

***In The Customs, Excise & Service Tax Appellate Tribunal  
West Zonal Bench At Ahmedabad***

**Appeal No. E/11584, 11586/2018-SM**

[Arising out of OIA-CCESA-SRT-APPEALS-PS-801-802-2017-18 dated 08/03/2018 passed by Commissioner  
(Appeals) Commissioner of Central Excise, Customs and Service Tax-SURAT-I]

M/s. Cello Home Products

Appellant

Vs

C.C.E & S.T –Surat-I

Respondent

**Represented by:**

For Appellant: Mr. Bhushan Jani (Advocate)

For Respondent: Mr. A. Mishra (A.R.)

**CORAM:**

**HON'BLE MR. RAMESH NAIR, MEMBER (JUDICIAL)**

Date of Hearing/Decision:13/12/2018

**Final Order No. A/ 12946-12947 /2018**

***Per: Ramesh Nair***

The issue involved is that whether the appellant is entitled for Cenvat Credit in respect of bought-out items, namely ceramic mugs/coffee mugs which is packed with their own manufactured goods in combo pack. A combo pack sold as the excisable goods. The case of the department is that since, the bought-out Ceramic mugs is not used in the manufacture of their final product, the credit is not admissible.

2. Shri. Bhushan Jani, Ld. Chartered Accountant appearing on behalf of the appellant submits that the very same issue has been considered in their own case by this Tribunal and the Cenvat Credit was allowed, the case reported at Cello Home Product Vs. CCE, Daman-2012 (284) ELT 52 (Tri.Ahmd). He also submits that in another case of the appellant themselves, the Commissioner (Appeals) has allowed the appeal vide Order-In-Appeals No. SRP/13-18/DMN/2013-14 dated 03.04.2013. He also placed reliance on the Hon'ble Gujarat High Court judgment in the case of

Commissioner of Central Excise Customs and Service Tax, Daman Vs. Prime Healthcare Products-2011 (272) ELT 54(Guj.)

3. Shri. Amit Kumar Mishra, Ld. Deputy Commissioner (AR) appearing on behalf of the Revenue reiterates the finding of the impugned order.

4. On careful consideration of the submission made by both the sides and perusal of the records, I find that the issue to be decided by me is whether the appellant is entitled for Cenvat Credit in respect of bought-out Ceramic mug. I find that Ceramic mug is used for making a combo pack and it is re-packed along with other goods manufactured by the appellant. The value of the bought-out Ceramic mugs stands included in the total assessable value of the Combo pack. The goods are covered under Section 4A valuation. therefore, the bought-out Ceramic mugs are packed with their own manufactured final product and in the process of re packing the Ceramic mug undergo the manufacturing process as per Section 2(f)(iii) as product falls under third schedule of the Central Excise Tariff Act, therefore, there is no reason to deny the Cenvat Credit. The issue is already settled in the appellant's own case as decided by this Tribunal and also by the Hon'ble Gujarat High Court in the case of Prime Healthcare Products (Supra). Therefore, the issue is no more under dispute.

5. Accordingly, the appellant is entitled for the Cenvat Credit in respect of bought-out Ceramic mugs. The impugned order is set aside. Appeal is allowed.

*(Dictated and pronounced in the open court)*

**(Ramesh Nair)**  
**Member (Judicial)**

Prachi