

SUPREME COURT OF INDIA

Collector of Central Excise, Jaipur

Vs.

Hindustan Zinc Ltd.

C.A.No.2467 of 1999

(S. N. Variava and H. K. Sema JJ.)

24.03.2004

JUDGMENT

S. N. Variava, J.

1. The question which arises in these two Appeals is whether the Respondents are entitled to the benefit of Notification No. 217/86-CE dated 2nd April, 1986. The Tribunal has, in the impugned Orders without giving any ascertainable reasons, held that the lead input sheet would be eligible to the benefit of the Notification, but the headers would not be eligible to the benefit of the Notification. Notification No. 217/86-CE of 1986 only exempts inputs. It also clarifies that machine, machinery, plant equipment, apparatus, tools or appliances used for manufacturing and processing of any goods or bringing about any change in any substance or in relation to a final product shall be excluded from the term "inputs". What is questioned before us is the finding of the Tribunal that the lead anode sheets are eligible to the benefit of the Notification. It was fairly admitted that sheets would be an input and that if it is clarified that the Notification only applies to sheets and not to the final product manufactured after headers are fixed to the sheets, the Deptt. will be satisfied. To this there is no objection. In our view it is clear that headers whether attached to lead or aluminium sheets are not inputs. As they are not inputs the benefit of the Notification would not be available to headers. However, the sheets are inputs and they would be entitled to the benefit of the Notification.

2. These Appeals stand disposed of accordingly. There will be no order as to costs.