



सीमाशुल्क(अपील) आयुक्तकाकार्यालय,

OFFICE OF THE COMMISSIONER OF CUSTOMS(APPEALS), अहमदाबाद AHMEDABAD,
चौथीमंजिल 4th Floor, हडको बिल्डिंग HUDCO Building, ईश्वर भुवन रोड Ishwar Bhuvan Road,
नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009

दूरभाष क्रमांक Tel. No. 079-26589281

DIN- 20250971MN0000116549

क	फ़ाइलसंख्या FILE NO.	S/49-242/CUS/AHD/24-25
ख	अपीलआदेश संख्या ORDER-IN-APPEAL No. (सीमाशुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत) (UNDER SECTION 128A OF THE CUSTOMS ACT, 1962):	AHD-CUSTM-000-APP-212-25-26
ग	पारितकर्ता PASSED BY	SHRI AMIT GUPTA Commissioner of Customs (Appeals), AHMEDABAD
घ	दिनांक DATE	01.09.2025
ङ	उद्भूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	165/ADC/VM/0&A/24-25 dated 27.09.2024
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	01.09.2025
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s Prompt Equipments Pvt. Ltd. situated at Plot No. 541/1, Silver Estate, Opp. Ambaji Temple, B/h Manpasand Weighbridge, Ahmedabad-Santej Road, Rakanpur, Ahmedabad 372721
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 हैं.	
	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.	
	लिखित सम्बन्धित आदेश/Order relating to :	
(क)	बैगेज के रूप में आयातित कोई माल.	



(a)	any goods imported on baggage.				
(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.	<p>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 :</p> <p>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 :</p> <p>(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।</p> <p>(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.</p> <p>(ख) सम्बद्ध दस्तावेजों के अलावा साथ मूल आदेश की 4 प्रतियां, यदि हो</p> <p>(b) 4 copies of the Order-in-Original, in addition to relevant documents, if any</p> <p>(ग) पुनरीक्षण के लिए आवेदन की 4 प्रतियां</p> <p>(c) 4 copies of the Application for Revision.</p> <p>(घ) पुनरीक्षण आवेदन दायर करने के लिए सीमाशुल्क अधिनियम, 1962 (यथासंशोधित) में निर्धारित फीस जो अन्य रसीद, फीस, दण्ड, जब्ती और विविध मदों के शीषके अधीन आता है में रु. 200/- (रूपए दो सौ मात्र) या रु. 1000/- (रूपए एक हजार मात्र), जैसा भी मामला हो, से सम्बन्धित भुगतान के प्रमाणिक चलान टी.आर.6 की दोप्रतियां। यदि शुल्क, मांगा गया व्याज, 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/-</p> <p>(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, 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/-.</p>				
4.	<p>मद सं. 2 के अधीन सूचित मामलों के अलावा अन्य मामलों के सम्बन्ध 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</p> <p>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 :</p>				
	<table border="1"> <tr> <td>सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ</td> <td>Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench</td> </tr> <tr> <td>दूसरी मंजिल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016</td> <td>2nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016</td> </tr> </table>	सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench	दूसरी मंजिल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016	2 nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench				
दूसरी मंजिल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016	2 nd 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 हजार 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; पाँच हजार 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 हजार 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.	<p>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</p> <p>(ख) अपील या आवेदन पत्र का प्रत्यावर्तन के लिए दायर आवेदन के साथ रुपये पाँच सौ का शुल्क भी संलग्न होने चाहिए.</p>



Order in Appeal

M/s Prompt Equipments Pvt. Ltd. situated at Plot No. 541/1, Silver Estate Opp. Ambaji Temple, B/h Manpasand Weighbridge, Ahmedabad-Santej Road, Rakanpur, Ahmedabad 372721 (hereinafter referred to as 'the appellants' for the sake of brevity) have filed the present appeal challenging Order-in-Original No. 165/ADC/VM/O&A/2024-25 dated 17.9.2024(hereinafter referred to as 'the impugned order') passed by the Additional Commissioner of Customs, Ahmedabad(hereinafter referred to as 'the adjudicating authority').

2. Facts of the case, in brief, are that the appellant had imported LCD Modules under Bills of Entry Nos. 5178710 dated 25.8.2021 and 3997150 dated 19.5.2020. Both the said Bills of Entry were finally assessed by the Customs authorities at the Port of Import and the appellants had paid the Customs duty as per the assessment order. During the course of data analysis by National Customs Targeting Centre (NCTC), it was observed that the appellant had wrongly classified the imported goods under CTH 85312000 and availed of the exemption under Notn. No. 24/2005-Cus dated 1.3.2005.

