

H.M.T. Ltd. Vs. Collector of Central Excise

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Aug-29-1986

Reported in : (1990)(26)LC94Tri(Delhi)

Judge : R T I.J., S Maruthi, G B Deva

Appellant : H.M.T. Ltd.

Respondent : Collector of Central Excise

Judgement :

1. The question that arises for decision in this appeal, relates to the value of the goods obtained by the appellants under Rule 196A and later disposed of by them. In March, 1977 the appellants disposed of some Motor Vehicle Parts (earlier received by them under Rule 192) from their premises after paying duty on the basis of the value declared AR 3A forms. The Department initiated proceedings taking the view that it was on the higher value at which the appellants sold the goods that they had to pay Central Excise duty and not the value mentioned in the AR 3A forms. The appellants resisted the demand and the show cause notice and submitted that value of goods is determined by the time and place of removal from the place of manufacture and not by the time and place of a subsequent sale. The Department rejected this plea and compounded the duty. The appellants lost in appeal also. Hence this appeal.

2. We heard Shri Bedi and Shmt. Wadhwa, Advocates and Shri Arora, the Ld. JDR for the Department.

3. During the course of hearing it was noted that the same question arose in earlier matters and it was held by the Tribunal that in such cases, it is the value declared by the manufacturer of the goods that forms the basis for assessment and not the price at which the goods are subsequently sold by a purchaser. The following two Judgments were to this effect: *Tata Engineering and Locomotives Ltd. v. Collector of Central Excise, Patna* (Order No. Ashoka Layland Ltd. v. Collector of Central Excise, Madras (Order No. 4. The ratio of these two Judgments is directly applicable to the facts of this appeal. We therefore allow this appeal and order that consequential relief may be granted to the appellants.

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