

CESTAT Rules No Discount under MRP Based Assessment

Board Says Full MRP to be Considered in Excise Valuation

Subject: Clarification regarding Quantity discounts, bonus quantities, etc. cleared without payment of duty under MRP based assessment.

938-CBEC A larger bench of CESTAT in the case of Indica Laboratories
29.11.2010 Vs CCE, Ahmedabad 2007(213) ELT 20(T-LB), has held that
(DoR) quantity discount, bonuses etc. are applicable for the
 valuation of goods under section 4 of the Central Excise Act,
1944 and not in case of goods valued under Section 4A.

2. The party has appealed against the said order before High Court of Gujrat. However, no stay has been granted by the High Court against the said order of the larger bench of tribunal. You may accordingly take necessary action as per the order of the larger bench of tribunal to protect the revenue interests.

3. Trade & Industry may be informed.

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