2.1 Classification of the imported goods was proposed under CTH 85319000 on the ground that complete apparatus used for electrical sound or visual signalling can be classified under CTH 85312000,whereas, parts of these apparatus' are covered under CTH 85319000. While coming to such conclusion, the department referred to Explanatory Notes to HSN pertaining to CTH 8531.

2.2 Accordingly, Show Cause Notice Show Cause Notice F.No. VIII/10-216/HCD-Khod/OA/HQ/2022-23 dated 19.4.2024 was issued wherein the imported goods were proposed to be classified under CTH 85319000 and thereby demanding differential customs duty alongwith the proposal for interest, penalty and confiscation of the goods.

3. The Show Cause Notice was decided vide Order-in-Original No. 165/ADC/VM/O&A/2024-25 dated 17.9.2024 wherein the following order was passed:

- i. Classification of the impugned goods imported by M/s Prompt Equipments Pvt. Ltd., Ahmedabad under Customs Tariff Heading 85312000 was rejected and ordered to be re-classified under Customs Tariff Item No. 85319000 of the First Schedule to the Customs Tariff Act and re-assess the subject Bills of Entry accordingly.

- ii. Demand of Customs duty to the tune of Rs. 2,05,180/- was confirmed and ordered to be recovered under Section 28(4) of the Customs Act
- iii. The goods valued at Rs. 15,80,741/- were held liable to confiscation under Section 111(m) of the Customs Act. However, since the goods were not available for confiscation, redemption fine of Rs. 1,50,000/- was imposed under Section 125 of the Customs Act
- iv. Interest on the confirmed demand was ordered to be charged and recovered Section 28AA of the Customs Act
- v. Penalty of Rs. 2,05,180/- plus penalty equal to the applicable interest was imposed under Section 114A of the Customs Act.

4. Being aggrieved with the impugned order passed by the adjudicating authority, the appellants have filed the present appeal. They have, *inter-alia*, raised various contentions and filed detailed submissions in support of their claims which are summarised as under:

- The LCD Module under consideration is a complete apparatus in itself and has its own functionality
- The literature of the goods under consideration, as available on the website of the supplier indicates that the LCD Module consists of an inbuilt Integrated Circuit and Logic Supply Voltage. The Integrated Circuit Package consists of Chip on Board (COB) technology which is evident from the product specification. The Logic Supply Voltage is the electrical power that supplies logic circuitry i.e. a circuit for performing logical operations on input signals in an electronic circuit. Thus, the LCD module is a complete apparatus and cannot be considered as a part as concluded in the impugned order.
- The input signals received from the Milk Analyzer Instrument are received by the LCD Module which are translated to a number form. Thus, the LCD Module is equipped to receive the signals from the Milk Analyzer Instrument and translate such signals in number format. The function of the Milk Analyzer is to make quick analyses of milk on fat (FAT), non-fat solids (SNF), proteins, lactose and water content percentages, temperature (oC), pH, freezing point, salts, conductivity as well as density of one and the same

sample directly after milking, at collecting and during processing. Such parameters are displayed in numbers form on the LCD Display.

- LCD Module is not merely a display system but a complete apparatus which has the functionality to receive signals, interpret the same, convert such signals in numbers form and display the numeric report of such signals on the LCD/ monitor.
- In terms of the Explanatory Notes to HSN, the inclusions under the head 'Indicator panels and the like' finds mention of any apparatus in which signals appear as illuminated figures on the face of the small box as 'Number Indicators' at Sr. No. 2 of the inclusion list
- The description of 'Number Indicators' as given in the Explanatory Notes to the HSN when compared to the function of the LCD Module under consideration leaves no room for doubt that the same is covered under the definition of 'Number Indicator' which in turn is expressly mentioned in the inclusive list of 'Indicator panels and the like'. Resultantly, the LCD modules under consideration are undoubtedly covered under the description 'Indicator panels incorporating liquid crystal devices (LCD) or light emitting diodes (LED)' which are correctly classifiable under CTH 85312000.
- The department has not adduced any evidence whatsoever to establish that the LCD Modules were classifiable under CTH 85319000. It needs to be appreciated that the onus is on the revenue to establish the classification of the goods. In this regard, reliance is placed on the case of M/s D L Steels reported at 2022 (381) ELT 289 (SC)
- Even the LCD Modules are to be treated as parts, as observed by the adjudicating authority, the same would have to be considered as parts of Dairy Machinery under CTH 84349020 in terms of Section Note 2(b) of Section XVI of the First Schedule to the Customs Tariff Act and not parts of electrical sound or visual signalling apparatus. This is especially so in light of the fact that the adjudicating authority has expressly held that the LCD Module is a part to be fitted with Milk Analyzer Machine.
- the appellants had uploaded all the relevant documents such as Invoice, Packing List, Bill of Lading, etc. in e-sanchit at the time of filing the Bill of Entry and the same were available to the assessing officer at the time of assessment. Further, it is submitted that the appellants had correctly declared the description of the imported goods in the Bill of Entry. Thus, it

