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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Chennai

Decided On : Nov-13-2009

Judge : The Honourable Ms. Jyoti Balasundaram, Vice President

Appeal No. : Appeal Nos.E/463 of 2008 & E/464 of 2008

Appellant : Pricol Ltd.

Respondent : Commissioner of Central Excise, Salem

Advocate for Pet/Ap. : Shri M.Karthikeyan, Consultant, Shri C.Rangaraju, SDR

Judgement :

Credit has been directed to be reversed on jigs and fixtures, moulds and dies sent by the appellants herein to job workers for manufacture of goods due to non-return of the same within a period of 180 days as prescribed under Rule 4 (5) (a) of the CENVAT Credit Rules, 2004.

2. I have heard both sides. I find that in the case of jigs and fixtures and moulds and dies, the condition of return within 180 days and entailing reversal of credit in the event of failure of return within the period mentioned above, does not render an assessee liable to reversal of credit availed on the same, in the light of the Tribunal’s decision Commissioner of C.Ex. and Cus., Daman, Vapi Vs Guala Closures (I) Pvt.Ltd. [2009 (237) ELT 493] and in the light of Board s supplementary instructions.

3. The assessees have already reversed the credit. The contest is confined to the direction for payment of interest. Following the ratio of the Tribunal’s decision cited supra, I set aside the direction for payment of interest and allow the appeals.

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