

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE**

REGIONAL BENCH - COURT NO. 2

Central Excise Appeal No. 20707 of 2023

(Arising out of Order-in-Appeal No. 425/2022 dated 17.11.2022 passed by the Commissioner of Central Tax (Appeals-1), Bangalore.)

**Pr. Commissioner CGST,
Bangalore South**

Queens Road South Commissionerate,
Bengaluru Rural,
Karnataka – 560001.

.....Appellant

VERSUS

M/s. Kaptronics Pvt., Ltd.

Shed No. R4-R3 and R2 SY NO. 165/4, CK
Palya Sakalavara post, Bannerghatta Road,
Bengaluru, Karnataka – 560083.

.....Respondent

APPEARANCE:

Mr. M. A. Jithendra, Authorized Representative (AR) for the Appellant.
Mr. Bharat Raichandani, Advocate for the Respondent.

CORAM:

HON'BLE MR. P.A. AUGUSTIAN, MEMBER (JUDICIAL)

HON'BLE MR. PULLELA NAGESWARA RAO, MEMBER (TECHNICAL)

Final Order No. 22227 /2025

Date of Hearing: 30.10.2025

Date of Decision: 30.10.2025

PER: P.A. AUGUSTIAN

The issue in the present appeal is regarding classification of the goods manufactured by the Respondent.

2. The brief facts are the Respondent is a Private Limited Company manufacturing Dynamic Braking Assemblies and Components for supply exclusively to the Indian Railways. The goods manufactured by the

Respondent are solely and principally used in Railway locomotives. Alleging that the Respondent classified the above products under Central Excise Tariff Heading (CETH) 8607, parts of locomotive and goods are classifiable under Central Excise Tariff Heading (CETH) 8414 and 8516, investigation was carried out in August 2018. Thereafter Show Cause Notice (SCN) was issued for the period from 30.09.2016 to 30.06.2017 and Adjudication authority as per the Order-in-Original dated 22.12.2021 held that correct classification of the goods was under Central Excise Tariff Heading (CETH) 8607 as declared by the Respondent. Accordingly, the demand was dropped. Aggrieved by said order, an appeal was filed before the Commissioner (Appeals) and Commissioner (Appeals) after considering decisions of Hon'ble Supreme Court in the matter of **M/s. Westinghouse Saxby Farmer Ltd. Vs. CCE, Calcutta-[2021 (376) E.L.T 14 (SC)]** upheld the classification adopted by the respondent and dismissed the Department's appeal. However, the order was reviewed and based on the Review Order dated 11.05.2023, the present appeal is filed by Revenue.

3. When the appeal came up for hearing, Learned Authorised Representative (AR) for the Revenue reiterated the grounds of appeal and submits that since the goods are specifically classifiable under Central Excise Tariff Heading (CETH) of 8414 and 8516 as alleged in the show cause notice, impugned order dropping the proceedings is unsustainable. Learned AR also reiterated the allegations in the show cause notice.

4. Learned Counsel appearing for the Respondent submits that the issue is no more *res integra* and it is settled as per the judgment of Hon'ble Supreme Court in the matter of **M/s. Westinghouse Saxby Farmer Ltd (Supra)**, where it is held that the Department ought not to have overlooked the predominant use or sole /principal use test, acknowledged by the General Rules for the Interpretation (GRI) of the schedules. Learned Counsel also relied on the following decisions;

- i. **Uni Deritend Ltd. Versus Commissioner of C. Ex., Mumbai-III-[2014(313) E.L.T. 423 (Tri.-Bom)]**

- ii. **Chief Workshop Manager Central Railway Vs. Commissioner Of Central Excise Nashik-[2018-Tiol-3398-Cestat-Mum)]**
- iii. **Sunflex Auto Parts Versus Commissioner of C. Ex. (Appeals) Mumbai-II-[2004 (171) E.L.T. 188 (Tri.-Bom)]**
- iv. **Nagpur Engg. Co. Ltd. Vs. Collector of Central Excise -[1993 (63) E.L.T. 699 (Tri.-Del)]**
- v. **Commissioner of Central Excise, Nagpur Versus Simplex Mills Co. Ltd.-[2005 (181) E.L.T. 345 (S.C.)]**
- vi. **Nagaraju Bros. Vs. State of Andhra Pradesh-[1994 (72) E.L.T. 801 (S.C.)]**

5. Heard both sides and perused the records.

6. We find that the goods manufactured by the Respondent are solely and principally used in Railway locomotives. Since the issue is squarely covered as per the judgment of Hon'ble Supreme Court in the case of **M/s. Westinghouse Saxby Farmer Ltd.**, supra and other decisions relied by the Respondent, the appeal filed by the Revenue is liable to be dismissed.

7. Accordingly, the impugned order is upheld and the appeal filed by the Revenue is dismissed.

*(Operative portion of the order was pronounced in Open Court
on conclusion of hearing.)*

(P. A. AUGUSTIAN)
MEMBER (JUDICIAL)

(PULLELA NAGESWARA RAO)
MEMBER (TECHNICAL)

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