सीमाशुल्क (अपील) आयुक्तका कार्यालय, अहमदाबाद
OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), AHMEDABAD
चौथी मंज़िल 4th Floor, हडको बिल्डिंग HUDCO Building, ईश्वर भुवन रोड़ Ishwar Bhuvan Road,
नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009.
दूरभाष क्रमांक Tel. No. 079-26589281

DIN-20260771MN0000444DAA

क	फ़ाइल संख्या FILE NO.	S/49-68/CUS/JMN/2025-26
ख	अपील आदेश संख्या ORDER-IN-APPEAL NO. (सीमा शुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962) :	JMN-CUSTM-000-APP-25-2026-27
ग	पारितकर्ता PASSED BY	Shri Vishwajeet Singh Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	14.07.2026
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	14/AC/LRM/GPPL/2023-24 dated 21.03.2024
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	14.07.2026
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	1. M/s Gangotri Industries, 383, Mehta Tiles Compound, Opposite Gujarat Housing Board, Snagarwa-Kathwada Road, Ahmedabad-380024

कार्यालय आयुक्त (अपील), सीमा शुल्क, अहमदाबाद

1	यह प्रति उस व्यक्ति के निजी उपयोग के लिए मुफ्त में दी जाती है जिनके नाम यह जारी किया गया है.
	This copy is granted free of cost for the private use of the person to whom it is issued.
2.	सीमाशुल्क अधिनियम 1962 की धारा 129 डी डी (1) (यथा संशोधित) के अधीन निम्नलिखित श्रेणियों के मामलों के सम्बन्ध में कोई व्यक्ति इस आदेश से अपने को आहत महसूस करता हो तो इस आदेश की प्राप्ति की तारीख से 3 महीने के अंदर अपर सचिव/संयुक्त सचिव (आवेदन संशोधन), वित्त मंत्रालय, (राजस्व विभाग) संसद मार्ग, नई दिल्ली को पुनरीक्षण आवेदन प्रस्तुत कर सकते है.
	Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order.
	निम्नलिखित सम्बन्धित आदेश/Order relating to :
(क(	बैगेज़ के रूप में आयातित कोई माल.
(a)	any goods imported
(ख(	भारत में आयात करने हेतु किसी वाहन में लादा गया लेकिन भारत में उनके गन्तव्य स्थान पर उतारे न गए माल या उस गन्तव्य स्थान पर उतारे जाने के लिए अपेक्षित माल उतारे न जाने पर या उस गन्तव्य स्थान पर उतारे गए माल की मात्रा में अपेक्षित माल से कमी हो.
(b)	any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination.
(ग (	सीमाशुल्क अधिनियम, 1962 के अध्याय X तथा उसके अधीन बनाए गए नियमों के तहत शुल्क वापसी की अदायगी.
(c)	Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder.
.3	पुनरीक्षण आवेदन पत्र संगत नियमावली में विनिर्दिष्ट प्रारूप में प्रस्तुत करना होगा जिसके अन्तर्गत उसकी जांच की जाएगी और उस के साथ निम्नलिखित कागजात संलग्न होने चाहिए :
	The revision application should be in such form and shall be verified in such manner as may be specified in the relevant rules and should be accompanied by :
(क)	कोर्ट फी एक्ट,1870 के मद सं.6 अनुसूची 1 के अधीन निर्धारित किए गए अनुसार इस आदेश की 4 प्रतियां, जिसकी एक प्रति में पचास पैसे की न्यायालय शुल्क टिकट लगा होना चाहिए.
(a)	4 copies of this order, bearing Court Fee Stamp of paise fifty only in one copy as prescribed under Schedule 1 item 6 of the Court Fee Act, 1870.
(ख)	सम्बद्ध दस्तावेज़ों के अलावा साथ मूल आदेश की 4 प्रतियां, यदि हो
(b)	4 copies of the Order-in-Original, in addition to relevant documents, if any
(ग)	पुनरीक्षण के लिए आवेदन की 4 प्रतियां
(c)	4 copies of the Application for Revision.

