CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL,
SCO 147-148, SECTOR 17-C, CHANDIGARH-160017

DIVISION BENCH
Court-I

Appeal No. E/1520-1521/2012

(Arising out of OIO No.62/CE/CHD-II/2012 and OIO No.61/CE/CHD-II/2012 dt.28.3.2012 passed by the CCE, Chandigarh-II)

Date of hearing/Decision:22.02.2019

M/s. J C B L Limited **Appellant**
Vs.
CCE & ST, Chandigarh-II **Respondent**

Present for the Appellant: Shri B.L.Narsimhan, Advocate &
Ms. Krati Singh, Advocate
Present for the Respondent: Shri M.S.Dhindsa, AR

Coram: Hon'bleMr. Ashok Jindal, Member (Judicial)
Hon'bleMr.Bijay Kumar, Member (Technical)

FINAL ORDER NO. 60242-60243/2019

PER: ASHOK JINDAL

The appellants are in appeal against the impugned orders.

2. The facts of the case are that the appellant, namely, M/s. JCBL Ltd. is engaged in the manufacture/fabrication of bus bodies on the chassis supplied by their customers.The said chassis are supplied by M/s. Tata Motors Limited (for short M/s.Tata), M/s. VE Commercial Vehicles (earlier known as Eicher Motors Limited) (for short M/s.EML)and M/s. Swaraj Mazda Limited (for short M/s. SML). After undertaking the activity of body building on the chassis supplied by the buyers, the vehicles are cleared on payment of duty. For purpose of body building, the appellant procures various raw materials on its own account and undertakes the body building work. The appellant charges consolidated sales consideration for

the body built on the chassis, which includes the cost of raw materials procured by the appellant, body building cost and profit margin. The assessable value of body cleared is determined by adding the cost of chassis (supplied free of cost by buyers) to the body building charges in terms of Section 4 (1) (b) of the Central Excise Act, 1944 read with Rule 6 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules,2000 and the duty was paid accordingly. The Revenue entertained a view that the said vehicles are ought to be assessed in terms of Rule 10A of the Valuation Rules, 2000. Therefore, two show cause notices dt.7.1.2010 and 2.2.2010 were issued for the period April, 2007 to June, 2009 and April, 2007 to August, 2009 respectively by invoking the extended period of limitation to demand differential duty in terms of Rule 10A of the Valuation Rules, 2000 and consequently, the matters were adjudicated, the demand of duty was confirmed along with interest and penalties on job worker as well as buyers of chassis and supplies were raised. Against the said orders, the appellant's are before us.

3. Considering the fact that similar issue came up before this Tribunal in the case of Audi Automobiles vs. CCE-2010 (249) ELT 124 (Tri.-Del.) wherein it has held that the activity of body building on motor vehicle where chassis supplied free of cost by the manufacturer, the duty is to be paid in terms of in terms of Rule 10A of the Valuation Rules, 2000. Therefore, we hold that on merits, the appellants have no case

4. We further take note of the fact that in the case of HMM Coaches Ltd. vs. CCE-2016 (339) ELT 152 (Tri.-Del.) wherein this Tribunal has held that although the duty is payable in terms of in

terms of Rule 10A of the Valuation Rules, 2000 but the extended period is not invokable. Therefore, we hold that in this case the duty for normal period is confirmed along with interest and the demand beyond normal period is set aside and no penalty is imposable on the appellants.

5. With these terms, the appeals are disposed of.

(operative part of order was pronounced in the court)

(BIJAY KUMAR)
MEMBER (TECHNICAL)

(ASHOK JINDAL)
MEMBER (JUDICIAL)

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