

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE  
TRIBUNAL  
BANGALORE**

REGIONAL BENCH - COURT NO. 1

**Central Excise Appeal No. 20337 of 2016**

[Arising out of Order-in-Appeal No. CAL-EXCUS-000-APP-426-15-16  
dated 06.01.2016 passed by the Commissioner of Central Excise,  
Customs & Service Tax (Appeals-II), Cochin]

**M/s. Western India Plywood  
Ltd.,**

Mill Road, Baliapattom, Kannur  
Kerala State - 670 010

**Appellant(s)**

*VERSUS*

**Commissioner of Central  
Excise, Calicut  
Commissionerate**

Central Revenue Building  
Mananchira, Calicut  
Kozhikode - 673 001

**Respondent(s)**

**APPEARANCE:**

Mr. P. Satheesan, Advocate for the Appellant

Mr. Maneesh Akhoury, Assistant Commissioner (AR) for the  
Respondent

**CORAM: HON'BLE DR. D.M. MISRA, MEMBER (JUDICIAL)  
HON'BLE MR. PULLELA NAGESWARA RAO,  
MEMBER (TECHNICAL)**

**Final Order No. 22133 /2025**

DATE OF HEARING: 18.11.2025

DATE OF DECISION: 18.11.2025

**PER : DR. D.M. MISRA**

This is an appeal filed against the Order-in-Appeal No.  
CAL-EXCUS-000-APP-426-15-16 dated 06.01.2016 passed by  
the Commissioner of Central Excise, Customs & Service Tax  
(Appeals-II), Cochin.

2. Briefly stated the facts of the case are that the appellants are engaged in the manufacture of wood and articles of wood/paper boards, etc. falling under Chapter heading 4408, 4411, 4823, 8546 of Central Excise Tariff Act, 1985. Through their letter dated 15.03.2007, the appellant informed the Department that they are manufacturing components and fittings for electrical machines as insulating items, out of the material viz. "Pre-compressed Press Boards" claiming its classification under Chapter sub-heading 85479090 of CETA. After study of the product manufactured by them, a show-cause notice was issued on 04.10.2011 proposing to classify the insulating fittings made out of pre-compressed press board cut to size or shape as other articles of paper pulp, paper or paper boards under CETH 48239090 of CETA and demand paper cess @ 1/8% of Rs.45,392/- on the total clearance value of Rs.3,63,14,657/- along with interest and penalty. On adjudication, proceedings were dropped by the adjudicating authority. Aggrieved by the same, the Revenue filed appeal before the learned Commissioner(Appeals), who in turn, accepted the Revenue's plea and set aside the order of the adjudicating authority. Hence, the present appeal by the assessee.

3.1. At the outset the learned advocate for the appellant has submitted that by an unreasoned and cryptic order, the learned Commissioner(Appeals) has observed that the heading 48239090 is more specific and harmonious in contrast to the classification under CETH 85479090 of CETA. He has submitted that the learned Commissioner(Appeals) has ignored the fact that what they are manufacturing is 'insulating fittings' made out of pre-compressed press boards which are used in different types of power distribution transformers, accordingly correctly

classified on the basis of functional character under CETH 85479090. Referring to the HSN note, it is submitted that Tariff Heading 4823 is applicable to Other Articles made of paper, paperboard, cellulose wadding and webs of cellulose etc. cut to size or shape etc., whereas Chapter heading 8547 refers to insulating fittings for electrical machines, appliances or equipment being fittings wholly of insulating material, apart from any minor components or metal (for example, threaded sockets) incorporated during moulding solely for the purpose of assembly. He has submitted that the appellate authority has failed to appreciate the ratio laid down by the Hon'ble Supreme Court in the case of Collector of Central Excise Vs. Wood Polymers Ltd. [(1998 (97) ELT 193 (SC)] wherein it is observed that paper board insulating material is covered under Chapter sub-heading 8546. Further, he has referred to the following decisions:-

- i. Milton Laminates Pvt. Ltd. Vs Collector of C. Ex., Ahmedabad. [2004 (177) E.L.T. 847 (Tri. - Del.)]
- ii. - Commissioner of C.Ex., Aurangabad Vs ISOVOLTA (I) PVT. LTD. [2001 (135) E.E.T. 462 (Tri. - Del.)]
- iii. ISOVOLTA (1) Pvt. Ltd. Vs Commissioner. [2006 (200) E.L.T. A70 (S.C.)]
- iv. CCE, Ahmedabad Vs VISHAAGAR TALUKA AUDYOGIC SAHAKARI MANDI LTD. [2003 (159) E.L.T. 621 (Tri. - Del)]

3.2. Learned advocate for the appellant has also submitted that the demand is barred by limitation inasmuch as before commencing the production, they have intimated the Department on 15.03.2007 and thereafter cleared their products declaring its classification under Chapter sub-heading 85479090; therefore, the show-cause notice issued on 04.10.2011 demanding paper cess for the period March 2007 to June 2011 is barred by limitation.

4. Learned AR for the Revenue has reiterated the findings of the learned Commissioner(Appeals).

5. Heard both sides and perused the records.

6. The short issue involved in the present appeals is whether the product viz. 'insulating fittings made out of pre-compressed press board' is classifiable under Chapter sub-heading 48239090 attracting paper cess 1/8% ad valorem or under Tariff Heading 85479090 during the relevant period.

7. It is not in dispute that the disputed product manufactured by the appellant are made out of pre-compressed press boards and supplied to the customers as per drawings and specifications to suit the needs of the customers and these are not readymade items available in the market. Also, it is not in dispute that the manufactured items were insulating materials used in different types of power and distribution transformers, capacitors etc. We find more or less similar issue has been considered by the Hon'ble Supreme Court in the case of CCE Vs. Wood Polymers Ltd. (supra) and it is held that paper board insulating material are classifiable under Chapter heading 8546 of CETA and insulating fittings made from glass epoxy laminates are classifiable under Chapter sub-heading 8547 and not under 70.4 as articles of glass. Similarly, the Hon'ble High Court of Kolkata in the case of Kalpa Ghosh Vs. Collector of Customs [1994(70) ELT 533 (Cal.)] held that insulating fittings made from Glass epoxy Laminates are classifiable under Chapter heading 85.47 of CETA and not under 70.14. Even though these judgments have been referred and relied on by the adjudicating authority and after analysing the brochure filed by the appellant along with technical write up on the manufacturing process of pre-compressed press board and copies of purchase orders in

arriving at the conclusion that the product is rightly classifiable under CETH 85479090, the learned Commissioner(Appeals) has not addressed any of the analysis on which the adjudicating authority has determined the classification of the product under Chapter sub-heading 85479090. Thus, we find that the impugned order is devoid of merit and accordingly set aside and the order of the adjudicating authority is restored. Appeal is allowed.

(Operative part of this Order was pronounced in Open Court on conclusion of the hearing.)

**(D.M. MISRA)**  
**MEMBER (JUDICIAL)**

**(PULLELA NAGESWARA RAO)**  
**MEMBER (TECHNICAL)**

Raja...