Collector of Central Excise Vs. Friction Materials

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Jun-19-1996

Reported in : (1996)(86)ELT685TriDel

Appellant : Collector of Central Excise

Respondent : Friction Materials

Judgement :

1. Respondent in Appeal No. E/282/86-A and common respondent in other three appeals are absent in spite of notice of hearing. We have heard Shri Vijay Singh, SDR and perused the papers.

2. Respondent in E/282/86-A is engaged in the manufacture of clutch facings, while the common respondent in other appeals is engaged in the manufacture of brakelinings. To some of their customers they supplied these goods with rivets which are bought out items. The price list filed by them did not include the price of rivets. The Assistant Collector passed order directing the price of rivets to be included in the assessable value of clutch facing or brakelining, as the case may be. Collector (Appeals) reversed the decision and held that the value or rivet is not to be included in the assessable value of clutch facing or brakelining as the case may be. The Collector of Central Excise being aggrieved has preferred these appeals.

3. Shri Vijay Singh, SDR submitted that rivet is an essential part of clutch face as also brakelining and the mere fact that rivets are not manufactured by

manufacturer of clutch face and brakelining but are bought out items should not make any difference on the question of their includibility in the assessable value. He also submitted that while some customers may choose brakelining or clutch face with rivets, other customers may choose these goods fixed with adhesives. In this case rivets are not necessary. Rivets are essential components of the manufactured goods.

4. It is difficult to agree with the submission. Rivet is not and cannot be a part or component of clutch face or brakelining. It may be necessary to use rivet or adhesive to attach the manufactured goods to the system or chassis but that will not make them a part or component of the clutch face or brakeline as the case may be. There is no material to show that rivet is a component or part of brakelining or clutch face.

5. In these circumstances we find no merit in the appeals and dismiss the same.