(घ)	पुनरीक्षण आवेदन दायर करने के लिए सीमाशुल्क अधिनियम, 1962 (यथा संशोधित) में निर्धारित फीस जो अन्य रसीद, फीस, दण्ड, जब्ती और विविध मदों के शीर्ष के अधीन आता है में रु. 200/-(रूपए दो सौ मात्र)या रु.1000/-(रूपए एक हज़ार मात्र), जैसा भी मामला हो, से सम्ब न्धित भुगतान के प्रमाणिक चलान टी.आर.6 की दो प्रतियां. यदि शुल्क, मांगा गया ब्याज, लगाया गया दंड की राशि और रूपए एक लाख या उससे कम हो तो ऐसे फीस के रूप में रु.200/- और यदि एक लाख से अधिक हो तो फीस के रूप में रु.1000/-
(d)	The duplicate copy of the T.R.6 challan evidencing payment of Rs.200/- (Rupees two Hundred only) or Rs.1,000/- (Rupees one thousand only) as the case may be, under the Head of other receipts, fees, fines, forfeitures and Miscellaneous Items being the fee prescribed in the Customs Act, 1962 (as amended) for filing a Revision Application. If the amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-.
4.	मद सं. 2 के अधीन सूचित मामलों के अलावा अन्य मामलों के सम्बंन्ध में यदि कोई व्यक्ति इस आदेश से आहत महसूस करता हो तो वे सीमाशुल्क अधिनियम 1962 की धारा 129 ए (1) के अधीन फॉर्म सी.ए.-3 में सीमाशुल्क, केन्द्रीय उत्पाद शुल्क और सेवा कर अपील अधिकरण के समक्ष निम्नलिखित पते पर अपील कर सकते हैं
	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :

सीमाशुल्क, केंद्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ	**Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench**
दूसरी मंज़िल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016	2nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016

5.	सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (6) के अधीन, सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (1) के अधीन अपील के साथ निम्नलिखित शुल्क संलग्न होने चाहिए-
	Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -
(क)	अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए या उससे कम हो तो एक हज़ार रुपए.
(a)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;
(ख)	अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए से अधिक हो लेकिन रुपये पचास लाख से अधिक न हो तो; पांच हज़ार रुपए
(b)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;
(ग)	अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पचास लाख रूपए से अधिक हो तो; दस हज़ार रुपए.

(c)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees
(घ)	इस आदेश के विरुद्ध अधिकरण के सामने, मांगे गए शुल्क के %10 अदा करने पर, जहां शुल्क या शुल्क एवं दंड विवाद में हैं, या दंड के %10 अदा करने पर, जहां केवल दंड विवाद में है, अपील रखा जाएगा ।
(d)	An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.
6.	**उक्त अधिनियम की धारा 129 (ए) के अन्तर्गत अपील प्राधिकरण के समक्ष दायर प्रत्येक आवेदन पत्र- (क) रोक आदेश के लिए या गलतियों को सुधारने के लिए या किसी अन्य प्रयोजन के लिए किए गए अपील : - अथवा (ख) अपील या आवेदन पत्र का प्रत्यावर्तन के लिए दायर आवेदन के साथ रुपये पाँच सौ का शुल्क भी संलग्न होने चाहिए.**
	Under section 129 (a) of the said Act, every application made before the Appellate Tribunal- (a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or (b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.

ORDER-IN-APPEAL

1. Brief facts of the case

1.1 M/s. Gangotri Industries, (herein after referred as the "Appellant') having their office at. 383-Mehta Tiles Compound, Gujarat Housing Board, Singarwa-Kathwada Road, Ahmedabad 380024, has filed the present appeal bearing number S/49-68/CUS/JMN/2024-25 dated 17.05.2024 against Order-In-Original No. 14/AC/LRM/GPPL/2023-24 dated 21.03.2024 (hereinafter referred to as the "impugned order") issued by the Assistant Commissioner, Custom House, Pipavav (herein after referred to as the "Adjudicating Authority").

1.2 A Bill of Entry no. 2265998 dated 23.02.2024 was filed by the Appellant for import of the goods described as "Saw dust powder (Saw dust powder for making Incense stick)". The importer has declared the goods under CTH 44014100 with duty benefit of AIFTA under Sr.No. 542(1) of Notification No. 046/2011-Cus dated 01.06.2011. The country of Origin of the subject goods is Vietnam.

