

Ranbaxy Laboratories Ltd. Vs. Cce

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Dec-11-2002

Reported in : (2003)(85)ECC467

Judge : K Usha, a T V.K.

Appellant : Ranbaxy Laboratories Ltd.

Respondent : Cce

Judgement :

1. This is an appeal at the instance of the assessee challenging the order passed by the Commissioner of Central Excise, Mumbai dated 26.4.2002.

2. The appellants are engaged in the manufacture of formulations/medicines falling under Chapter 30 of the Central Excise Tariff Act, 1985. The dispute in this appeal relates to import of 3 medicines/formulations, namely (i) One-Alpha Caps I meg, (ii) One Alpha Caps 0.25 meg and (iii) Daivonex Ointment 30 g. from Denmark, during the period from 1.12.1996 to 31.3.2001. These medicines were imported in packed condition on payment of appropriate duty of Customs leviable thereon. The appellants had affixed strips on the packings containing particulars such as name of the commodity packed, net quantity, month and year of packing, retail price, name of the manufacturer etc. In view of the Trade Notice dated 21.8.96 issued pursuant to Central Board of Excise & Customs circular dated 14.4.96 the appellants were not treating affixation of stickers as a manufacturing process and they were not paying any duty on the sale of medicine. Subsequently,

a show cause notice dated 31.12.2001 was issued alleging that the process of affixing of stickers carried on by the appellants on the imported medicines amounted to manufacture. The demand in the show cause notice was affirmed by the Commissioner.

3. Before us the learned counsel appearing on behalf of the appellants placed various submissions on the interpretation of Note 5 to Chapter 30 to contend that the affixation of the label by the assessee herein would not amount to labelling. There are other contentions also raised by the learned counsel on the interpretation of Note 5. We do not think it is necessary to go into the correctness or otherwise of such contentions raised by the appellant in view of the fact that the duty under demand is for the period from 1.12.96 to 31.3.2001 and that during this period the Trade Notice dated 21.8.96 issued pursuant to Board's circular dated 14.5.96 was in force. It was withdrawn by the Board only on 16.5.2001. In the Trade Notice dated 21.8.96 it was clarified that process of labelling or pasting of stickers on imported medicines would not amount to manufacture in terms of Note 5 to Chapter 30. In the light of the above clarification pursuant to the Board's circular no demand could be raised against the appellants for the period from 1.12.96 to 31.2.2001. The Board's circular and Trade Notice issued pursuant thereto are binding on the Revenue. In view of the above, we set aside the order impugned and allow the appeal.

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