Rishab Steels Ltd. Vs. Commissioner of Central Excise

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Sep-26-1996

Reported in : (1997)(93)ELT191TriDel

Appellant : Rishab Steels Ltd.

Respondent : Commissioner of Central Excise

Judgement :

1. This is an application for dispensing with predeposit of total amount of Rs. 7,38,099/- which has been demanded from the applicant herein by the Assistant Commissioner of Central Excise Division in Ghaziabad in his order dated 29-3-1996 which has been confirmed by the Commissioner of Central Excise (Appeals) Ghaziabad in the impugned order. Shri R. Santhanam ld. Counsel appearing for the applicant submits that Modvat credit in this case has been denied to the applicant in respect of their light diesel oil (LDO) furnace oil (FO) and Mobile Oil (MO). Credit has been disallowed on the ground that they are not covered by the term input used in the manufacture of final product. The ld. Counsel contented that the very same authority has in respect of other assessee for the same period had allowed Modvat credit in respect of other assessee for the period had allowed Modvat credit in respect of these inputs. He referred to the Assistant Commissioner's order dated 29-3-1996 relating to the M/s. Concast Steel. Counsel argued that definition of the input under Rule 57A with effect from 1-4-1994 included fuel as an input and therefore in their case the inputs in question namely LDO, FO and MO fulfil this condition.

2. We have heard Shri Jangir Singh, ld. DR We find that the use of LDO and FO is directly used in furnace by the applicant for the manufacture of their final product namely iron and steel casting. There is prima facie ground to hold that these materials would be covered by the term input under Rule 57A as it stood with effect from 1-3-1994 and having regard to the wide import of the term 'used in relation to the manufacture' occurring in Rule 57A. We are, therefore satisfied that this is a fit case for stay and order accordingly.