1.3 The Bill of Entry no. 2265998 dated 23.02.2024 was assessed by the Adjudicating Authority vide impugned order dated 21.03.2024. The Adjudicating Authority vide the impugned order classified the goods under CTH 12119029 having 15% Basic Customs Duty without AIFTA benefit under the notification no. 046/2011 dated 01.06.2011.

1.4 Being aggrieved by the impugned order, the Appellant preferred the present appeal.

2. **Ground of Appeal submitted by the Appellant.**

2.1 The Appellant submitted that the Ld. Adjudicating Authority has erred in failing to appreciate that the distinction between the items that give fragrance and those which don't, is critical for arriving at correct and lawful classification, when Chapter heading 1211 is being considered.

2.2 The Appellant further submitted that Hon'ble Tribunal in the case of Sri Mahalakshmi Flour Mills v/s Commr. of Cus., Chennai, 2004 (167) ELT 429 (Tri.- Bang.) has held that:

"4. We have carefully considered the submissions made by both sides. From the records, we find that the appellants have imported "Desapped Sandal Wood Roots)". The appellants have stated that the imported goods would be converted into powder and used in the manufacture of 'Agarbatti'. Plants/parts of a kind used primarily in perfumery, etc are covered by Chapter 12 of the Customs Tariff Act. Since the goods

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are to be used in the manufacture of 'Aggarbatti' for giving fragrance, therefore, they are primarily used for the purpose of perfumery...".

2.3 The Appellant further submitted that in the present case, the entry in Heading 12.11 of the Customs Tariff Act, is as under:

"plants and parts of plants including seeds and fruits) of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried, whether or not cut, crushed or powdered".

"Since the Sandal Wood Roots, after being powdered, are to be used in the manufacture of 'Aggarbatti' and it can only be used as perfumery for giving fragrance, the interpretation of the perfumery as given by the Apex Court in the case of Pardeep Aggarbatti (supra) is not applicable in the present case. We do not find any merit in the appeal filed by the party. Accordingly, the appeal is rejected."

2.4 The Appellant further submitted that Hon'ble Tribunal has clearly held that only such item which give fragrance shall be classified under CTH 1211. In this case, Ld. Adjudicating Authority has nowhere held that saw dust powder imported by appellant is the fragrance bearing substance in Aggarbatti. Since it is not the fragrance bearing substance, it will not fall under CTH 1211. Attention is also invited to the maxim ejusdem generis, which means "of the same kind and nature". Entry 1211 90 29 where Ld. Adjudicating Authority has classified saw dust powder meant for use in Aggarbatti is preceded by entry from 1211 90 21 to 1211 90 26 which deals with items, namely, Belladona leaves, Senna leaves and pods, Neem leaves, powder, Gymnema powder, Cubeb powder and Pyrethrum respectively. However, it is nowhere shown that saw dust is of the same kind and nature as the aforesaid items so as to fall within the same bracket as 1211 90. Owing to above, the classification proposed by department fails this test also. Perfumery, though not defined in Customs Tariff Act, 1975, is the art of making perfume (as per Merriam webstar.com) As per Collins Dictionary, perfumery is the activity or business of producing perfume.

2.5 The Appellant further submitted that saw dust is not a perfume. It is only a burning medium. Therefore, mere use of saw dust as burning medium of incense stick would not make it fall in the league of fragrance bearing substances like sandal wood powder or items covered by CTH 1211 90 21 to 1211 90 26 of the First Schedule to Customs Tariff Act, 1975.

2.6 Thus, based on the above, the Appellant requested to

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(i). Quash and set aside the impugned order/decision with consequential relief.

(ii). Any other & further relief may be granted in the facts and circumstance of the case.

2.7 The appellant craved leave of this Hon'ble Appellate Authority to add, amend, alter, rescind and/or modify any of the foregoing grounds/paragraphs, if deemed necessary in the interest of justice.

