CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL, MUMBAI

REGIONAL BENCH - COURT NO. I

Excise Miscellaneous Application No. 87371 of 2025
(on behalf of Appellant)

In

Excise Appeal No. 85145 of 2017

(Arising out of Order-in-Appeal No. PK/90/BEL/2016 dated 21.09.2016 passed by the Commissioner of Central Excise (Appeals-II), Mumbai-II)

M/s Syndicate Wiper Systems Pvt. Ltd. **.... Appellant**
Plot No. A/416, TTC Industrial Area, MIDC,
Mahape, Navi Mumbai – 400 701

Versus

Commissioner of Central Tax & Central Excise, **.... Respondent**
Navi Mumbai
1st Floor, CGO Complex, CBD Belapur,
Navi Mumbai – 400 614

WITH

Excise Miscellaneous Application No. 87373 of 2025
&
Excise Miscellaneous Application No. 87372 of 2025
(on behalf of Appellant)

In

Excise Appeal No. 86941 of 2017

(Arising out of Order-in-Appeal No. PK/144/BEL/2017 dated 28.04.2017 passed by the Commissioner of Central Excise (Appeals-II), Mumbai-II)

M/s Syndicate Wiper Systems Pvt. Ltd. **.... Appellant**
Plot No. A/416, TTC Industrial Area, MIDC,
Mahape, Navi Mumbai – 400 701

Versus

Commissioner of Central Tax & Central Excise, **.... Respondent**
Navi Mumbai
1st Floor, CGO Complex, CBD Belapur,
Navi Mumbai – 400 614

AND

Excise Appeal No. 87950 of 2017

(Arising out of Order-in-Appeal No. MKK/45/RGD/APP/2017 dated 19.09.2017 passed by the Commissioner of Central Tax (Appeals), Raigad)

M/s Syndicate Wiper Systems Pvt. Ltd. **.... Appellant**
Plot No. A/416, TTC Industrial Area, MIDC,
Mahape, Navi Mumbai – 400 701

Versus

Commissioner of Central Tax & Central Excise, ... Respondent
Navi Mumbai
1st Floor, CGO Complex, CBD Belapur,
Navi Mumbai – 400 614

APPEARANCE:

Shri S.A. Gundecha, Advocate for the Appellant

Shri Rajiv Ranjan, Authorized Representative for the Respondent

CORAM:

HON'BLE MR. S.K. MOHANTY, MEMBER (JUDICIAL)
HON'BLE MR. M.M. PARTHIBAN, MEMBER (TECHNICAL)

FINAL ORDER NO. A/85824-85826/2026

Date of Hearing: 08.05.2026

Date of Decision: 08.05.2026

Per: S.K. Mohanty

Heard both sides and perused the case records.

2. These miscellaneous applications have been filed by the appellants for change of name and address of the respondent from "*Commissioner of Central Excise, Belapur*" to ***"The Commissioner of Central Tax and Central Excise, Navi Mumbai, having address at 1st Floor, CGO Complex, CBD Belapur, Navi Mumbai – 400 614***". The prayer made by the appellants is considered and accordingly the miscellaneous applications are allowed. The said changed name and address of the respondent is substituted in the cause title to these appeals.

3. Brief facts of the case are that the appellants are engaged in the manufacture of Wiper Systems and Blade Assembly, falling under Chapter 85 or 87, respectively, of the Central Excise Tariff Act, 1985. The semi-finished goods manufactured in the factory of the appellants were removed to their sister units located at Andheri and Pawane for use in the further manufacture of their final products. Since the goods were not sold and were removed to their own units located elsewhere, the appellants had determined the transaction value in terms of Rule 8 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000 for the purpose of payment of Central Excise duty. During the disputed period, the

manufacturing unit(s) of the appellants were audited by the Department and the officers had observed that the valuation provided under Rule 8 of the Rules of 2000 had not been properly adhered to, inasmuch as the expenses on account of Direct wages and salaries, direct expenses, work overheads, quality control cost, research & development cost and administrative overheads etc., incurred by them were not considered properly in the CAS-4 certificate prepared and submitted by them before the Department. On the basis of such observations by the Audit Wing, the Department had initiated show-cause proceedings against the appellants, seeking for confirmation of the Central Excise duty demands, which were culminated into the adjudication orders dated 07.01.2016, 30.09.2016 and 03.04.2017, wherein the original authority had confirmed the proposals made in the show-cause notices dated 01.07.2015, 27.01.2016 and 02.01.2017. On appeal against the said adjudication orders, the learned Commissioner (Appeals) vide the impugned orders dated 21.09.2016, 28.04.2017 and 19.09.2017 has upheld confirmation of the adjudged demands and rejected the appeals filed by the appellants. Feeling aggrieved with the impugned orders, the appellants have preferred these appeals before the Tribunal.

