

intron Ltd. Vs. Cce

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Oct-07-1998

Reported in : (1999)(82)LC743Tri(Delhi)

Judge : U Bhat, S T K.

Appellant : intron Ltd.

Respondent : Cce

Judgement :

1. Appellant, engaged in the manufacture of Washing Machines filed price lists-- 1/91 and 2/91 respectively in respect of Factory gate sales and Depot sales declaring the cum duty price as Rs. 13,228/-per unit and Rs. 13,628/- per unit respectively. In regard to Factory gate sales, appellant claimed deduction on various accounts, one of the deductions being on account of charges for installation, demonstration and plumbing in the premises of the buyers. Appellant had claimed additional deduction of Rs. 400/-as depot expenses of the depot prices.

We are not now concerned with the depot price as such. The present dispute relates to the decision of the Assistant Collector and Collector (Appeals) disallowing deduction of Rs. 275/- claimed as charges for installation, demonstration and plumbing.

2. Washing Machines, the excisable products involved in the present dispute come into existence in the factory and they are cleared as such from the factory on payment of Central Excise duty. The machines are taken to the premises of the buyers. The appellant's services are required by the buyers for installation, demonstration etc. Rs. 275/- is charged on this account. According to lower authorities, the services not being optional, cost thereof would be part of the assessable value.

3. The above view is not correct. The excisable products having come into existence in the factory and having been cleared as such, installation, demonstration etc. are activities subsequent to the stage of clearance and the cost thereof cannot be part of assessable value.

Therefore, the order of approval passed by the Assistant Collector on two price lists confirming the demand on the basis of the approval order cannot stand to the extent they directed for inclusion of charges of installation, demonstration, and plumbing in the assessable value.

Orders are set aside to that extent. Appeals are allowed.

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