



Circular: 19/90-CX. 8 dated 30-Mar-1990

Waxed paper —Levy of cess

Circular No. 19/90-CX.8, dated 30-3-1990

[From F. No. 262/5/90-CX.8]

Government of India
Central Board of Excise & Customs
New Delhi

Subject : Levy of cess on waxed paper manufactured from base paper purchased from the market.

Enclose find a copy of Ministry of Industry (Department of Industrial Development) letter No. 20(2)/85 - Paper dated 29-1-1990 on the subject for information and necessary action at your end.

Copy of letter No. 20(2)/85 Paper dated 29-1-1990 from
Ministry of Industry (Department of Industrial Development)

Subject : Levy of cess on waxed paper manufactured from base paper purchased from the market
- Draft Audit Para No. 122/85-86 - regarding.

Reference D.O. letter No. 232/364/89-CX.7, dated 6th October, 1989 received from Member (CX), Central Board of Excise & Customs on the subject cited above and to say that this Department has reconsidered the issue. It is reiterated that in terms of Order No. S.O. 862(E), dated 27th October, 1980 as amended by Order No. S.O. 87(E) dated the 3rd February, 1981, a duty of excise shall be levied and collected as a cess for the purpose of development of industries under the IDR Act, 1951 on paper & paper boards, all sorts (including newsprint, paste board, mill board, straw board, card board and corrugated boards). As regards applicability of cess on paper products, Department of Industrial Development is of the view that cess is leviable only on base paper. If, however, paper products like waxed paper, coated paper etc. are produced as a result of single integrated manufacturing process, cess becomes leviable on the product.

2. Further, cess is not leviable on waxed paper, manufactured by a paper converter in his premises after buying base paper from the market. These views are based on the advice of Ministry of Law.

3. This issues with the approval of JS (Paper).