(2002) 01 P&H CK 0073

In the Punjab And Haryana At Chandigarh

Case No : Central Excise Case No. 60 of 2001

Commissioner of C. Ex., Chandigarh-I — APPELLANT

Vs

Eastman Cast and Forge Ltd. — RESPONDENT

Date of Decision : 29-01-2002

Acts Referred:
Central Excise Rules, 1944 — Rule 57Q
Central Excises and Salt Act, 1944 — Section 35H(1)

Citation : (2002) 141 ELT 631

Hon'ble Judges : N.K. Sud, J;Jawahar Lal Gupta, J

Bench : Division Bench

Advocate : Kamal Sehgal, for the Appellant;

Judgement

Jawahar Lal Gupta, J.—M/s. Eastman Cast & Forge Ltd., Ludhiana, is engaged in the manufacture of Hand Tools. It submitted its ''return'' for the period from December, 1994 to March, 1995. It claimed Modvat credit of Rs. 66,175.20 P. This claim was rejected by the Assessing Officer on the ground that the Aloric Belt, Shaka Hearth and Grinding Wheel were not used for manufacturing or processing of finished goods as contemplated under the explanation to Rule 57Q of the Central Excise Rules, 1944. Aggrieved by the order, the respondent-assessee filed an appeal. The Appellate Authority found that the items viz. the Aloric Belt, the Shaka Hearth and the Grinding Wheel were being used in "the integral manufacturing process of final product ....". Aggrieved by the order passed by the Commissioner (Appeals), the Revenue approached the Tribunal. Its claim was rejected. The order of the Appellate Authority was affirmed. Hence this 1 On appeal from 2000 (120) ELT 113 petition u/s 35H(1) of the Central Excise Act, 1944 with the prayer that the Tribunal be directed to make a reference to this Court.

2. We have heard Mr. Sehgal, learned Counsel for the Revenue. He submits that the goods for which the Modvat credit had been claimed by the respondent-assessee are not covered by the provision of Rule 57Q. Is it so?

3. At the relevant time the capital goods under Rule 57Q of the Rules were defined as under :-

"Machine, machinery, plant, equipment, apparatus, tools, appliances as well as their components, spare parts and accessories used for producing or processing of any goods or for bringing about any change in any substance for the manufacture of final product."

A perusal of the above provision shows that Modvat credit would be admissible in respect of any machinery, spare parts and accessories etc. "used for producing or processing of any goods ....". The language is wide. The process of manufacturing would include every step which improves the quality of the product. In the present case, it is the admitted position that the three items are used to harden and polish the final product. Thus, it cannot be said that these items were not being used for processing.

4. No other point has been raised.

5. In view of the above, we find that the view taken by the Tribunal is in conformity with the provision. It calls for no interference. No referable question of law arises.

6. Consequently, the petition is dismissed in limine.

