

F.No.6/11/2002-CX.1

Ministry of Finance
Government of India
(Department of Revenue)

Subject: - Section 4A of the Central Excise Act, 1944-

I am directed to say that doubts have been raised whether the provision of Explanation 2(a) to Section 4A of the Central Excise Act, 1944 will apply in cases where an assessee declares two MRPs on a package and crossed out one MRP (generally the higher one) to show consumers that they would be saving by purchasing the product at the reduced 2nd MRP. The crossed out MRP is clearly visible.

2. The matter has been examined in the Board. It is observed, if more than one retail sale price is declared on a package, then the highest of the two prices will prevail as per the provisions of Explanation 2(a) to Section 4A, even if one MRP is scored/crossed out on the package.
3. This may be brought to the notice of the field formations.
4. Suitable Trade Notice may be issued for the benefit of the Trade.
5. Hindi version will follow.
6. Receipt of these instructions may be acknowledged.