

Commissioner of Central Excise Vs. Samarth Acid Products

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Oct-24-2005

Judge : A Wadhwa, S T S.S.

Appellant : Commissioner of Central Excise

Respondent : Samarth Acid Products

Judgement :

1. Heard both sides. Revenue is aggrieved by the decision of the Commissioner (Appeals) in having set aside the order of confirmation of duty demands made by the Dy. Commissioner, who determined the value of 'Pure Acids' cleared by the respondents by adding profit margin of 15% i.e. 115% of cost of production as per the provisions of Section 4 of the Central Excise Act, 1944 read with Rules 8 & 11 of Central Excise Valuation Rules, 2000 as they were on goods manufactured on job work basis.

2. There is no dispute that the valuation in this case has to be arrived at as per the settled law on valuation of goods manufactured on job work basis i.e. by applying the formula stipulated by the Constitution Bench of the Supreme Court in the case of Ujagar Prints.

3. The Commissioner (Appeals) has relied upon para 27 of CBEC Circular F. No. 354/81/2000/TRU, dated 30-6-2000 [2000 (119) E.L.T. T22] wherein it was held that new Valuation Rules has essentially maintained the scheme & features of the Valuation Rules 1975. We find no reasons to deviate from the above said findings.

Valuation under the Central Excise Valuation Rules 2000 is required to be done according to the rules laid down in the Apex Court Judgment in case of Ujagar Prints Ltd. v. UOI 1989 (39) E.L.T. 493 (S.C.) even after 1-7-2000 is the law.

This Tribunal in M/s. Tara Industries Ltd v. C.C.EX. has held so; as well as & Boards Circular No. 619/10/2002/CX., dated 19-2-2002 stipulate the same.

4. Following the same we find no reason to arrive at to cause to add margin of profit at 15% as urged by Revenue in this appeal.

5. In this view of the above this appeal filed by Revenue is found to be without any grounds. The same is therefore rejected.

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