

Union of India and Others

Vs

M/S. Purolator India Ltd.

Civil Appeal No. 1491 (NM) of 1988

(S. Ranganathan, Sabyasachi Mukharji JJ)

02.05.1989

JUDGMENT

SABYASACHI MUKHARJI, J. –

1. This is an appeal by special leave and is connected with Civil Appeal No. 859. This is an appeal from the judgment and order of the High Court of Delhi dated May 30, 1986.
2. It appears that in October 1975, Trade Notice were issued on the basis of the directive of the Ministry of Finance to the effect that the owners of the brand name are to be treated as the manufacturers of the goods. In April 1977, price list was submitted by the respondent declaring the assessable value on the basis of the price at which the assessee respondent sold the goods. Thereafter on April 16, 1977, there was a letter written by respondent giving the list of the customers of the respondent and clarifying the terms and conditions on which the assessee sold the goods. On August 22, 1977, the appellants wrote a letter to the assessee-respondent seeking certain information, inter alia, to the effect whether the assessee and its buyers were related person. A reply was given on September 10, 1977 by the assessee to the aforesaid letter. First notice was issued asking the assessee to show cause as to why the assessable value be not determined at the price the buyers of the assessee sold the goods (instead of the price at which the assessee sold the goods to its buyers). There was a reply and the second show cause notice was issued on January 28, 1981. These show cause notice were challenged and the High Court quashed the said notices. Aggrieved thereby, this appeal has been filed.
3. The respondent is a registered company carrying on the business of manufacturing and selling filters. Some of the goods are sold by the respondent to its customers under the respective brand names. The respondent filed a price list at which price the goods were sold to the customers.
4. In view of the principles indicated in the judgment on Civil Appeal No. 859 (Union of India v. Playworld Electronics, (1989) 3 SCC 181 : 1989 SCC (Tax) 379) and the facts adduced before the High Court, the High Court's judgment cannot be interfered with. The appeal, therefore, fails and is accordingly dismissed.

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