(2015) 08 SC CK 0015

In the Supreme Court Of India

Case No : Civil Appeal No. 2992 of 2006

Commr. of Cus. (Appeals), Chennai — APPELLANT

Vs

Same Engines India Pvt. Ltd. — RESPONDENT

Date of Decision : 28-08-2015

Acts Referred:

Citation : (2015) 325 ELT 241

Hon'ble Judges : A.K. Sikri and Rohinton Fali Nariman, JJ.

Bench : Division Bench

Advocate : S/Shri A.K. Panda, Senior Advocate, Sanjai Kumar Pathak, Ms. Nisha Bagchi, Ms. Sunita Rani Singh and B. Krishna Prasad, Advocates, for the Appellant

Final Decision : Partly Allowed

Judgement

1. The respondent-assessee had imported components of Tractors from M/s. Same Duetz Farh, Italy and filed Bill of Entry stating the price at which the goods were imported and seeking to pay the customs duty thereon. The Customs Authorities, however, found that the respondent had also entered into Technical Know-how Agreement with the same manufacturer and the cost of the said Technical Know-how Agreement was not included by the importer while declaring the value of the goods. Show cause notice was issued and demand contained therein was confirmed vide Order-in-Original by the Adjudicating Authority. The Tribunal has deleted the cost of Technical Know-how agreement holding that cannot be the cost of import.

2. We have gone through the Technical Know-how Agreement which was entered into between the manufacturer and the respondent-assessee. As per this agreement, following services were to be provided by the foreign party to the respondent :

"(A) training as mentioned in Clause 7 of this Agreement;

(B) supplying the technical know-how, Manufacturing Facilities and Manufacturing procedures and Methods as defined in Clauses 5 and 6 and as in Annexure II of this Agreement in respect of the Products and Parts;

(C) granting the use of Intellectual Property Rights;

(D) supplying the technical information and drawings regarding the products and parts as mentioned in this Agreement."

3. We have also gone through the details of the aforesaid services which were to be provided under the agreement. From the reading it becomes apparent that all these services are post-importation and, therefore, could not be added to the value of the goods imported. The matter is squarely covered by the judgment delivered by this Bench in the case of Commissioner of Customs, Ahmedabad v. M/s. Essar Steel Ltd. [2015 (319) E.L.T. 202].

4. The appeal is, accordingly, dismissed.