

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL**  
**New Delhi**

**PRINCIPAL BENCH**

**Excise Appeal No. of 50587 of 2025**

(Arising out of the Order in Original No. 10-15-CE/2023, dated 25.01.2023 passed by Principal Additional Director General (Adjudication), New Delhi)

**M/s. Bosch Ltd.**

Plot No. 127, Sector-8, IMT Manesar,  
Gurgaon, Haryana-122 050

**..... Appellant**

Versus

**Commissioner of CGST & Central Excise,  
New Delhi**

**..... Respondent**

**APPEARANCE:**

Shri S.C. Vaidyanathan, Advocate for the Appellant  
Shri Rakesh Agarwal, Authorised Representative for 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. 50943/2025**

**JUSTICE DILIP GUPTA:**

The issue involved in this appeal that has been filed by a vendor of Maruti Suzuki India Limited<sup>1</sup>, which is engaged in the manufacture of motor vehicles and procures the desired parts and components from vendors, is whether the notional 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.

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**1 Maruti**

2. According to the vendor, parts or components, being an engineering product, are required to be made as per the requirement of Maruti and it is for this reason that Maruti provides the specifications of the parts or components in the form of drawings free of cost to the potential vendors and seeks quotations. The specifications enable the potential vendors to properly understand the requirements and provide the best price quotations for the manufacture and supply of the desired parts or components. Once the vendor is selected and a letter of intent is issued, the vendor prepares detailed drawings and designs for the products to be supplied, corresponding to the specifications received from Maruti. The final products are then manufactured with the help of detailed drawings and designs prepared by the vendors. According to the vendors, the cost incurred by them towards the manufacturing activity includes the development cost incurred in the preparation of the detailed drawings and designs by them.

3. The department, however, believed that the cost of the specifications supplied by Maruti to the vendor free of cost should be included in the assessable value of the final products manufactured by the vendors in terms of rule 6 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2002<sup>2</sup>. Accordingly, show cause notices were issued to the vendors. The adjudicating authority confirmed the duty demand holding that the cost of the specifications provided by Maruti has to be included in the assessable value of the product manufactured by the vendors and cleared to Maruti.

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**2 the 2000 Valuation Rules**

4. It has, therefore, to be determined whether the notional cost of specifications in the form of drawings and designs supplied free of cost by Maruti to the potential vendor should be included in the assessable value of the parts or components manufactured by the vendor and cleared to Maruti for their motor vehicles.

5. This issue was examined at length by this bench of the Tribunal in **Denso India Private Limited versus Additional Director General (Adjudication)**<sup>3</sup> and it was held that:

“50. The inevitable conclusion, therefore, that follows from the aforesaid discussion is 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.”

6. Thus, for the reasons stated in **Denso India Private Limited**, this appeal would have to be allowed.

7. In the result, the order impugned in this appeal deserves to be set aside and are set aside. The Excise Appeal is, accordingly, allowed.

(Order pronounced in the open court)

**(JUSTICE DILIP GUPTA)**  
**PRESIDENT**

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

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