

Collector of Customs Vs. Spic Ltd.

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Apr-24-1997

Reported in : (1997)(96)ELT702TriDel

Appellant : Collector of Customs

Respondent : Spic Ltd.

Judgement :

1. This Revenue Appeal is directed against the Order-in-Appeal dated 26-4-1988 of Collector (Appeals).
2. The issue relates to classification of filter elements in the lube oil system of Howden compressors. Filter elements are made of filter paper reinforced perforated stainless steel, cylindrical in shape.
3. It is contended by the Revenue that these are classifiable in terms of BTN Notes under Heading 73.33 as articles of iron and steel.
5. We have heard Id. DR and perused the records of the case. From the technical write-up placed in the file, it is seen that filter element is located in the lube oil system of Howden Screw Compressor in Ammonia importation terminal. The purpose of the filter element is to prevent the leakage of dust and foreign particles to the lube oil system. The material of construction of filter media is filter paper with stainless steel reinforced perforated plate. Page 121-3 of BTN Notes indicates that the heading covers filters and purifiers of all types. The heading covers not

only the large industrial plants but also filters for internal combustion engines and small domestic appliances. The heading does not, however, include filter funnels, milk strainers, vessels, tanks, etc., simply equipped with metallic gauze or other straining material, nor general purpose vessels, tanks, etc. Page 1217 of BTN further indicates that subject to general provisions regarding the classification of parts, the heading covers parts for the types of filters mentioned in this heading and purifiers. Such parts include leaves for intermittent vacuum filters; chassis, frames and plates for filter presses; rotary drums for liquid or gas filters; baffles, perforated plates, etc. The heading only excludes filter blocks of paper pulp and many other filter elements (ceramics, textiles, felts, etc. which are classified according to their constituent material.

Collector (Appeals) has held that "among other filtering elements" mentioned in BTN are not elements but only the material for manufacture of filter which actually are concerned in the filtering operation.

Otherwise, the notes on pages 1213 to 1217 regarding classification of various filters cease to have any meaning or purpose. What are assessable according to their constituent materials are therefore the filtering material which are meant to be made into filtering element and not the finished filter element.

6. On going through technical write-up and the functions of filter elements as described therein, we are satisfied that there is no infirmity in the reasoning adopted by the Collector (Appeals). These have to be considered only as parts of filtering machine and correctly assessable under Heading 84.18.

7. In view of this, we uphold the impugned order and reject the Revenue Appeal.

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