

F.G.P. Ltd. Vs. Cce

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Dec-31-1997

Reported in : (1998)(75)LC89Tri(Mum.)bai

Judge : U Bhat, S T K.

Appellant : F.G.P. Ltd.

Respondent : Cce

Judgement :

1. Appellant is absent in spite of notice of hearing but has sent a request for decision of the appeal on merits. We have heard Shri M.Ali, JDR and perused and papers.

2. The dispute in the appeal is whether interest @ 18% per annum on advances received by appellant from certain customers under contracts with reference to which price lists No. 321 and 323 were filed is liable to be included in the assessable value of fibre glass crown RI3 glass wool mat manufactured and cleared by appellant. It is now well settled that in order that such interest could be added to the assessable value it must be shown that the fact of receiving an advance had some connection with an affected price. The matter was not considered by the lower authorities from this angle. The memorandum of appeal states that out of a large number of customers, appellant collected advance only from a few customers as security for the due performance of the contracts and that in many cases prices charged to other customers was more than the price

charged to the customers who paid advance. All these are aspects which require verification. The matter calls for fresh consideration at the hands of the adjudicating authority.

3. We set aside the impugned orders and remand the case to the jurisdictional adjudicating authority for decision afresh after giving appellant an opportunity of producing necessary documents and of personal hearing.

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