सत्यमेव जयते

सीमा शुल्क(अपील) आयुक्त का कार्यालय, अहमदाबाद

OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), AHMEDABAD,

चौथी मंज़िल **4th Floor,** हडको भवन **HUDCO Bhawan,** ईश्वर भुवन रोड़ **Ishwar Bhuvan Road**
नवरंगपुरा **Navrangpura,** अहमदाबाद **Ahmedabad – 380 009**
दूरभाष क्रमांक **Tel. No. 079-26589281**

DIN - 20260271MN000000B49E

क	फ़ाइल संख्या FILE NO.	S/49-313/CUS/MUN/2024-25
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)	MUN-CUSTM-000-APP-883-25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	27.02.2026
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	Order-in-Original no. MCH/557/DC/LD/Gr.II/2024-25 dated 26.10.2024
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	27.02.2026
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s. Amar Trading Company, Near Industrial Estate Kairana, Panipat Road, Shamli, Uttar Pradesh- 247776

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 exported
(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

Appeal has been filed by M/s. Amar Trading Company, Near Industrial Estate Kairana, Panipat Road, Shamli, Uttar Pradesh 247776, (hereinafter referred to as the 'Appellant') in terms of Section 128 of the Customs Act, 1962, challenging the Order-in-Original no. MCH/557/DC/LD/Gr.II/2024-25 dated 26.10.2024 (hereinafter referred to as 'the impugned order') issued by the Deputy Commissioner, Import Section, Group 2, Custom House, Mundra (hereinafter referred to as 'the adjudicating authority')

2. Facts of the case, in brief, are that an analysis of data (DAC No. 09 dated 27.12.2022) in respect of Import of miscellaneous articles of wood such as "Ice Cream Sticks", "Ice Cream Spoon", "Disposable Wooden Ear Buds and Toothpicks", "Bamboo Skewers", "Bamboo Sticks" etc. for the period 01-01-2021 to 15-12-2022, with regard to wrong claims of lower IGST rate @ 12% Adv under CTI 4421 instead of correct IGST @ 18% Adv on miscellaneous articles of wood by classification of goods in wrong IGST Schedules was carried out by the Data Analytics Cell of the Office of Chief Commissioner of Customs, Ahmedabad. The appellant had filed the Bills of Entry as detailed in Annexure-A to the show cause notice, for home clearance of the goods viz. "Ice Cream Sticks Birch Wood" classifying as miscellaneous goods under CTH 44219990 of the first schedule of the Customs Tariff Act, 1975. The appellant discharged the tax of IGST in terms of Serial No. 92A of Schedule-II or Serial No. 101 of Schedule-II of IGST Notification 01/2017-IGST(Rate). Whereas, the rate of IGST leviable on the imported goods is as per Schedules-I to VI appended to IGST Notification No. 01/2017-Integrated Tax (Rate)-as amended.

2.1 It was observed the appellant was classifying their imported miscellaneous goods as above under Serial No. 92A of Schedule-II or Serial No. 101 of Schedule-II of IGST Notification 01/2017-IGST(Rate). Whereas, Serial No. 92A of Schedule-II of IGST Notification 01-2017-IGST(Rate) prescribes 12% Adv IGST for goods viz. "Idols of wood, stone [including marble and metals [other than those made of precious metals" for CTH 44, 68 or 63. Further, Serial No. 101 of Schedule-II also prescribes 12% IGST on "Other articles of wood; such as clothes hangers, Spools, cops, bobbins, sewing thread reels and the like of turned wood for various textile machinery, Match splints, Pencil slats, Parts of wood, namely oars, paddles and rudders for ships, boats and other similar floating structures, Parts of domestic decorative articles used as tableware and kitchenware [other than Wood paving blocks, articles of densified wood not elsewhere included or specified, Parts of domestic decorative articles used as tableware and kitchenware" under CTH 4421.

