

**Nrc Ltd. Vs. Commissioner of Central Excise,**

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**SooperKanoon Citation :** [sooperkanoon.com/24759](http://sooperkanoon.com/24759)

**Court :** Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

**Decided On :** Jul-31-2001

**Reported in :** (2001)(77)ECC637

**Appellant :** Nrc Ltd.

**Respondent :** Commissioner of Central Excise,

**Judgement :**

1. The question for consideration in this appeal is the value for assessment of nylon filament yarn manufactured and captively consumed by the appellant. The department has based such value on the price at which the appellant sold the yarn. It however did not accept the contention of the appellant that the yarn which was sold underwent processes to which the captively consumed yarn was not subject and that in determining the value of captively consumed yarn, deduction must be made on account of the expenses incurred on the processes.

2. These processes, it is stated, are "aging or reconditioning of the yarn; rewinding of paper containers in the form of cheeses and subsequent packing". The Commissioner (Appeals) has dismissed the contention which is raised before him on the ground that nothing other than yarn that it captively consumed. In doing so, she has disregarded the proviso under rule 6(b)(i) which requires adjustment to be made between the value of comparable goods and the value of the goods under consideration, particularly the difference, if any, in the material characteristics of these goods. If the yarn was sold subject to these processes and packed differently, its material characteristics should be affected. The department was

therefore required to take into account these factors in determining the value of the captively consumed yarn.

3. Counsel for the appellant states that he will produce to the Commissioner (Appeals) data relating to the costs incurred on these processes, so as to enable him to arrive at the necessary value of the captively consumed yarn, within two months from the receipt of this order. The Commissioner shall consider this material and also the material the department may rely upon and pass order according to law.

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