Commissioner of Central Excise, Vs. M/S. Vardhman Polytex Ltd.

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SooperKanoon Citation : sooperkanoon.com/23342

Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : May-25-2001

Reported in : (2001)(133)ELT446TriDel

Appellant : Commissioner of Central Excise,

Respondent : M/S. Vardhman Polytex Ltd.

Judgement :

1. The Revenue filed this appeal against the order in appeal passed by the Commissioner (Appeals). In the impugned order the penalty on MODVAT credit as capital goods in respect of Bus duct and Distribution Boards are allowed.

3. The contention of the Revenue is that these are not capital goods as these are not covered by the definition of capital goods. These items are not used for producing or processing of any gods or bringing of any change in any substance for the manufacture of the final product.

3. The Assistant Commissioner in the adjudication order specifically found that the Bus duct are spare parts of Transformer and the Transformer is an integral part of Plant. This factual aspect is not controverted by the Revenue. As these are parts of plants, therefore, these are entitled for the benefit of MODVAT credit.

4. In respect of Distribution boards and penals adjudicating authority gave a finding that these are used for regular electric supply to the machines which are used in the manufacture of final product and these are essential for the working of

the machines. This finding of fact is also not controverted by the Revenue. As these boards used with the machines are entitled for the benefit of the MODVAT credit. In view of the above discussion, I find no infirmity in the impugned order. The appeal is rejected.