3. PERSONAL HEARING:

Opportunity of personal hearing was granted to the Appellant. Shri Vikas Mehta, Consultant/Authorized representative of the Appellant appeared for personal hearing. He re-iterated the submission made at the time of appeal.

4. DISCUSSION AND FINDINGS:

4.1 I find that the date of the impugned order is 21.03.2024 and the Appellant filed appeal on 17.05.2024 therefore, the appeal is filed well within the time period of 60 days prescribed under the provisions of Section 128 of the Customs Act, 1962.0

4.2. I find that in the present case the amount involved in duty is total of Rs. 128567 (including BCD+SW+IGST) and the appellant has already paid amount of Rs.100018/- vide Challan dated 14.03.2024 therefore, the statutory requirement of pre-deposit of 7.5% of duty demanded as prescribed under Section 129E of the Customs Act, 1962 is satisfied.

4.3 The Customs House, Pipavav was requested for submission of comments of the appeal filed by the Appellant vide letter 15.07.2024 but no comments have been received by this office till date therefore, I am taking up the issue for decision based on the facts of the case and documentary evidence available on record.

4.4 I have carefully gone through the case records, show cause notice and corresponding order passed by the adjudicating authority and the defense put forth by the Appellants in their appeal. The following issues arise for determination:

i) Whether the goods imported by the Appellant are liable for classification under CTH 44014102 as contested by the Appellant or under CTH 12119029 as assessed by the Adjudicating Authority .

4.5 It is observed that the appellant had imported goods described as saw dust powder (Saw dust powder for making Incense stick) from Vietnam claiming the

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benefit of AIFTA under Sl.No. 542(I) of Notification No, 046/2011-Cus dated 01.06.2011.

4.6 The Adjudicating authority has observed that the classification of imported goods are governed by six general rules applied worldwide known as GRs. The Adjudicating Authority has referred to GR1 which is as under:-

GR 1: (Basic Rule) 1 -The titles of sections, chapters and sub-chapters are provided for ease of reference only for legal purposes, classification shall be determined according to the terms of the headings and any relative section or chapter notes and, provided such headings or note do not otherwise require, according to the following provisions.

From the plain reading of the above rule, I find that the titles of sections, chapters and sub-chapters are provided for ease of reference only which means the titles of these divisions are helpful for navigating the tariff book, the same cannot classify a product in a chapter simply because the chapter title sounds like it fits. I find that for legal purposes, classification shall be determined according to the terms of the headings and any relative section or chapter notes. Therefore, it forms the core of GRI 1 and the primary law of customs classification. It states that the only legally binding texts for determining classification are the text of the 4-digit Headings: The actual words describing the goods at the heading level. The legal text found at the beginning of a Section or Chapter and Chapter Notes are of paramount importance. They frequently dictate exactly where a product must go, or explicitly exclude certain products from a chapter. If a Chapter Note categorically mentions to classify an item elsewhere, the same must be followed scrupulously, regardless of what the chapter title or heading text suggests. Therefore, this clause establishes the order of operations. It means it is important to classify the good using the headings and notes first (GRI 1).

4.7 The Adjudicating Authority has also referred to GR3 (Deciding Rule) which is reproduced as under:-

GR 3: (Deciding Rule)-for any reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows

a) The heading which provides the most specific description shall be preferred to headings providing a more general description.

4.8 Rule 3 of the General Rules for Interpretation becomes applicable only where goods are, prima facie, classifiable under two or more headings after application of Rule 1. Rule 3(a) provides that the heading which provides the most specific description shall be preferred to a heading providing a more general description.

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Only where Rule 3(a) does not resolve the issue does Rule 3(b) require determination of the heading which imparts the essential character to the goods. Therefore, even assuming that competing headings are available, preference has to be given to the heading which specifically describes the imported goods.

4.9 The Harmonized System of Nomenclature (HSN) Explanatory Notes, though not statutorily binding, constitute a recognized guide for interpretation of tariff entries and have consistently been relied upon by Courts while deciding classification disputes. The Explanatory Notes to Heading 44.01 specifically cover sawdust and wood waste irrespective of the subsequent use to which such products may be put. On the other hand, Heading 12.11 covers plants and parts of plants primarily used in perfumery, pharmacy, insecticidal, fungicidal or similar purposes. Thus, the scope of Heading 12.11 is confined to botanical products possessing such inherent characteristics and does not extend to ordinary sawdust generated as a by-product of wood processing.

