

Circular No. 936/26/2010 –CX

F.No. 6/4/2009-DS (CX.1 & 4)/Pt.
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Custom

New Delhi, the 27th October, 2010

To,

Directors General (All)
Chief Commissioners of Central Excise including LTU (All)
Commissioners of Central Excise (All)

Sir/Madam

Subject: Inclusion of After Sale Service and Pre-delivery Inspection Charges in the assessable value.

Attention is invited to point No. 7 of Board's circular No. 643/34/2002-CX dated 1-7-2002 and to circular No. 909/29/09-CX dated 11.12.2009 on the above subject.

2. Board vide its earlier circular No. 643/34/2002-CX dated 1-7-2002 had clarified that After-sale Service and Pre-delivery Inspection charges were liable to be included in the assessable value under Section 4 of the Central Excise Act 1944. Further vide circular No. 909/29/09-CX dated 11.12.2009, it was directed to transfer all the show cause notices issued on the above subject to call book pending the decision of the larger bench of CESTAT in the case of Maruti Udyog Ltd.

3. The larger bench of CESTAT vide its order dated 13.8.2010 in appeal No. 1958 of 2008 in the aforesaid case, has now held that Pre-delivery Inspection charges and After-sale Service charges collected by the dealers are to be included in the assessable value under Section 4 of the Central Excise Act, 1944.

4. In view of the aforesaid decision of the larger bench, the cases pending in the call book may be decided keeping in view the law laid down by the larger bench of CESTAT.

5. Receipt of this circular may be acknowledged

6. Hindi version would follow.

Yours faithfully

Madan Mohan
Under Secretary (CX.1)