is a case where all the relevant information was available with the department and there is no case for suppression of facts or mis-declaration and as such the provisions of Section 28(4) of the Customs Act were not applicable and the matter was hit by limitation. Reliance was placed on the case laws of Dr. Rai Memorial Cancer Institute reported at 2022 (381) ELT 540 (T), M/s SirthaiSuperware India Ltd. reported at 2020 (371) ELT 324 (T), M/s Semco Electric Pvt. Ltd. reported at 2019 (370) ELT 1052 (T) and M/s Sandor MedicaidsPvt. Ltd. reported at 2019 (367) ELT 486 (T) as affirmed by the Hon'ble Supreme Court as reported at 2019 (367) ELT A318 (SC)

- The issue cropped up as a result of data analysis undertaken by the National Customs Targeting Centre (NCTC). It needs to be appreciated that no documents or additional information had been called for from the appellants by the NCTC which implies that the inference of alleged wrong classification has been drawn from the documents uploaded by the appellants at the time of filing the Bill of Entry. As a natural corollary, it stands established that the appellants have not resorted to any sort of suppression.
- There is no variation of the goods vis-à-vis the declaration made in the Bill of Entry which renders clause (m) of Section 111 of the Customs Act inapplicable.

it is a well settled law that claiming a different classification does not make the goods liable to confiscation. Reliance was placed on the case laws of M/s Lewek Altair Shipping reported at 2019 (366) ELT 318 (T) and M/s Mittal International reported at 2018 (359) ELT 527 (T),

- The goods were not available for confiscation and as such imposition of redemption fine was not legal. Reliance was placed on the case laws of M/s Finesse Creation Inc. reported at 2009 (248) ELT 122 (Bom), M/s. Indokem Ltd. reported at ELT 2017 (352) ELT 386 (Tri.- Mumbai), M/s Vidhi Dyestuff Manufacturing Ltd. reported at 2015 (327) E.L.T. 500 (Tri. - Mumbai) and M/s Elder Pharmaceuticals reported at 2019 (370) ELT 1380 (T).
- Penalty cannot be imposed when the matter is pertaining to classification dispute since it is only a matter of interpretation. Reliance was placed on the case laws of M/s Eastern Steel Industries reported at 2017 (349) ELT 324 (T), M/s Thyssenkrupp Industries India P. Ltd. reported at 2016 (343) ELT 533 (T), M/s INdofil Chemicals Co. reported at 2016 (333) ELT 115 (T), M/s



Bharti Airtel reported at 2009 (235) ELT (T) and M/s Abraham J Thakaran reported at 2007 (210) ELT 112 (T)

5. Personal hearing in the matter was held on 07.08.2025 wherein Shri John Christian, Consultant and Shri Ashish Jain, Consultant appeared on behalf of the appellants and they reiterated their written submissions.

6. I have carefully gone through the impugned order, appeal memorandum filed by the appellants, submissions made by the appellants during course of hearing as well as the documents and evidences available on record.

7. The issue for determination is whether the LCD Modules imported under Bills of Entry Nos. 5178710 dated 25.8.2021 and 3997150 dated 19.5.2020 are correctly classifiable under CTH 85319000, as held by the adjudicating authority, or otherwise. The First Schedule to the Customs Tariff Act classifies goods under CTH 85319000 as "parts." Accordingly, it is essential to examine the nature of the imported goods and determine whether they are indeed in the nature of parts or not.

