

**OFFICE OF THE COMMISSIONER  
CENTRAL EXCISE COMMISSIONERATE, LUDHIANA  
F-BLOCK, RISHI NAGAR, LUDHIANA**

C.No. IV(16) Tech/Trade Notice/Ldh/07/2013 dated

22706 25 19/11/14

Trade Notice No. 07/CE/Ldh/2014

**Subject:-** Instructions in the light of Judgement of Hon'ble Supreme Court on Sales Tax Incentive Scheme-regarding.

Kind attention is invited to the judgment of Hon'ble Supreme Court in case of M/s Super Synotex India Ltd. [2014-TIOL-19-SC-CX] on the issue of abatement of sales tax under an abatement scheme where the assessee was allowed to retain 75% of the sales tax collected from the buyer and was required to deposit only the remaining 25% with the State Government. Under the circumstances, Hon'ble Court held that after 01.07.2000 i.e. under the transaction value regime, 75% of the sales tax retained by the assessee would form part of the assessable value, stating as follows in the paragraph 22,


*"The amount paid or payable to the State Government towards sales tax, VAT, etc. is excluded because it is not an amount paid to the manufacturer towards the price, but an amount paid or payable to the State Government for sale transaction, i.e. transfer of title from the manufacturer to a third party. Accordingly, the amount paid to the State Government is only excludible from the transaction value. What is not payable or to be paid as sales tax/VAT, should not be charged from the third customer/party but if it is charged and is not payable or paid, it is a part and should not be excluded from the transaction value. This is the position after the amendment, for as per the amended provisions the words "transaction value" mean payment made on actual basis or actually paid by the assessee. The words that gain significance are "actually paid"."*

In view of the above, trade is hereby informed that the amount of Sales tax retained by the seller would be taken as cum-duty price and Central Excise Duty will be payable accordingly in addition to the payment of Central Exciseduty on the declared assessable value as usual.

  
(Dr. Y.D. Banga) 18/11/2014  
COMMISSIONER

**Copy to:**

1. The Chief Commissioner, Central Excise (CZ), C.R. Building, Sector-17, Chandigarh.
2. The Secretary of Revenue, Ministry of Finance, New Delhi.
3. The Commissioner, Central Excise Commissionerate, Chandigarh-I/II, Jalandhar.
4. The Commissioner, Customs & Central Excise Commissionerate, J&K, Jammu.
5. The Commissioner, Customs (P) Commissionerate, Amritsar.
6. The Commissioner Customs Commissionerate, Ludhiana.
7. The Joint Commissioner, Central Excise Commissionerate, Ludhiana.
8. The Deputy Commissioner/Assistant Commissioner, Central Excise Division, Ludhiana-I/II/III/Moga.
9. The Superintendent (Systems), Central Excise Commissionerate, Ludhiana for updating the official website.
10. The General Secretary, Group B, C, D Officers Associations.
11. Guard File.
12. All Trade Associations concerned/ Members of RAC/PGC
13. Notice Board.

  
Superintendent (Tech.)