**IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL, NEW DELHI**
**PRINCIPAL BENCH, COURT NO. I**

**Excise Appeal No. 2890 of 2012**

[Arising out of the Order-in-Appeal No. 118/BPL/2012 dated 21.06.2012 passed by Commissioner of Customs, Central Excise & Service Tax, Bhopal]

**M/s. Vardhaman Yarns** **Appellant**

**Vs.**

**Commissioner of Central Excise** **Respondent**
**Bhopal**

**Appearance:**
**Shri K Gurumurthy, Advocate for the Appellants**
**Shri M R Sharma, DR for the Respondent**

**CORAM**:

**Hon'ble Mr. Justice (Dr.) Satish Chandra, President**
**Hon'ble Mr. B Ravichandaran, Member (Technical)**

Date of Hearing/ Decision: 28.12. 2017

**FINAL ORDER No.58707/2017**

**Per: B Ravichandaran:**

The appellant is aggrieved by the denial of cenvat credit on items - cable tray, tie beam and glass fiber. The impugned order dated 21.6.12 denied the credit on these items on the ground that these are not to be considered as 'inputs' or as 'capital goods' in terms of Cenvat Credit Rules, 2004.

2. Learned counsel appearing for the appellant submits that they are engaged in the manufacture of yarn and they have installed and required capital machines for this purpose. Cable tray is used for protection for lending support and to hold cable system safely . The tie beam is used to tie all four wall panels adjoining water wall tubes to saturate the thermal expansion of boiler. Similarly glass fibre is used for insulation of supply air ducts for humidification plant for maintaining the required humidity level to ensure quality of yarn. He submitted that these three are very much essential requirements which became part and parcel of relevant capital goods and are accordingly eligible for credit. He relied on various case laws to support his ground.

3. We have heard Shri K Gurumurthy, and Shri M R Sharma, learned representatives of the parties and perused the material available on record.

4. The three items are in use in appellants' manufacturing unit and have direct relevance in the process of manufacture and have become essential parts for capital goods. These facts cannot be disputed. The case law relied upon by the appellants also support such view.

5. We refer to some of the decisions :

(i) ***Binani Cement and Ltd. vs. CCE, Jaipur [2003 (160) ELT 163 (Tri-Del)];***

***(ii) Sangam India Ltd. vs. CCE, Jaipur [2016 (343) ELT 1057 (Tri-Del)];***

***(iii) Indian Aluminium Co. Ltd. vs. CCE Ranchi [2010 (252) ELT 92 (Tri-Kol)];***

***(iv) Hindustan Zinc Ltd. vs. CCE, Jaipur I [2008 (224) ELT 604];***

***(v) CCE Mumbai vs. Hutchison Max Telecom Pvt. Ltd. [2008 (224) ELT 191 (Bom)];***

***(vi) CCE, Jaipur vs. Rajasthan Spinning & Weaving Mills Ltd. [2010 (255) ELT 481 (SC)]***

6. Considering that these items are essential and are used directly in relevant capital goods which are used for the manufacture of dutiable final products, we find denial of credit is not justified. Accordingly, impugned order is set aside and appeal is allowed.

(Dictated and pronounced in the open Court)

**(Justice (Dr.) Satish Chandra)**
**President**

**( B Ravichandaran )**
**Member(Technical)**

**ss**