

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE
THIRUCHIRAPALLI-1.

TRADE NOTICE : 151 / 2003

Dated: 5.12.2003

Sub : Whether the amount of Dharmada charged in the invoices and recovered from the customers as required to be included in the assessable value under Section 4 of Central Excise Act, 1944, order dated 28-11-2002 of the Hon'ble Supreme Court in Civil Appeal Nos. 7900 - 7902 / 95 in the case of CCE, Allahabad v. M/s. Panchmukhi Engg. Works & Ors. - Regarding.

Copy of Circular No. 763 / 79 / 2003 – Cx. dated: 21.11.2003 is communicated herewith.

The contents of the Trade Notice may be brought to the knowledge of all constituent members of Trade Associations / Chamber of Commerce.

{issued from file C.NO.IV/16/ 4 /2003-C.Ex.Pol (Vol –II)}

//ATTESTED//

Sd/xxx
(D.P. NAIDU)
JOINT COMMISSIONER (Tech)

SUPERINTENDENT (T)

To

As per mailing list I/II/III / All Sections in Hqrs., Trichy.

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I am directed to say that the issue whether the amount of "Dharmada" collected from the buyers by the assessee is includible in the assessable value or not has been subject matter of dispute in a number of cases. Recently, this issue again came up before the Hon'ble Supreme Court in Civil Appeal Nos. 7900-7902/95 in the case of CCE, Allahabad v. M/s. Panchmukhi Engg. Works & Ors. and the Hon'ble Supreme Court vide its order dated 28-11-2002 allowed the appeals in favour of Revenue. The Revenue's stand in the said of case had been that "Dharmada" is includible in the assessable value.

2. Ministry of Law had also advised that the division bench decision dated 28-11-2002 of the Hon'ble Supreme Court should be followed by the Department on this issue.

3. It is therefore clarified that "Dharmada" collected by the assessee from the buyer is includible in the assessable value of the goods.