

**Gansons Ltd. Vs. Commissioner of Central Excise,**

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**SooperKanoon Citation : [sooperkanoon.com/25334](http://sooperkanoon.com/25334)**

**Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai**

**Decided On : Aug-31-2001**

**Appellant : Gansons Ltd.**

**Respondent : Commissioner of Central Excise,**

**Judgement :**

1. The question for consideration in this appeal is the liability for inclusion in the assessable value of the goods manufactured by the appellant of the notional interest (that is to say, interest is not actually paid) on the advances that the appellant received from the buyers of these goods towards their price.

2. In the order impugned in this appeal, the Commissioner (Appeals) has confirmed the liability to the inclusion. VST Industries Ltd. v. CCE 1998 (97) ELT 395) that in the absence of anything to show that the fact that the advances has the effect of reducing the value of the goods sold to the buyers who paid the advances, interest nominally payable on the advances is not includible in the value for the purposes of assessment. The reasons advanced in the impugned order that, but for the advances, the manufacturer would have compelled to resort to commercial borrowing is insufficient to establish the required nexus.