Cce Vs. Ran Chemiclas Pvt. Ltd.

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SooperKanoon Citation : sooperkanoon.com/32200

Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Sep-10-2003

Reported in : (2004)(112)LC804Tri(Mum.)bai

Judge : S T S.S.

Appellant : Cce

Respondent : Ran Chemiclas Pvt. Ltd.

Judgement :

1. The issue relates the eligibility of modvat credit on capital goods i.e. 'Transforms'.

2. The issue is now well settled. The word "plant" used in the definition of capital under Rule 57-Q cannot be construed in a limited fashion in view of the Tribunal's decision in the case of Valley Abrasives Ltd. v. CCE . The department's objection that the transformers will not be a part of plant as they are used only to regularize electrical flow and do not take part in produce and processing the goods is negated by the decisions in the case of CCE v.Seshasayee, Paper & Boards Ltd. , the departments contention that the transformer was received prior to amendment of Rule 57Q w.e.f 16.3.1995 cannot be upheld in view of the decision in the case of Nova Udyog Ltd. 1996 (88) ELT and CCE v. R.K. Marbles Ltd. wherein the issue was specifically as regards the eligibility of credit on transformers. In this view of the matter since no merits are found in the appeal filed by the Revenue, the said appeal is therefore dismissed.