

Collector of Central Excise Vs. Argus Laboratories

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Dec-13-2000

Reported in : (2001)(128)ELT468TriDel

Appellant : Collector of Central Excise

Respondent : Argus Laboratories

Judgement :

1. This is an appeal at the instance of the Revenue. The short facts necessary for the disposal of the appeal are as follow: Assessee, M/s. Argus Laboratories were manufacturing the product "Alprovit" on behalf of M/s. Cachet Pharmaceuticals Pvt. Ltd. The assessee was the job worker. M/s Cachet Pharmaceuticals, owner of the product filed price-list for the product in part-I proforma.

M/s. Cachet Pharmaceuticals sold the entire product to M/s. Alchem Laboratories Pvt. Ltd., who were selling the product to different dealers in the market. Question arose as to whether advertisement, publicity and propaganda expenses borne by M/s. Alchem Laboratories were to be added to the assessable value declared by M/s. Argus Laboratories. The basis for this allegation was not disclosed in the show-cause notice [SCN] filed by the Assistant Collector.

Accordingly, the price-list filed by M/s. Argus Laboratories was approved after loading it by 15.20 per cent stated to have been incurred by M/s. Alchem Laboratories towards advertisement, propaganda and other charges. This order of Assistant Collector was taken up in appeal by the assessee namely M/s. Argus

Laboratories.

Appellate authority allowed the appeal, finding no ground to load the assessable value of M/s. Argus Laboratories by including the expenditure incurred by M/s. Alchem Laboratories. In this appeal, Revenue questioned the correctness of the decision rendered by the lower appellate authority.

2. In the grounds of appeal, Assistant Collector categorically stated that investigation conducted by the Department did not reveal any relationship between the assessee and the other pharmaceuticals which dealt with the food product. In such a situation, we are unable to understand how the advertisement charges incurred by M/s. Alchem Laboratories could be added to the assessable value of the products manufactured by M/s. Argus Laboratories who is the assessee and manufacturer in this case. The appeal is devoid of any substance and accordingly dismissed.

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