Apr Packaging Ltd. Vs. Commissioner of Central Excise

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Mar-16-2006

Judge : S T Chittaranjan, T Anjaneyulu

Appellant : Apr Packaging Ltd.

Respondent : Commissioner of Central Excise

Judgement :

1. Heard both sides. The appellants manufacture kraft paper and paperboard classified under subheading No 4804.90. The tariff rate of duty up to 29-2-2000 was 16% but they were availing exempted rate of 8% under Notification No. 5/99 since they were using unconventional raw material. For clearances on the budget day 29-2-2000, they undertook to pay enhanced rate of duty, if any, under Rule 224(2A) of the Central Excise Rules, 1944. We find that the tariff rate of duty remained unchanged at 16%, notification 5/99 was replaced by Notification No.6/2000 under which the effective rate was reduced to zero but the quantity was restricted to 210 MT for March 2000 and 3500 MT for the full financial year. We also find that the appellants have paid 8% duty for the budget day clearances on 29-2-2000.

2. In view of the fact that there has been no increase in the duty rate, the duty demand made on the appellants in excess of 8% is not sustainable. Hence, we set aside the impugned order and allow the appeal with consequential benefit to the appellants.