

Supreme Court of India

Collector Of Central Excise, ... vs Century Spinning & Manufacturing ... on 15 July, 1997

Equivalent citations: 1997 (92) ELT 16 SC, (1997) 11 SCC 709

Bench: S Agrawal, D Wadhwa

ORDER

1. The respondent-assessee manufactures chlorine which is supplied to the customers in Tonners (88 to 1000 kgs. capacity) and cylinders (20 to 100 kgs. capacity) of steel which are returnable. The respondent claimed deduction of Rs. 100/- in the case of Tonners and Rs. 150/- in the case of cylinders as cost of packing. The said deduction was disallowed by the Assistant Collector of Central Excise and Customs on the ground that the said amount was recovered as service and maintenance charges and was not deductible. The Collector of Central Excise, following the judgment of the Customs, Excise and Gold (Control) Appellate Tribunal (hereinafter referred to as 'the Tribunal') , has held that the amount was deductible as cost of packing of liquid chlorine in durable and returnable containers. In the impugned judgment the Tribunal has followed its earlier decision referred to above. The Tribunal has held that the cost of packing would include expenses on maintenance and repairs of Tonners/cylinders which were durable and returnable. The Tribunal has also pointed out that in the Department Show Cause Notice dated November 2, 1983 it has admitted that maintenance and service charges are cost of packing. In the circumstances, we do not find any merit in this appeal and the same is dismissed. No order as to costs.