Collector of Central Excise Vs. Coolade Beverages Ltd.

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Jun-23-1997

Reported in : (1998)(99)ELT349TriDel

Appellant : Collector of Central Excise

Respondent : Coolade Beverages Ltd.

Judgement :

1. The Revenue is aggrieved by the order of the Commissioner (Appeals), Customs and Central Excise, Ghaziabad extending the benefit of Modvat credit of Rs. 4,333/- on Electronic Weighing Machines connected with the conveyor belt of the bottling plant of the respondents who are manufacturers of beverages, holding that this item comes within the purview of the meaning of 'capital goods' under Rule 57Q of the Central Excise Rules, 1944. The respondents used Micro Controlled Electronic Weighing machines to ensure correct weight of each ingredient such as sugar, essence, syrup, etc. to the last milligram which is very essential to ensure 100% taste of the cold drinks manufactured by them and after weighment, the ingredients are sent to the bottling plant where a high speed washing machine and filling machine are installed and the whole process carried out continuously.

2. The lower Appellate authority has held that the disputed item was covered by Clause 1(c) of the Explanation to Rule 57Q by treating them in the nature of weigh bridges and it is against this finding, that the Revenue has filed the present appeal on the ground that weigh bridges are different and distinct from weighing

machines.

3. While agreeing with the department that weighing machines cannot be equated with weigh bridges, I find that the disputed item is covered by Clause 1(b) (sic) of the Explanation to Rule 57Q as the Electronic Weighing machines can be regarded as components or accessories of the bottling plant which in turn, are admittedly of producing goods viz.

cold drinks and therefore, the credit is available to the respondents on this item. In the result, I hold that the respondents are entitled to the benefit of credit of Rs. 4,333/- on Electronic weighing machines. The appeal is disposed of in the above terms.