2.2 Whereas, other than Serial No. 92A and 101 Schedule-II of IGST Notification 01/2017-IGST(Rate), there is no other entry for CTH 4421 in Schedule II. The Serial No. 92A and 101 of Schedule-II have well defined list of articles of wood covered in entries. The miscellaneous items "Ice Cream Sticks" "Ice Cream Spoon" and "Disposable Wooden Ear Buds and Toothpicks", "Bamboo Skewers", "Bamboo Sticks" does not merit to be included in Entry No. 92A or 101 of Schedule-II. Further, all the entries of wood in Schedule-I to VI of IGST Notification 01-2017-IGST(Rate) have been mentioned in Table-I of the impugned order. The subject miscellaneous goods do not merit to be included in any of the above entries of Table-I. Therefore, the imported goods which are not specified in any of Schedules I to VI need to be classified under residuary entry viz. Serial No. 453 of Schedule-III and leviable to IGST rate of 18% Adv. The description at Serial No. 453 of Schedule-III is "Goods which are not specified in Schedule I, II, IV, V or VI". Analysis of the said Imports in CTI 4421 revealed that said Importer paid IGST @12% Adv on imported goods, by wrongly claiming them under Schedule-II (Serial No. 92A and 101) instead of Serial No. 453 of Schedule-III to Notification-01/2017-IGST(Rate) as amended. This lead to short payment of IGST. Accordingly, the IGST payable during the period from 01-01-2022 to 15-12-2022 as detailed in Annexure-A to the show cause notice worked out to Rs.1,48,548/- (Rupees One Lakh Forty-Eight Thousand and Five Hundred Forty-Eight Only).

2.3 Accordingly, a Show Cause Notice was issued to the Appellant, asking them, for proposals of:

i. The goods having assessable value of Rs. 22,30,457/- covered under Bills of Entry as detailed in the notice, should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962;

ii. ii. the Serial No. 92A or Serial No. 101 of Schedule-II of IGST Notification 01/2017-IGST(Rate) on the goods should not be denied and the same should not be re-assessed at correct rate of IGST @18% under Sr. No. 453 of Schedule III of IGST Notification No. 01/2017;

iii. The differential duty worked out to Rs.1,48,548/- for Bills of Entry

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detailed in the show cause notice, should not be recovered under Section 28 (4) of the Customs Act, 1962 along with applicable interest thereon as per Section 28AA of the Customs Act, 1962, as applicable.

iv. Penalty should not be imposed upon them under Section 114A of the Customs Act, 1962.

2.4 Consequently, the adjudicating authority passed the following order with regard to Appellant:

i. He ordered for confiscation of goods covered under 29 Bills of Entry as mentioned in the SCN, assessable value of Rs.22,30,457/- under Section 111(m) of the Customs Act, 1962. Since the goods were not available for confiscation, he refrained from imposing a redemption fine on the importer under Section 125 of the Customs Act, 1962.

ii. He ordered to deny the benefit of Serial No. 92A or Serial No. 101 of Schedule-II of IGST Notification 01/2017-IGST(Rate) on the said imported goods and order to re-assessed them at correct rate of IGST @18% under Sr. No. 453 of Schedule III of IGST Notification No. 01/2017;

iii. He ordered to demand and recover the differential duty worked out to 1,48,548/-(Rupees One Lakh Forty-Eight Thousand Five Hundred Forty-Eight Only) for Bills of Entry as detailed in the SCN, under Section 28 (4) of the Customs Act, 1962 along with applicable interest thereon as per Section 28AA of the Customs Act, 1962, as applicable.

iv. He ordered to impose penalty of Rs. 1,48,548/- (Rupees One Lakh Forty-Eight Thousand Five Hundred Forty-Eight Only) under Section 114A of the Customs Act, 1962. However, in case the said importer pays the duty within 30 days of the communication of the order, the amount of penalty payable is 25% of Rs. 1,48,548/- as per provisions of Section 114A of the Customs Act, 1962.

SUBMISSIONS OF THE APPELLANT:

3. Being aggrieved with the impugned order, the Appellant has filed the present appeal against the order passed by the Deputy Commissioner, Import Section, Group 2, Custom House, Mundra.

3.1 The Appellant contends that the imported goods, including wooden ice cream sticks, spoons, toothpicks, and bamboo skewers, were correctly classified under CTH 4421 and Sl. No. 101 of Schedule II of IGST Notification No. 1/2017, carrying a 12% rate. They argue that the Customs Department originally accepted this classification and finally assessed 29 Bills of Entry (BOEs) without objection at the time of import. Furthermore, they cite an Advance Ruling from Karnataka involving similar goods to support the 12% rate and argue that even if the classification shifted to CTH 4419, the rate should remain 12% under Sl. No. 99B, resulting in no revenue implication.

3.2 The Appellant challenges the adjudicating authority's decision to reclassify the goods under the residual entry at Sl. No. 453 of Schedule III at an 18% rate. They argue that the authority failed to provide reasons or evidence for rejecting the specific entry claimed by the Appellant. Under established legal principles, a residual entry can only be invoked as a last resort after the Department proves the goods cannot be covered by any specific entry, a burden of proof the Appellant claims the authority failed to discharge.

3.3 The appeal disputes the allegations of willful mis-statement and mis-declaration. The Appellant asserts that they provided accurate descriptions and values for all goods, and a mere difference in opinion regarding classification does not constitute mis-declaration. They contend that classification is a departmental function and that they acted under a bona fide belief. Furthermore, they argue the Department failed to provide corroborative evidence of an intent to evade duty, which is a prerequisite for such charges.