7.1 The foremost aspect that merits attention in this case is that the Show Cause Notice completely fails to place on record crucial details such as the technical specifications, characteristics, or a comprehensive description of the goods, which are essential to determine their exact nature. It must be appreciated that such details are of utmost importance for classification purposes, and in their absence, ascertaining the precise nature and functionality of the goods—and thereby their correct classification—becomes exceedingly difficult. At this stage, it is also pertinent to note the well-settled principle that the burden of proving that goods merit classification under a particular tariff heading rests squarely upon the Revenue. My finding in this regard is supported by the following judicial pronouncements:

M/s Urmin Products Pvt. Ltd. reported at 2024 (388) ELT 418 (SC) wherein the Hon'ble Supreme Court has held as under:

It is settled law that the onus/burden of proof for change in classification of the product lies on the Department, particularly when it wishes to challenge a long-accepted classification. This Court in the case of HPL Chemicals Limited v. CCE, Chandigarh : 2006 5 SCC 208 = 2006 (197) E.L.T. 324 (S.C.) = 2006 taxmann.com 42 (SC) while discussing the onus/burden of proof in matters of chargeability held as follows :

69. Given the circumstances in the present case, the Department has not provided any sufficient evidence before this Court determine the nature, characteristics, contents, and composition of the product in order to adjudicate the present dispute purely on the issue of classification and hence no attempt can be made to determine the appropriate entry of classification for the product manufactured by the assessee at the relevant period of time of the dispute.

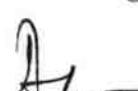
Likewise, in the case of M/s D L Steels reported at 2022 (381) ELT 289 (SC), the Hon'ble Supreme Court has held as under:

The submission of the Learned Counsel for the Respondent is correct that when the Revenue challenges the classification made by the assessees, the onus is on the Revenue to establish that the item in question falls in taxing category as claimed by them. The burden is on the Revenue to adduce proper evidence to show that the goods are classifiable under a different heading than that claimed by the assessee.

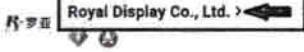
The same principle has been upheld by the Hon'ble High Court of Allahabad in the case of M/s Perfatty Wanmele India Pvt. Ltd. reported at 2018 (19) GSTL 448 (All) wherein it has been held as under:

It is settled that onus or burden to show that a product falls within a particular tariff item is always on the Revenue. Once the assessee has discharged its initial burden of proving the product to be covered by Entry 41, it was then for the revenue to prove by adducing cogent evidence that the product did not fall under the Entry 41, so as to take it to the residuary entry. Revenue, admittedly, has failed to discharge such onus.

7.2 The present proceedings are unsustainable on merits for the sole reason that the Show Cause Notice contains no discussion regarding the technical specifications or the nature of the imported goods to substantiate the allegation that they are 'parts.' The claim that the goods merit classification under CTH 85319000 is unsupported by any analysis of their nature or functionality and rests merely on a bald assertion that the importer has wrongly classified the goods under CTH 85312000.



8. The adjudicating authority has made efforts to ascertain the characteristics and technical specification of the goods under consideration by referring to the data available on public domain. The technical specifications of the goods submitted by the appellants are the same as those referred to by the adjudicating authority and a screen-shot of the same is reproduced under:

Product Description	Company Info.
Basic Info.	
Model No	RYP1602B
Viewing Angle	5 O'clock
DOT-Matrix Graphic LCD Module Type	16x2
Display Type	Stn Blue Transmissive Negative
Viewing Area(W X H)	99.0*24.0
DOT Pitch(W X H)(mm)	0.9*1.15
DOT Size(W X H)(mm)	0.92*1.1
Viewing Direction	8.00
Transport Package	Plastic Plate
Type	Character
Display Technology	COB
Customized	Customized
Module Size(W X H X T)(mm)	122.0*44.0*13.5
Drive IC	ST7056 ST7065
Backlight Color	Blue
IC Package	COB
Logic Supply Voltage	5.15V
Specification	Stn Character 16X2 COB Negative LCD Module
	
	
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8.1 The appellants have submitted that the LCD Module incorporates an inbuilt Integrated Circuit and Logic Supply Voltage. The Integrated Circuit package employs Chip on Board (COB) technology, as is evident from the product specifications. The Logic Supply Voltage provides electrical power to the logic circuitry, which performs logical operations on input signals within an electronic circuit. It is therefore argued that the LCD Module is not merely a display system, as held by the adjudicating authority, but a complete apparatus. The Module contains a COB-based Integrated Circuit that receives input signals from the Milk Analyzer Instrument and translates them into numerical form. In other words, the LCD Module is designed to receive signals from the Milk Analyzer Instrument and convert them into numeric data. The Milk Analyzer itself performs rapid analyses of milk to determine fat (FAT), non-fat solids (SNF), proteins, lactose, water content percentages, temperature (°C), pH, freezing point, salts, conductivity, and density. The LCD Module processes the signals relating to these parameters and displays the results in numeric form.

