

Customs, Excise and Gold Tribunal - Delhi

Mansurpur Sugar Mills Ltd. vs Commissioner Of C. Ex. on 6 October, 1999

Equivalent citations: 1999 (114) ELT 1038 Tri Del

ORDER Jyoti Balasundaram, Member (J)

1. The appellants herein who are manufacturers of sugar and molasses falling under Chapter 17 of the Schedule to the CETA, 1985, are aggrieved by the order of the Commissioner of Central Excise (Appeals) who has held that Air Dryer and Sugar Grass Hopper used in the sugar plant to facilitate drying of sugar are not capital goods entitled to credit under Rule 57Q of the Central Excise Rules.

2. On hearing both the sides, I find that admittedly both the items are used in the Sugar plant, they are used for drying the wet sugar. Therefore, applying the ratio of the decision of the Larger Bench in the case of Jawahar Mills reported in [1999 (108) E.L.T. 47] wherein it has been held that credit is not required to be confined to goods which are directly used for producing or processing of any goods but credit on capital goods is to be extended also to those items which have been indirectly used to produce or process goods, I hold that both these items by their very nature and function fall within the definition of capital goods under Explanation to Rule 57Q. Accordingly, I set aside the impugned order and allow the appeal.