Crompton Greaves Ltd. Vs. Commissioner of Central Excise,

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SooperKanoon Citation : sooperkanoon.com/21977

Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Apr-04-2001

Appellant : Crompton Greaves Ltd.

Respondent : Commissioner of Central Excise,

Judgement :

1. The question for consideration in this appeal is the eligibility to modvat credit under Rule 57Q as capital goods of electric transformers, forklift, pallet, stalker, weighing machine and air conditioner. The Commissioner (Appeals) has confirmed the view of the Assistant Collector that the goods are not directly used for producing or processing the commodity or bringing about any change in the substance of the final product therefore are not capital goods.Jawahar Mills Ltd. vs CCE 1999 (108) ELT 47, the Tribunal has confirmed the view taken earlier by many benches that to be considered capital goods under Rule 57Q, a machine or machinery need not itself be directly employed for producing or processing any goods on bringing about any change in substance.

Relying upon the view expressed by the Courts and the Tribunal that production and processing of goods in a plant would include operations not directly connected with the production processes such as handling of raw material, affluent treatment etc, the larger bench has held that wires and cables, control panels, filter parts would all be capital goods within the meaning of Rule 57Q. Many of the items under consideration has also been individually held to be capital goods - electrical transformers and in CCE vs Navbharat Paper Mills 1996(86) ELT 501 and in CCE vs MM Forgings Ltd 1997 (89) ELT 617, weighing machine in Modi Xerox Ltd vs CCE 1997 (90) ELT 214, air conditioner would be analogous already referred to by the larger bench. The appellant was therefore entitled to modvat credit.