

THE ANDHRA PETROCHEMICALS
v.
COLLECTOR OF CUSTOMS, MADRAS

FEBRUARY 6, 1997

[B.P. JEEVAN REDDY AND K. VENKATASWAMI, JJ.]

Customs Valuation Determination of Price of Imported (goods) Rules, 1988.

Rule 9 r/w 4—Import of equipment—Three separate agreements—Whether a single transaction and are package deal—Held, Tribunal was right in holding the agreement relating to purchase of equipment cannot be disassociated from other agreements—Hence the authorities were right in loading the design and engineering charges on to the value of the imported equipment.

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 7351 of 1993.

From the Judgment and Order dated 30.7.93 of the Customs Excise and Gold (Control) Appellate Tribunal, New Delhi in Custom Appeal No. C/1570 of 1992-A.

M. Chandrasekharan and C.N. Sree Kumar for the Appellants.

M. Gauri Shankar Murthy, Y.P. Mahajan and V.K. Verma for the Respondent.

The following Order of the Court was delivered :

We have heard the counsel for both the parties at some length. We have been taken through the three agreements concern herein, the orders of the Government of India and the Judgment of the Tribunal under appeal. We are inclined to agree with the Tribunal that the three agreements represent a single transaction between the appellant and Davy Mckee (London) Limited, U.K. and that they are in the nature of a package deal. It may be that all the equipment that was contemplated to be purchased abroad was not purchased and that some of it was locally procured but what was imported was specially manufactured on the basis

- A** of design and engineering specifications provided by Davy. We are of the opinion that the Tribunal was right in holding that the agreement relating to purchase of equipment cannot be dissociated from the other agreements and that the authorities were right in loading the design and engineering charges at Pounds 11.50 Lakhs on to the value of the imported equipment
- B** under Rule 9 read with Rule 4 of the Customs Valuation Determination of Price of Imported (goods) Rules, 1988. The facts set out by the Tribunal in Paras 32 to 34 do support the conclusion arrived at by it. We see no reason to differ from the view taken by the Tribunal. The appeal accordingly fails and is dismissed. No costs.
- C** G.N. Appeal dismissed.