

**Kopran Ltd. Vs. Cce**

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**Court :** Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

**Decided On :** Mar-17-1998

**Reported in :** (1998)(79)LC705Tri(Mum.)bai

**Judge :** G B Deva, a T V.K.

**Appellant :** Kopran Ltd.

**Respondent :** Cce

**Judgement :**

1. The Commissioner (Appeals) in the order dated 10.7.1997 had disallowed the deduction on account of packaging charges, interest on stocks and godown expenses. The appellants in this case are manufacturing patent and proprietary medicines and clearing the same packed in wooden box. The entire sale is effected from their depots.

Ms. Reena Kher appearing on behalf of the appellant submitted that the patent medicine is sold, packed in strips form and the packing in large corrugated boxes is effected only for safe transport. She relied upon the decision of the Supreme Court in the case of Lucky Biscuit Company v. CCE, Patna in which the Supreme Court held that the cost of wooden cases used to protect the goods in transit is excludible from the assessable value of the goods. As far as the other two deductions are concerned, she fairly conceded that both are covered by the Supreme Court decision in MRF case reported in 1995 (75) ELT 433 (SC) : 1995 (58) ECR 385 (SC).

2. Countering the argument Shri M. Ali, Id. DR submitted that the case of inclusion or exclusion of the packing cost in assessable value has been settled by the Supreme Court in the MRF case. In Lucky Biscuit case it is not shown whether the goods were cleared in packed condition at factory gate and in view of this, packing charges are includible in the assessable value.

3. We have considered the submissions of both the sides. As far as the interest on stocks and godown expenses are concerned, the Supreme Court has held in MRF decision that these are not to be excluded from the assessable value of the excisable goods. In respect of packing charges, we observe that no evidence has been produced to show that the goods were sold without the packing in large cartons. In fact the entire goods are cleared packed in corrugated cartons to their depots.

Following the ratio of the decision of the Supreme Court in the case of MRF, the packing charges are not to be excluded from the assessable value. Accordingly the appeal is dismissed.

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