Commr. of C. Excise Vs. Mahindra and Mahindra Ltd.

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SooperKanoon Citation : sooperkanoon.com/9405

Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Apr-16-1996

Reported in : (1997)(91)ELT597Tri(Mum.)bai

Appellant : Commr. of C. Excise

Respondent : Mahindra and Mahindra Ltd.

Judgement :

1. In the impugned order passed by the Collector (Appeals), Pune, he has allowed Modvat credit in respect of certain chemicals used for phosphate coating. These chemicals are used on the motor vehicle parts in the painting shop. Collector (Appeals) allowed Modvat benefit in respect of these inputs. However, Revenue has come up in appeal against the said order pleading that the chemicals used for phosphate coating do not go into the manufacture of final product. Hence it is pleaded that the Collector (Appeals) order is not correct.

2. Though the Respondents were not present, after hearing Shri Grudeep Singh, the ld. JDR, I find that it is not disputed that motor vehicle parts are not only intermediate products but also cleared as such.

These parts have to be subjected to phosphate coating in the painting shop for ensuring their quality and chemicals used in such a process cannot be dismissed as not used in the process of manufacture of the final product. Hence there is no reason to interfere with the order of the Collector (Appeals). Appeal from the revenue is therefore dismissed.