

**SUPREME COURT OF INDIA**

Collector of Customs

Vs.

Jayant Oil Mills (P) Ltd.

C.A.No.3633 of 1986

(A. M. Ahmadi, C.J.I. and S.P.Bharucha J.)

21.01.1997

**ORDER**

1. Two questions were raised by the learned A.S.G. at the hearing of this appeal, namely, (1) whether the payment of interest would have to be added to the price of the goods to arrive at the assessable value for the purposes of assessment of duty in terms of Section 14 of the Customs Act and (2) whether the amount of redemption fine would have been reduced by the Appellate Tribunal without giving adequate reasons therefor. We have perused the line of reasoning adopted by the Tribunal on both these issues and we are of the opinion that on the language of Section 14 and the fact that the amount of interest did not go to the seller but to the banker it reached the conclusion that the interest did not swell up the price of goods but was on account of the 120 days time allowed to the assessee. The Tribunal was right in holding that the price continued to be U.S. Dollars 556.75 per M.Ion and, therefore, this contention was rejected. So far as the second contention is concerned it may be mentioned that when it was realised that the redemption fine was based on the notes of the Collector which could not be described as evidence, only alternative left to the Tribunal was to remit the matter to the authority below but on being persuaded by counsel to estimate the redemption fine the Tribunal worked it out at 35% considering that to be a reliable estimate of the margin of profit at the material time. We see no reason to interfere with this estimate arrived at by the Tribunal. For the above reasons, we see no merit in this appeal and dismiss the same with no order as to costs.

Appeal dismissed.