lands. The rule of equality before the law or of the equal protection of the laws under Article 14 could not be invoked in such a case."

In *Cumberland Coal Co. (Supra)* and *Iowa-Des Moines National Bank (supra)* it was found that there was intentional- al and systematic discrimination in favour of certain per- sons by the officials administering the law. In the instant case it is not said that there has been intentional and systematic discrimination in favour of the producers other than the appellant. The said decisions have, therefore no application to the present case.

Vishnudas Hindureal v. State of Madhya Pradesh (Supra) was in respect of a scheme for nationalisation of motor transport whereunder the permits of the appellants before this Court had been curtailed and they were prohibited from operating their stage carriages on that portion of the route for which they had permits which was overlapping with the notified route while others similarly situate were permitted to ply their stage carriages over the routes for which they had permits passing over a portion of the notified route without any let or hindrance and their permits were neither curtailed nor cancelled. This Court found that this was due to an error or omission on the part of the Regional Trans- port Authority in not supplying full information to the Special Secretary about all the valid permits in force at the relevant date, After referring to the decision of this Court in *Ramnath Verma v. State of Rajasthan*, [1963] 2 S.C.R. 152 wherein it was held that discrimination under Article 14 is conscious discrimination and not accidental discrimination that arises from oversight which the State is ready to rectify, this Court observed:

" We did not find any willingness on the part of the State authorities to rectify the error in the High Court or before this Court."

In these circumstances. this Court, instead of rejecting the whole scheme, considered it appropriate to rectify the same by removing the discrimination by putting the appel- lants before it in the same class as those who had enjoyed favourable treatment by inadvertance on the part of the Regional Transport Authority. The present case stands on a different footing. Here the discrimination complained of arises on account of orders passed by different excise authorities acting quasi judicially. Moreover it cannot be said that there is no willingness on the part of the author- ities to recover excise duty on similar products manufac- tured by other producers because the learned Additional Solicitor General, during the course of his arguments, has indicated that proceedings would be initiated against those manufacturers in the light of the decision of this Court in this case. The decision in *Vishnudas's case (supra)* has, therefore, no application to the present case. For the reasons aforesaid we find no substance in this appeal and it is accordingly dismissed. There will be no order as to costs.

P.S.S.

Appeal dismissed.