4.10 Thus, based on the above, I find that Heading 4401 covers: "Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms." Further, I find that Heading 1211 covers: "Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh, chilled, frozen or dried, whether or not cut, crushed or powdered." To classify a good in Chapter 1211, the primary identity and purpose of the good must be botanical/medicinal/aromatic. Standard saw dust is fundamentally a byproduct of the mechanical working of wood (Chapter 44). Even if standard saw dust is eventually used for something else, its essential identity as a wood byproduct is legally captured by 4401. Heading 4401 specifically covers sawdust and wood waste. The imported goods have been declared as "Saw Dust Powder" and there is nothing on record to indicate that the product is sandalwood powder, agarwood powder or any other aromatic botanical product. Merely because the goods are intended for manufacture of incense sticks does not alter their objective identity as sawdust.

4.11 I further find that the intended use of the imported goods in the manufacture of incense sticks is not determinative of classification in the present case. Unless the tariff itself prescribes classification on the basis of end-use, goods are classifiable according to their objective characteristics as presented at the time of importation. Since Heading 4401 specifically describes "sawdust", the subsequent use of such sawdust as a combustible base or filler in incense sticks cannot alter its classification.

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4.12 Further, I also find that It is a fundamental rule of customs classification that a product is classified based on its objective characteristics at the time of import, not its intended end-use, unless the tariff specifically requires an end-use analysis. Heading 1211 specifies plants and parts of plants "of a kind used primarily in perfumery, in pharmacy etc" is an end-use provision. However, saw dust is explicitly named in 4401. Standard wood dust (like bamboo or pine dust) used in incense sticks acts primarily as a combustible base or filler to hold the stick together and keep it burning. Its use in the incense industry does not magically transform its objective characteristic from "sawdust" into a "botanical perfumery plant."

4.13 I also find that for saw dust to fall under the Chapter 1211 it should predominantly inherently an active aromatic or botanical ingredient, rather than a mere combustible filler. The saw dust is not a fragrance bearing substance in the Agarbatti. The saw dust in the Agarbatti is not a perfume but only a burning medium. Therefore, I find force in the argument of the Appellant that use of burning medium of incense stick would not make it fall in the league of fragrance bearing substances like wood powder covered under CTH 12119021 to 12119026 of the Customs Tariff Act, 1975. I also find that to classify under 1211, the good must be a specific, aromatic botanical powder. Examples include Sandalwood powder, Jigat powder (Machilus macrantha), or Agarwood dust.

4.14 Thus, based on the above I conclude that wood saw dust used as a burning base for incense sticks, GRI 1 dictates it is classified as saw dust under CTH 4401. Chapter 1211 comes into picture only if the wood dust is inherently an aromatic botanical (like Sandalwood) where its primary function is providing the fragrance itself. Therefore, I classify the goods saw dust imported by the Appellant under CTH 44014100 along with benefit of AIFTA under Sr.No. 542 of Notification No. 046/2011-Cus dated 01.06.2011 instead of 12119029 as held by the impugned order.

5. In view of the above, I set aside the Order-In-Original No. 14/AC/LRM/GPP/2023-24 dated 21.03.2024 and allow the classification of goods under CTH 44014100 by the Appellant with consequential benefit.

Vishwajeet Singh
14.07.2026.

(Vishwajeet Singh)
Commissioner (Appeals),
Customs, Ahmedabad
Date: 07.2026

F. No. S/49-68/JMN/2025-26

By Registered post A.D

1. M/s Gangotri Industries, 383, Mehta Tiles Compound, Opposite Gujarat Housing Board, Snagarwa-Kathwada Road, Ahmedabad-380024.

Copy to,

1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad. (email: ccoahm-guj@nic.in)
2. The Commissioner, Customs(Prev), Jamnagar.
3. The Deputy/Assistant Commissioner, Custom House, Pipavav.
4. Guard File.