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Synpro Industries Vs. Commissioner of Central Excise

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Jun-28-2000

Reported in : (2001)(130)ELT211TriDel

Appellant : Synpro Industries

Respondent : Commissioner of Central Excise

Judgement :

1. Appellants are manufacturers of paints and varnishes. They were selling their goods both on ex-factory basis to dealers and on contract basis to other parties. In respect of contract sales, the delivery was to be effected at the premises of the buyer. The appellants filed price lists in part I proforma in respect of ex-factory sales and in Part II proforma in respect of contract sales. In respect of contract sales, they sought deduction at a uniform rate towards cost of transportation of goods. This deduction has been denied in the orders of the authorities below. The appellants challenge those decisions and submit that equalized freight is eligible for deduction and that the sales under contract were sales to different class of buyers, then the wholesale dealers and each of those contract prices, after deduction of freight, should constitute the assessable value.

2. When the appeals were called today, none appeared for the appellants. Therefore, we are deciding the case after hearing the learned Departmental Representative and after perusing the records.

3. It is clear from the records that Part II proforma sales were contract sales. It is settled law that such prices would rightly constitute the assessable value in respect of those goods and that the part I price, covering the normal price at which goods are sold to dealers, would have no application for the assessment of goods sold on contract basis. It is also settled law that freight, whether collected on average/equalized basis or on actual basis, is eligible for deduction while fixing the assessable value. The appellants' claim with regard to assessable value was, therefore, according to law. The orders of the lower authorities, negativing the claims have, therefore, no legal basis. They are set aside and the appeals are allowed with consequential relief, if any, to the appellants.

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