

Circular No. 938/28/09-CX

F.No. 6/5/2009-DS (CX.1 & 4)

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise and Custom

New Delhi, the 29th November, 2010

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

A larger bench of CESTAT in the case of Indica Laboratories Vs CCE, Ahmedabad 2007(213) ELT 20(T-LB), has held that 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.

4. Receipt of this circular may be acknowledged

5. Hindi version would follow.

Yours faithfully

Madan Mohan
Under Secretary (CX.1)