

**:केंद्रीय उत्पाद तथा सीमा शुल्क के आयुक्त का कार्यालय:
:टाऊन सेंटर : सिडको : औरंगाबाद 431 030:**

व्यापार सूचना नं. 12/2009

(अ.क.10/GEN./2009 दिनांक 18.11.2009)

**विषय : Assessable value in respect of goods manufactured on Job-work –
Scope of Rule 10A of the Central Excise Valuation (Determination
of price of Excisable goods) Rules, 2000 – reg.**

उपरोक्त विषय पर भारत सरकार के वित्त मंत्रालय राजस्व विभाग नई दिल्ली द्वारा दिनांक 20.10.2009 की फा.सं.6/10/2009-CX.1 के तहत जारी परिपत्र सं. 902/22/2009-CX dated 20.09.2009 की प्रतिलिपि सूचना, मार्गदर्शन एवं कार्यवाही के लिये प्राप्त करें /

सभी संबंधित संगठनों से अनुरोध है कि वे इस परिपत्र/पत्र की जानकारी अपने सभी सदस्य निर्माताओं और व्यापारियों को दें /

(अरूण साहु),
आयुक्त

फा.सं. VGN(30) 55/TC /2009
औरंगाबाद, दिनांक 18.11.2009

प्रतिलिपि प्रेषितः डाक सूची के अनुसार

उप/सहायक आयुक्त सभी मंडल प्रभादी तथा आय.सी.डी.

सभी अनुभाग प्रमुख मुख्यालय

मुख्य आयुक्त केंद्रीय उत्पाद तथा सीमा शुल्क नागपुर

आयुक्त के उत्पाद तथा सी.शुल्क (अपील), औरंगाबाद

F.No. 6/10/ 2009-CX.1
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Custom

New Delhi, the 20th October 2009

To,
All the Chief Commissioner of Central Excise including LTU,
All Commissioners of Central Excise including LTU,
All Director Generals

Sir,

Subject: Assessable value in respect of goods manufactured on Job-work- Scope of Rule 10A of the Central Excise Valuation (Determination of price of Excisable goods) Rules, 2000 -reg

It has been brought to the notice of the Board that some manufacturers of Motor Vehicles are getting complete Motor Vehicles manufactured by sending the Chassis of the Motor Vehicles to independent body builders for building the body as per the design/specification of the manufacturer. The practice followed is that the Chassis is transferred to the Body builder on payment of appropriate Central Excise duty on stock transfer basis **and is not sold to them**. The body builder avails the Cenvat Credit of the duty paid on the chassis and clears the same on payment of duty to the Depot/Sales Office/Distributor of the Motor Vehicle manufacturer. The duty is discharged by the body builder on the assessable value comprising the value of Chassis and the job charges. The Depot/Sales office of the MV manufacturer sells the vehicles at a higher price than the price on which duty has been paid. Similar practice may be prevailing in respect of other commodities also.

2. The matter has been examined. Rule 10A (ii) of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000 stipulates that where the excisable goods are produced or manufactured by a job-worker, on behalf of a principal manufacturer, then in a case where the goods are not sold by the principal manufacturer at the time of removal of goods from the factory of the job-worker, but are transferred to some other place from where the said goods are to be sold after their clearance from the factory of job-worker, and where the principal manufacturer and buyer of the goods are not related, and the price is the sole consideration for the sale, the value of the excisable goods shall be the normal transaction value of such goods sold from such other place at or about the same time.

3. A plain reading of the aforesaid provision of law makes it clear that the assessable value for the purpose of charging Central Excise duty, in the cases where the Job-worker transfer the excisable goods to the Depot/Sale office/Distributor and/or any other sale point of the principal manufacturer, shall be the transaction value on which goods are sold by the principal manufacturer from such a place. Accordingly, after the insertion of Rule 10 A, the practice of discharging the duty on cost construction method by the body builder is not legally correct. It is, therefore, clarified that wherever goods are manufactured by a person on job work basis on behalf of a principal, then value for the purpose of payment of excise duty may be determined in terms of the provisions of Rule 10 A of the Central Excise Valuation (Determination of price of Excisable goods) Rules, 2000 subject to fulfilment of the requirements of the said rule. It is requested that the practice followed in your zone may be verified for body builders of motor vehicles and/or other commodities, which are manufactured on job work basis to ensure that duty is paid correctly as per Rule 10A wherever required.

4. Trade and Industry may be informed.

5. Receipt of this circular may be acknowledged.

6. Hindi version would follow.

Yours faithfully,
(Madan Mohan)
Under Secretary to the Govt. of India