

CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH- COURT NO. I

Excise Appeal No. 50650 of 2025

(Arising out of Order-in-Appeal No. 01-11/2024-CE dated 16.01.2024 passed by Additional Director General (Adjudication), Directorate General of GST Intelligence, New Delhi.)

M/s. Banco Gaskets (I) Ltd.

Village: Ankhi
DistL Bharuch-392 150

....Appellant

Versus

**Additional Director General,
(Notified Common Adjudicating Authority),**
New Delhi

....Respondent

APPEARANCE:

Shri Mrugesh Pandya, Advocate for the Appellant
Shri S.K. Ray, Authorised Representative of the Department

CORAM:

HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT
HON'BLE MR. P.V. SUBBA RAO, MEMBER (TECHNICAL)

DATE OF HEARING/ DECISION: June 27, 2025

FINAL ORDER NO. 50944/2025

JUSTICE DILIP GUPTA

The issue involved in this appeal that has been filed by a vendor of Maruti Suzuki India Limited (Maruti), which is engaged in the manufacture of motor vehicles and procures the desired parts and components from vendors, is whether the national cost of drawings and designs supplied free of cost by Maruti to the vendor should be included in the assessable value of parts or components manufactured by vendor and cleared to Maruti for the purpose of payment of central excise duty.

2. This issue was considered by this Division Bench in **Denso India Private Limited vs. Additional Director General (Adjudication), New Delhi¹** and it was held that the notional cost of drawings and designs supplied free of cost by Maruti to the vendors cannot be included in the assessable value of the parts and components manufactured by vendors and cleared to Maruti for the purpose of payment of central excise duty.

3. In view of the aforesaid decision of the Tribunal in **Denso India**, the impugned order dated 16.01.2024 passed by the Additional Director General (Adjudication) deserves to be set aside and is set aside. The appeal is, accordingly, allowed.

(Order dictated in the Open Court)

(JUSTICE DILIP GUPTA)
PRESIDENT

(P.V. SUBBA RAO)
MEMBER (TECHNICAL)

Shenaj

1 2024 (3) TMI 686-CESTAT NEW DELHI