8.2 I find that the technical specifications, as evident from the above screenshot, confirm that the LCD Module contains an inbuilt Integrated Circuit and Logic Supply Voltage, enabling it to process the required data and display the results. In the absence of any literature or contrary evidence on record, I have no option but to accept the submissions of the appellants regarding the technical specifications, nature, and functionality of the goods. Based on these specifications and the stated functionality, it is clear that the LCD Module is not merely a display system but a complete apparatus capable of receiving signals,




interpreting them, converting such signals into numeric form, and displaying the results on the LCD/monitor. In view of these facts, I find that the adjudicating authority's conclusion that the LCD Modules do not possess independent functionality and merely serve as display systems is factually incorrect.

8.3 The adjudicating authority has made another observation to the effect that goods are not equipment or standalone device by themselves and are used as only a part to be fitted with their Milk Analyzer Instrument. The said observation fails to impress in as much as there are many apparatus/ components which are complete goods in themselves and yet maybe fitted to other machinery or equipment. One such example is an electric motor which is a complete article in itself and yet is used for multiple functions in various appliances, machinery and pumps. The mere fact that an article is fitted to other machinery is not sufficient to allege that the said article is not a complete article/ component/ equipment in itself. On the contrary, an electric motor would have no purpose if it is kept as a standalone device without fitting it in the requisite machinery or appliance. Thus, the observation that LCD Module is not a standalone device does not justify the stand that the same are in the nature of parts and not a complete apparatus.

8.4 In a nutshell, I find that the adjudicating authority has not been able to justify that the goods under import are 'parts' which is mainly attributable to the reason that the Show Cause Notice fails to bring on record the very basic details such as the nature of goods, technical specifications, characteristics and uses. Accordingly, I find that the charges alleged in the Show Cause Notice, as upheld by the adjudicating authority, as not sustainable on merits.

9. Even otherwise, it has been rightly pointed out by the appellants that 'Number Indicators' have been listed in the inclusion list to 'Indicator panels and the like' by virtue of Explanatory Notes to HSN of which the relevant text reads as

under:

Number indicators – The signals appear as illuminated figures on the face of a small box; in some apparatus of this kind the calling mechanism is operated by the dial of a telephone. Also clock type indicators in which the numbers are indicated by a hand moving round a dial

The functionality of the goods under consideration has been explained by the appellants to the effect that the LCD modules receive signals from the Milk Analyzer which are processed, interpreted and the analysis report in numbers form is displayed. The said functionality would be clearly covered under the

description of 'Number Indicator'. However, I would not delve deeper into the correct CTH of the goods under consideration for the sole reason that the case records call for mere examination as to whether the goods are classifiable under CTH 85319000 as alleged by the department.

9.1 It is a settled principle of law that there is no scope for travelling beyond the charges in the Show Cause Notice. In the facts of the case at hand, the department has sought to classify the goods under consideration under CTH 85319000 and the issue remains restricted as to whether the charges are sustainable or otherwise. In the instant case, I find that the charges are not sustainable in as much as the Show Cause Notice fails to bring on record the technical specifications, characteristics and the nature of goods. Accordingly, the proposition of classifying the impugned goods under CTH 85319000 is ruled out.

10. Since I have already concluded that the charges in the Show Cause Notice are not sustainable on merits, I refrain from examining the appellant's submissions on limitation and other aspects. Further, I find that the consequential actions – namely, the imposition of penalty on the appellants, demand for interest, holding the goods liable for confiscation and imposition of redemption fine – are not sustainable and therefore liable to be set aside.

11. Accordingly, I set aside the impugned order with consequential relief if any arising.



F.No.: S/49-242/CUS/AHD/2024-25
CUSTOMS (APPEALS), AHMEDABAD.

सत्यापिता/ATTESTED


अधीकारक/SUPERINTENDENT

सीमा शुल्क (अपील), अहमदाबाद.

(Amit Gupta)
Commissioner (Appeals)
Customs, Ahmedabad

Dt.: 01.09.2025

By Registered Post A.D.
To,

3199

M/s Prompt Equipments Pvt. Ltd.,
situated at Plot No. 541/1, Silver Estate, Opp. Ambaji Temple,
B/h Manpasand Weighbridge, Ahmedabad-Santek Road,
Rakanpur, Ahmedabad 372721



Copy to :-

1. The Chief Commissioner of Customs, Ahmedabad zone, Customs House, Ahmedabad.
2. The Pr. Commissioner of Customs, Customs House, Ahmedabad.
3. The Additional Commissioner of Customs, O&A, Customs House, Ahmedabad.
4. The Dy/Assistant Commissioner of Customs, ICD Khodiyaar, Ahmedabad.
5. Guard File.