3.4 The Appellant argues that the extended period of limitation under Section 28(4) of the Customs Act is not invokable. Since all relevant facts and descriptions were disclosed at the time of filing the BOEs and accepted by the Department, there was no suppression of facts or collusion. They maintain that the current dispute arises solely from a "change in stand" by the Department years later following a data analytics objection, and a legal disagreement over interpretation cannot be used to justify the five-year demand window.

PERSONAL HEARING:

4. Personal hearing was granted to the Appellant on 13.01.2026

following the principles of natural justice wherein Shri Vinod Tandon, Advocate, appeared for the hearing and re-iterated the submissions made at the time of filing the appeal and also made additional submission dated 13.01.2026.

4.1 In the additional submission, the appellant argues that imported wooden items like ice cream sticks, spoons, and bamboo skewers should be classified under CTI 4421 as "Tableware and Kitchenware of wood" with a 12% IGST rate. The appellant contests the Department's proposal to use a residuary entry at 18%, asserting that specific entries must prevail over general ones as established by Supreme Court precedents like Dunlop India Ltd. and M/s. Secure Meters Ltd. They specifically rely on a Karnataka Advance Ruling (KAR ADRG 18/2023) which classified identical products as kitchenware at the 12% rate, arguing this interpretation is binding on Customs Authorities under the IGST Act. Furthermore, they define the items based on their exclusive end-use for food consumption and provide evidence of consistent 12% GST charging on domestic sales to justify their claim for a uniform assessment.

DISCUSSION AND FINDINGS:

5. I have carefully gone through the case records, impugned order passed by the adjudicating authiority and the defense put forth by the Appellant in their appeal. The core of the dispute revolves around the classification of the imported goods and the procedural propriety of the adjudication process.

5.1 The primary point of contention is whether "Wooden Ice Cream Sticks" and "Wooden Ice Cream Spoons" are specific items of tableware (CTH 4419) or general articles of wood (CTH 4421). I find that the Adjudicating Authority's analysis was overly simplistic, relying merely on the literal wording of Notification No. 1/2017-IT (Rate) without performing a structural classification analysis under the Customs Tariff. CTH 4419 specifically covers "Tableware and Kitchenware, of wood." The HSN Explanatory Notes for 4419 include articles intended for use in the service or consumption of food. A wooden ice cream stick or spoon is inextricably linked to the consumption of food; it is the primary interface between the consumer and the product. To classify it under the residuary CTH 4421 ("Other articles of wood") without first exhausting the possibility of CTH 4419 is a violation of General Interpretative Rule (GIR) 3(a), which mandates that a specific heading shall be preferred to a general heading.

5.2 The impugned OIO fails to provide a technical comparison or common parlance analysis to show why "Ice Cream Sticks" are excluded from "Tableware" or "Kitchenware," both of which are broad terms. The lack of such a detailed findings necessitates a remand to examine the functional utility and trade understanding of these items. By classifying the goods under 4421 and applying the 18% rate (Sr. No. 453), the Adjudicating Authority has chosen a "catch-all" basket entry without debunking the specific functional application of the goods under 4419. This lacks the "speaking order" quality required in classification disputes.

5.3 The adjudicating authority's failure to act as a quasi-judicial body is evident in its treatment of the Appellant's primary defense. This issue is elaborated across failures in OIO. The Appellant relied on the Karnataka AAR in In re: Ragu Packaging [2023 (5) Centax 276], which held that wooden ice cream sticks and spoons are "Tableware/Kitchenware" (CTH 4419) taxable at 12%. The Adjudicating Authority summarily brushed aside the ruling of the Karnataka Authority for Advance Ruling (AAR) in the case of M/s. Raghu Packaging (KAR ADRG 18/2023) by citing Section 28J of the Customs Act, 1962, which states that an Advance Ruling is binding only on the applicant and the concerned Commissioner. I find this approach to be legally restrictive and contrary to the principles of judicial discipline.

5.4 While Section 28J limits the "binding" nature of a ruling, it does not strip the ruling of its persuasive value. An Advance Ruling represents a considered view of a high-level statutory authority on the classification of identical goods. When an importer places reliance on such a ruling, the Adjudicating Authority is duty-bound to either follow the same reasoning or provide detailed, cogent reasons for disagreeing with it. Dismissing it merely on "jurisdictional grounds" creates a vacuum in the legal reasoning of the OIO. The primary purpose of the Customs Tariff and GST notifications is to provide a uniform tax regime across the country. If the same "Wooden Ice Cream Stick" is classified as Tableware (12%) in one jurisdiction and "Other Article of Wood" (18%) in another, it creates an unlevel playing field and industrial chaos.

