

Collector of Customs, Bombay

Vs

Chaganlal and Sons

Civil Appeals No. 4183 of 1984 with Nos. 2649 of 1987 and 4203 of 1984

(S. P. Bharucha, S. B. Majmudar JJ)

03.10.1996

ORDER

1. The Revenue appeals against the orders of the Customs, Excise and Gold (Control) Appellate Tribunal's finding that PVC leather cloth imported by the respondents was an embellishment for footwear and, therefore, entitled to the benefit of the exemption given by a notification issued under Section 25 of the Customs Act, 1962. The exemption notification exempts "buckles and other embellishments for footwear" from the levy of that portion of the customs duty thereon as is in excess of 40% ad valorem.
2. It was the case of the Revenue that embellishment did not mean material for embellishment. Also, that the goods imported were capable of being put to use in many fields other than as embellishment for footwear. The Tribunal followed its order in an earlier case (of P. Hira) and noted that it was not in dispute that the respondents had imported the goods to provide embellishment to footwear manufactured by them and that the material qualified to be classified as embellishment for leather footwear was supported by a certificate issued by the Export Promotion Council. Following the order in P. Hira case, and an order relating to stamping foil in Allibhoy Mohd. case (Allibhoy Mohd. v. Collector of Customs, 1983 ELT 385 : 1983 ECR 258 D), the Tribunal granted to the respondents the benefit of the said notification.
3. In our order in Collector of Customs v. Aggarwal Commercial Corpn. ((1996) 87 ELT 336 (SC)), we took account of the Tribunal's order in the case of Allibhoy Mohd. (1983 ECR 258 D : 1983 ELT 385 (CEGAT)) and upheld its reasoning. We held that the fact that the stamping foil was in the form of long rolls or that pieces thereof had to be attached to footwear by heating and pressing did not detract from its being footwear a embellishment.
4. It is to be noted that it was the case of the Revenue that the PVC rolls were, inter alia, material for embellishment of footwear. The Tribunal relied upon the fact that the PVC rolls had been imported to be used by the respondents as embellishment of footwear. It also relied upon a certificate issued by the Export Promotion Council and it held that the PVC leather rolls could be classified as an embellishment for footwear.
5. Upon such material, and in the light of our order aforementioned, the appeals must be dismissed. There shall be no order as to costs.