CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL MUMBAI

REGIONAL BENCH - COURT NO. I

Excise Appeal No. 85954 of 2017

[Arising out of Order-in-Appeal No. GOA-EXCUS-000-APP-345-2016-17 dated 08.03.2017 passed by the Commissioner (Appeals), Pune Appeal-II (Goa).]

Prakash Corrugated Products **.... Appellant**
L-116-B Phase-III, Verna Industrial Estate,
Verna, Goa- 403 722.

Versus

Commissioner of Customs, Goa **.... Respondent**
ICE House, EDC Complex, Plot No. 6,
Patto Panaji, Goa- 403 001.

APPEARANCE:

Shri C.S. Biradar, Advocate for the Appellant
Shri Ranjan Kumar, Authorized Representative for the Respondent

CORAM:

HON'BLE MR. S.K. MOHANTY, MEMBER (JUDICIAL)
HON'BLE MR. M.M. PARTHIBAN, MEMBER (TECHNICAL)

FINAL ORDER NO. A/85263/2026

Date of Hearing: 22.01.2026
Date of Decision: 22.01.2026

Per: S.K. MOHANTY

Heard both sides and perused the case records.

2. Denial of the benefit of Notification No.10/2010-C.E. dated 27.02.2010 is the subject matter of present dispute. The appellants in this case, are engaged in the manufacture of Corrugated Boxes, falling under Chapter Sub-Heading No.481910 of the First Schedule to the Central Excise Tariff Act, 1985. They had claimed the benefit of concessional rate of duty @ 4% *ad valorem* under Notification dated 27.02.2010 (supra). However, claim for such exemption was denied by the department on the ground that they had manufactured Corrugated Boxes, for which the principal raw material used were Kraft paper, duplex board/sheets, which were bound together to get the

resultant product i.e., corrugated boxes. It was further contended by the department that boxes made only from the bought out kraft paper were entitled to be cleared on payment of central excise duty @ 4% under the said notification dated 27.02.2010 (supra) and such concessional rate of duty does not apply to the cases, where the boxes are made in the combination of kraft paper and duplex board/sheet. On the basis of such understanding proceedings were initiated by the department, which culminated into the Order-in-Original dated 12.07.2016, wherein the Additional Commissioner, Central Excise & Service Tax (ADG), Goa had confirmed the central excise demand along with interest and also imposed penalty on the appellants. Appeal against the said adjudication order dated 12.07.2016 was upheld by the learned Commissioner (Appeals) vide the impugned order dated 08.03.2017, against which the present appeal was filed by the appellants before the Tribunal.

3. Learned Advocate appearing for the appellants has placed on record the Circular issued by Central Board of Excise and Customs (CBEC) from file F. No. 354/342/2011-TRU dated 24.02.2012, and submitted that the appellants should be entitled for the concessional rate of duty in respect of the corrugated board boxes removed from the factory. He has also relied upon the Final Order No. A/40145/2019 dated 16.01.2019 passed by the Co-ordinate Bench of the Tribunal, to state that the issue arising out of the present dispute is no more *res integra*.

4. Learned AR appearing for the Revenue reiterated the findings recorded in the impugned order.

5. The issue with regard to consideration of specific category of the goods for the purpose of concessional rate of duty provided under the Notification dated 27.02.2010, was highly contentious and the matter was also referred to the Tax Research Unit (TRU), in the department of Revenue and vide instruction dated 24.02.2012, TRU has clarified as under:

> *"2. Representations have been received by this unit wherein it has been stated that some field formations have raised the issue on a member unit; of non eligibility of concessional Excise Duty; on Corrugated Board Boxes manufactured using Corrugated Board made of Kraft Paper &*

> *Duplex Paper Board on the ground that the product cannot be classified under Tariff Heading 4819 as Duplex Board has been used & that Kraft Paper is not predominant in the total quantum of Paper & Board used. Therefore demand for Duty of 10% has been raised on such clearances.*
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> *3. Board has examined similar issues in the past on more than one occasion. For example, vide Circular no.60/95 dated 4th June, 1995 and Circular no.9/96-Cus dated 13.2.1996, it has been clarified that the benefit of exemption will be available to goods where the goods are squarely covered by the description even though the goods mentioned in the notification are not covered by the Chapter/Heading Nos. /Sub-heading Nos., mentioned in the notification or if the heading no. indicated against the description is "incorrect".*
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> *(Emphasis supplied)*
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> *4. In view of this position it is clear that the benefit of concessional rate of excise duty in the instant case is available to Cartons, boxes and cases, of corrugated paper or paperboard whether or not pasted with duplex sheets on the outer surface, subject to Condition No. 12 of Notification 4/2006-CE dated 01.03.2006."*

6. On reading of the exemption entry and the condition No.12 itemized in the Table appended to the notification No.10/2010-C.E. dated 27.02.2010 and the clarification furnished by the TRU as above, it transpires that the scope of exemption covers all types of cartons, boxes and cases, by mentioning the entire sub-heading, leaving no scope for excluding some of the cartons or boxes or cases, from the aforesaid duty concession.

7. Further, we also find that by relying upon the said instruction dated 24.02.2012, the Co-ordinate Bench of this Tribunal in the case of Balaji Packaging Industries Vs. Commissioner of Central Excise, Tirunelveli vide Final Order No. 40145/2019 dated 16.01.2019 has allowed the appeal in favour of the appellants therein, as under:

> *"2. Today, when the matter came up for hearing, learned advocate for the appellants Shri N. Viswanathan, submits that Board's Circular No.F.354/342/2011-Tru, dated 24.02.2012 has clarified that the benefit of concessional rate of excise duty is available to cartons, boxes and cases of corrugated paper or paperboard, whether or not pasted with duplex sheets on the outer surface. The learned advocate further drew our attention to para 7 of the impugned order, wherein the Commissioner (Appeals) has taken note of the said clarification and observed "that it is not clear as to how the tax liability has been arrived at". However, the learned*

appellate authority has confirmed the duty demand on the ground that the appellants have conceded the tax liability and have also paid the differential duty with interest.

xxx xxx xxx

3. After going through the facts on record, we find that the learned advocate is correct in his assertion that the benefit of the said notifications will be available to them in view of the clarifications conveyed in the Board's circular. This being so, the impugned order cannot sustain and will require to be set aside, which we hereby do. Appeal is therefore allowed, with consequential reliefs, if any, as per law."

8. In view of above, we do not find any merits in the impugned order, insofar as it has upheld the confirmation of adjudged demands on the appellants. Therefore, the impugned order is set aside and the appeal is allowed in favour of the appellants.

(Dictated and pronounced in open Court)

(S.K. Mohanty)
Member (Judicial)

(M.M. Parthiban)
Member (Technical)

SM