5.5 The Adjudicating Authority in the instant case failed to analyze the ratio decidendi of the Raghu Packaging ruling. Had they engaged with the technical merits of that ruling—which distinguished between general wood and specialized food-grade wood—the outcome of the OIO might have been different.

By refusing to even "discuss" the merits of the cited AAR, the Adjudicating Authority has passed an order that is non-speaking on a vital legal precedent. Various Tribunals and Courts have held that even if a ruling is not binding, it cannot be ignored if the facts and the goods are identical.

5.6 The Appellant's written submission dated 08.10.2024 and the appeal grounds cited extensive rulings including Secure Meters Ltd., which argue that a mere difference in classification choice does not constitute "mis-declaration." The Adjudicating Authority, in OIO, made a general statement that the cases are "not similar" without providing a specific point-by-point rebuttal or even naming the cases.

5.7 A quasi-judicial order must "speak" for itself. It must show the link between the facts, the law, and the conclusion. The impugned OIO merely parrots the SCN's allegations without investigating the Appellant's claim that their sales within India were already assessed at 12% GST. Ignoring contemporaneous evidence of tax assessment by other GST authorities is an arbitrary exercise of power. A remand is required for the authority to pass a speaking order that specifically addresses the classification logic of the Ragu Packaging case and the judicial bar on invoking mis-declaration for classification disputes. The Hon'ble Supreme Court in Assistant Commissioner, Commercial Tax Department v. Shukla & Bros. [2010-VIL-07-SC/2010 (254) ELT 6 (SC)] categorically ruled that:

> *"... that recording of reasons is an essential feature of dispensation of justice. A litigant who approaches the Court with any grievance in accordance with law is entitled to know the reasons for grant or rejection of his prayer. Reasons are the soul of orders."*

5.8 It is a settled principle of law that where a dispute is limited to the interpretation of the Customs Tariff or a Notification, and the importer has made a full disclosure of the description of the goods, the elements of "suppression" or "misstatement" required for Section 114A are absent. The Hon'ble Supreme Court in Northern Plastic Ltd. vs. Collector of Customs (1998) held that a claim for a particular classification, even if eventually found incorrect, does not amount to misdeclaration. Since the Appellant provided the correct description and followed an interpretation supported by a separate AAR, there is no "guilty mind" (mens rea) to support the harsh penalties confirmed in the OIO.

5.9 The judiciary has consistently held that where an order is passed in violation of natural justice or is a "non-speaking order," the Appellate Authority is well within its rights to set aside the order and remit it back for proper adjudication. If the original order is found to be void due to procedural lapses, the only "just and proper" course is to allow the original authority to correct the error.

5.10 To summarize, the impugned Order-in-Original suffers from profound procedural and legal infirmities that strike at the very root of its validity. The Adjudicating Authority's failure to issue a speaking order, its summary dismissal of the Appellant's technical evidence without assigned reasoning, and the mechanical application of distinguishable judicial precedents have collectively resulted in a gross violation of the principles of natural justice. It is a well-entrenched legal principle that any quasi-judicial order passed in breach of audi alteram partem or without the disclosure of reasons is a nullity in the eyes of the law.

5.11 By remanding this matter, this forum is not merely correcting a procedural error but is safeguarding the Appellant's substantive right to an effective first-level adjudication. A de novo proceeding is the only viable remedy to restore the integrity of the classification. Justice requires that the Appellant be given a "fair and full hearing" where every piece of evidence is weighed on its merits. Consequently, the only just and proper course of action is to set aside the flawed order and remit the case for fresh, reasoned adjudication.

6. In view of the above findings, the Order-in-Original No. MCH/557/DC/LD/Gr.II/2024-25 dated 26.10.2024 is hereby set aside. The appeal is allowed by way of remand to the Adjudicating Authority for de novo adjudication in light of the discussions provided in this order.

7. The appeal filed by M/s Amar Trading Company is allowed by way of remand.

(AMIT GUPTA)
Commissioner (Appeals),
Customs, Ahmedabad

F. No. S/49-313/CUS/MUN/2024-25

Date: 27.02.2026

By Speed post /E-Mail

To,
M/s. Amar Trading Company,
Near Industrial Estate Kairana,
Panipat Road, Shamli,
Uttar Pradesh- 247776

Copy to:

1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad.
2. The Principal Commissioner of Customs, Custom House,Mundra.
3. The Additional Commissioner of Customs, Custom House, Mundra.
4. Guard File.