i.T.C. Ltd. Vs. Collector of Central Excise

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Aug-26-1987

Reported in : (1988)LC239Tri(Delhi)

Appellant : i.T.C. Ltd.

Respondent : Collector of Central Excise

Judgement :

1. The question for decision in this appeal is liability of the appellants to duty in respect of goods -printed cartons and boxes falling under TI 68 and exempt under Notification No. 122/75-C.E.manufactured before introduction of Budget for the year 1982-83 but cleared thereafter when printed cartons and boxes became, classifiable under TI 17(4) of the erstwhile Central Excise Tariff. The Collector (Appeals) held that the classification and rate of duty would be governed by the provision in force on the date of clearance and removal.

2. At the hearing today, Shri Ravinder Narain, Advocate for the appellants drew attention to Tribunal decision in M/s. Andhra Sugars Ltd. v. Collector of Central Excise, Guntur, 1986 (26)-ELT 85 (Tribunal) and submitted that in view of this decision pre-budget stocks manufactured at a time when they were exempt from duty would not be liable to duty if cleared after introduction of the budget.

3. Shri Chakraborti, JDR while maintaining that the classification and rate of duty would be as in force on the date of clearance and renewal of goods from factory, agreed that the decision squarely covered the issue involved in the present appeal

and that the decision was in favour of the manufacturer.

4. On going through the decision we find that in a similar situation the Tribunal following an earlier decision in Castrol Ltd. Calcutta v.Collector of Central Excise, Patna 1985 (21) ELT 333 (Trib.) held that pre budget stock exempt at the time of manufacture would not attract duty liability even if cleared at a time when goods had become liable to duty. Following the decision we allow the appeal with consequential relief to the appellants.