

SUPREME COURT OF INDIA

The Andhra Petrochemicals

Vs.

Collector of Customs Madras

(B J Reddy and K Venkataswami JJ.)

06.02.1997

ORDER

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 of design and engineering specifications provided by Davy. We are of the opinion that the Tribunal was tight 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 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.