

Collector of Central Excise Vs. Super Laminates (P) Ltd.

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Aug-30-1996

Reported in : (1996)(88)ELT255TriDel

Appellant : Collector of Central Excise

Respondent : Super Laminates (P) Ltd.

Judgement :

1. Respondent is absent in spite of notice. We have heard Shri T.R.Malik, SDR and perused the papers.
2. Respondent is a job worker who receives raw materials from the customer, does the job work and returns the product to the customer, receiving charges for the job work. On the price lists submitted by the respondent, the Assistant Collector added what he regarded as "profit" to the cost of raw material and job charges for the purpose of arriving at the assessable value under Section 4(1)(b) of the Central Excises and Salt Act, 1944. In appeal, the Collector (Appeals) directed that the addition of 10% on cost of raw material supplied by the customer plus labour charges as profit was arbitrary. Accordingly, he set aside the order and allowed the appeal. The Department, being aggrieved, has filed the present appeal.
3. The records show that the price lists indicate the cost of raw material and the charges received by the job worker from the customer.

The charges collected by the job worker from the customer would in the ordinary course include the profit element of the job work. What the Assistant Collector did was to include an extra profit on charges which themselves include the profit element. We find no ground to interfere and accordingly dismiss the appeal.

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