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Pratap Steels Ltd. Vs. Cce

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : May-05-1998

Reported in : (1998)(78)LC916Tri(Delhi)

Judge : U Bhat, S T K.

Appellant : Pratap Steels Ltd.

Respondent : Cce

Judgement :

1. The short point for consideration in this appeal is whether the cost of free after-sales-services extended to buyers of tractors manufactured by the appellant should be part of the assessable value or not. Appellant was giving fixed discounts to dealers from out of which an amount equal to the cost of after free-sales-services would be kept with the manufacturer as security for performance of free after-sales-services and on the dealers producing the coupons for such services, the amounts will be released to the dealers. There is no dispute about this fact. In this fact situation, the matter is covered by the decision in Philips India Ltd. followed by Mahindra & Mahindra Ltd. 1998 (25) RLT 547 (T) : 1998 (76) ECR 290 (T).

In the light of the decision of the Supreme Court the contrary decision of the Tribunal in Standard Motor Products Ltd. can no longer be regarded as good law.

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