

**Export Oriented Unit — Consumable vis-à-vis inputs — Wax used in manufacture of impugned yarn not consumable but raw material**

The Supreme Court Bench comprising Hon'ble Mr. Justice Dr. Mukundakam Sharma and Hon'ble Mr. Justice Anil R. Dave on 12-8-2011 **admitted** the Civil Appeal No. 4112 of 2007 filed by Meridian Industries Ltd. against the CESTAT Final Order No. 876/2007, dated 17-7-2007 as reported in **2007 (217) E.L.T. 576 (Tri.-Chennai) (Commissioner v. Meridian Industries Ltd.)**. While admitting the appeal, the Supreme Court passed the following order :

"Appeal admitted.  
Hearing expedited."

The Appellate Tribunal in its impugned order had held that in view of categorical definition of raw material by Apex Court and the definition of consumables in the Exim Policy, the imported wax used in the manufacture of impugned yarn cannot be considered as a consumable and has to be held as raw material. Thus, cotton yarn manufactured with imported cotton is not eligible for benefit of exemption under Notification No. 8/97-C.E.

*[Meridian Industries Ltd. v. Commissioner - 2012 (286) E.L.T. A76 (S.C.)]*