

Collector of Central Excise Vs. Mahanadi Fine Art Litho Works

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Feb-03-1988

Reported in : (1988)(18)LC637Tri(Delhi)

Appellant : Collector of Central Excise

Respondent : Mahanadi Fine Art Litho Works

Judgement :

1. This is an appeal filed by the department against the orders of the Collector (Appeals) who has held that printed wrappers are products of printing industry and are exempted from payment of duty under Notification No. 122/75-C.E., dated 5-5-1975.
2. We have heard Shri Balbir Singh, JDR for the department and Shri R..1. Majra, Advocate for the respondent.
3. Shri Balbir Singh reiterates the grounds of appeal and submits that the main function of the wrappers being packing, they cannot qualify as a product of printing industry. In view of their functional use for purposes of packaging, they have to be considered as product of packaging industry. The learned JDR submits that he relies on the decision in the case of Golden Press v. Dy. Collector of Central Excise, Hyderabad and Another - 1987 (27) ELT 273.
4. Shri K.C. Sachar, JDR who intervened at this stage submitted that the department would also rely on the decision in the case of the Card Board Box

Manufacturing Co. - 1984 (17) ELT 494.

5. Responding, Shri R.J. Majra, Advocate submits that he relies on the views of Member (Judicial) in the R.M.D.C. Press (P) Ltd. case -1987 (29) ELT 957. It is emphasized that the wrappers in question are products in the manufacture of which the pre-dominant activity is that of printing. It is further pleaded that Collector (Appeals) rightly held that the main purpose of the printed wrappers is to indicate the identification of the goods and relate it to the manufacturer and the brand name, also giving information regarding ingredients used and other directions, depending on the goods wrapped. In other words, it is claimed that the purpose of printed wrappers is not related to packaging as such.

6. We have carefully considered the facts of the case and the submissions made before us. We observe that in taking this decision, the Collector was persuaded by what he describes as "overwhelming evidence led by the appellants". This included, reference to the book titled "Paper and Paper-board in Packaging" published by the Indian Institute of Packaging, on page 89 of which, it is stated that wrapper is a variety of label. It is stated that printed label, as such, cannot be considered as a product of packaging industry. The Collector also noted that awards have been instituted by the Government of India as well as the Government of Maharashtra and the All India Master Printers Association for excellence in printing and design and these extend inter alia, to labels and wrappers. We feel that these are strong grounds in favour of the impugned goods being treated as products of printing industry.

7. The Collector also rightly concluded that, by itself, a printed wrapper cannot be considered a product of packaging industry since the main purpose of wrapper is to establish the identity of the goods, to relate it to the manufacturer, brand name etc. and to give other necessary information that the customer would want in respect of the goods he purchases. In their argument before us, the department has stated that they rely on the decision of the High Court of Andhra Pradesh in the case of Golden Press v. Deputy Collector of Central Excise, Hyderabad (Supra) as well as the decision of this Tribunal in the case of Card Board Box Manufacturing Co. v. Collector of Central Excise, Calcutta (Supra). Both these

decisions, we find, are related to printed cartons or printed card board boxes. It has not been claimed by the department before us that the impugned goods in this case, namely, printed wrappers are the same as printed cartons. Therefore, it cannot be claimed with any conviction that the two decisions relied upon by the department would necessarily be applicable to the impugned goods.

8. We also note that even in regard to printed cartons, after taking into consideration the decision of the Andhra Pradesh High Court in the case of Golden Press, but also fully keeping in view the decision of the Karnataka High Court in the case of Rollatainers Ltd. v. Union of India and Ors. - 1984 (18) ELT 217 (Kar.), this Tribunal has already held in Collector of Central Excise, Madras v. ITC Ltd. [1987 (13) ECR 1033] that even printed cartons are products of the printing industry and not of packaging industry. We respectfully concur in this view.

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