

SUPREME COURT OF INDIA

Commissioner of Central Excise, Pune

Vs.

M/s. Kripa Chemicals Private Limited

C.A.No.5000 of 1999

(Arijit Pasayat and C.K.Thakker JJ.)

04.11.2004

ORDER

1. Heard.

2. This appeal involves two issues. One of them relates to the calculation of cost of production and whether excise duty paid on raw material, if modvatted, is to be included in determining the cost of production of excisable products. This issue has been examined by this Court by a three Judge Bench in *Collector of Central Excise, Pune vs. Daiichi Karkaria Limited* (SC) and it was held that excise duty paid on raw material, if modvatted, is not to be included in determining the cost of production of excisable products. The other issue raised is the question as to whether profit earned by the job worker is to be included and to what extent? In the clarificatory order passed by this Court in *Ujagar Prints etc. etc. vs. Union of India and Ors.*¹, it was explained by way of an illustration that the value of the raw material, the value of the job work done and the manufacturing profit and the expenses for the processing have to be taken into consideration. The determination of the excisable value shall be done on that basis. The appeal is, accordingly, disposed of.

¹1989 (39) ELT 493 SC