4. We find that the Department had issued the periodical show-cause notices to the appellants on the alleged ground that the CAS-4 was not properly and correctly maintained as per the requirement of Rule 8 of the Rules of 2000. Further, we find that the show-cause proceedings initiated for the period April, 2007 to July, 2013, the impugned order confirming the adjudged demand was appealed against before the Tribunal and Tribunal vide Final Order No. A/85940-85945/2025 dated 08.04.2025 has allowed the appeal in favour of the appellants, holding that CAS-4 was properly prepared by the appellants in order to discharge the Central Excise duty liability in terms of Rule 8 of the Valuation Rules, 2000. The relevant paragraphs recorded in the said order dated 08.04.2025 are extracted herein below: -

> *"4. In the present case, the appellants had determined the value by taking recourse to Rule 8 of the Valuation Rules, 2000. Since the wiper parts were used by the appellants for further manufacture of wipers in their other units, in our considered view, adoption of the value under Rule 8 of Valuation Rules, 2000 is correct and justified. The Department had also not objected to the value adopted by the appellant. The Department had not considered the CAS-4 certificates submitted by the appellants on the ground that such certificates were prepared without considering the figures available in the profit and loss account and in the balance sheet. Insofar as the accounting records for captive consumption of goods is concerned, the CBEC vide Circular No. 692/8/2003-CX dated 13.02.2003 has clarified as under: -*

" Subject:- Valuation of goods captively consumed.

I am directed to say that on introduction of Central Excise Valuation (Determination of Price of Excisable goods) Rules, 2000, w.e.f. 1.7.2000, it was clarified by the Board vide Circular No.354/81/2000-TRU dated 30.6.2000 (para 21) that for valuing goods which are captively consumed, the general principles of costing would be adopted for applying Rule 8. The Board has interacted with the Institute of Cost & Works Accountants of India (ICWAI) for developing costing standards for costing of captively consumed goods.

(2) The Institute of Cost & Works Accountants of India [ICWAI] has since developed the Cost Accounting Standards, CAS 2, 3 and 4, on capacity determination, overheads & cost of production for captive consumption, respectively, which were released by the Chairman, CBEC on 23.1.2003.

(3) It is, therefore, clarified that cost of production of captively consumed goods will henceforth be done strictly in accordance with CAS-4. Copies of CAS-4 may be obtained from the local Chapter of ICWAI.

(4) Board's Circular No.258/92/96-CX dated 30.10.96, may be deemed to be modified accordingly so far as it relates to determination of cost of production for captively consumed goods.

(5) This Circular may be brought to the notice of the field formations.

(6) Suitable Trade Notices may be issued for the benefit of the Trade."

5. On reading of the statutory provisions vis-à-vis the Circular dated 13.02.2003 issued by CBEC, it transpires that the value in respect of captively consumed goods can only be determined on the basis of CAS-4 records maintained by the assessee. Since Rule 8 of the Valuation Rules, 2000 provides for 110% of the cost of production for manufacture as the proper value, the goods actually used for captive consumption alone should be considered for the purpose of determination of the value and for that purpose, it has been mandated in the Circular dated 13.02.2003 that the CAS-4 records should suffice for the purpose. We are not in agreement with the observation made by the Department that for the purpose of determination of value or for preparation of CAS-4 certificate, the figures have to be obtained from the profit and loss account or the balance sheet inasmuch as, such accounting records captures the entire activity of the appellants and not only confined to the goods, which were captively consumed for manufacture of the further goods or articles. Therefore, the order passed by the lower authorities in rejecting CAS-4 certificate issued by the practicing Cost Accountant cannot be sustained for the judicial scrutiny. Since the appellants had properly captured the cost of production with regard to manufacture of such goods, which were captively consumed for manufacture of the resultant final products in their other units, in our view, adoption of such valuation method is in conformity with the statutory provisions."

5. Since, for the earlier period the Tribunal took a view that the appellants had correctly maintained the CAS-4 records, the present proceedings being initiated by the Department for the subsequent period entirely on identical set of facts and on the basis of uniform practice adopted in preparation of CAS-4 all along, we are of the view that different

interpretation cannot be placed at this juncture, to decide the present appeals differently.

6. Therefore, we do not find any merits in the impugned orders, insofar as the learned Commissioner (Appeals) has upheld confirmation of the adjudged demands and rejected the appeals filed by the appellants. Accordingly, the impugned orders are set aside and the appeals are allowed in favour of the appellants, with consequential benefit, if any, as per law.

7. Miscellaneous applications stand disposed of.

(Dictated and pronounced in open court)

(S.K. Mohanty)
Member (Judicial)

(M.M. Parthiban)
Member (Technical)

Sinha