

Commissioner of Central Excise Vs. Raymond Ltd.

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Jun-10-1999

Reported in : (2000)(116)ELT249TriDel

Appellant : Commissioner of Central Excise

Respondent : Raymond Ltd.

Judgement :

1. The Revenue filed this appeal against the Order-in-Appeal dated 25/26-8-1999 passed by the Commissioner of Central Excise (Appeals).

The Commissioner (Appeals) in the impugned order held that starter coil and coils are eligible for the benefit of Modvat credit as capital goods even prior to 16-3-1995.

2. Learned DR appeared on behalf of the Revenue submits that starter coil and coils are the part of electrical transformers and at the relevant time Rule 57Q of the Central Excise Rules does not cover these items. Therefore, these are not entitled for the benefit of Modvat credit. He submits that the definition of capital goods were expanded by Notification No. 11/95-C.E., dated 16-3-1995 and by Notification No.14/96-C.E., dated 23-7-1996. He, therefore, prays that the appeal be allowed.

3. Shri Sanjeev Kumar, Assistant Manager (Excise) appearing on behalf of the respondents submits that the issue involved in this case is covered by the decision

of the Larger Bench in the case of Jawahar Mills Ltd. v. Commissioner of Central Excise, Coimbatore, reported in 1999 (32) RLT 379 (CEGAT-Larger Bench). He, therefore, prays that the appeal be rejected.

4. In this case the benefit of Modvat credit in respect of starter coil and coils are allowed by the learned Commissioner and in the impugned order learned Commissioner held that starter coil and coils are eligible for Modvat credit under Rule 57Q even prior to 16-3-1995 and the contention of the Revenue in the appeal is that prior to 16-3-1995 these items are not covered under the definition of capital goods.

5. The Tribunal in the case of Jawahar Mills Ltd. (supra) relied upon by the respondents held that the definition of capital goods under Rule 57Q includes machines, plants, tools and appliances used for producing or processing any goods for manufacture of final product even prior to Notification No. 11/95-C.E., dated 16-3-1995 and Notification No.14/96-C.E., dated 23-7-1996. In view of the decisions of the Tribunal, there is no infirmity in the impugned order. The appeal is rejected.

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