OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS

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A	**FILE NO./**फ़ाइल संख्या	GEN/ADJ/ADC/484/2026-Adjn
B	**OIO NO./**आदेश संख्या	MCH/ADC/ZDC/735/2025-26
C	**PASSED BY/**जारीकर्ता	DIPAK ZALA, ADDITIONAL COMMISSIONER, CUSTOM HOUSE, MUNDRA.
D	**DATE OF ORDER/**आदेश की तारीख	26.03.2026
E	**DATE OF ISSUE/**जारी करने की तिथि	26.03.2026
F	**SCN No. & Date/**कारण बताओ नोटिस क्रमांक	SCN Waived as per Importer's request
G	**NOTICEE/ PARTY/ IMPORTER** नोटिसकर्ता/पार्टी/आयातक	M/s. SPRNG Ujjvala Energy Pvt. Ltd. (IEC: AAPCA2645D)
H	**DIN/**दस्तावेज़ पहचान संख्या	20260371MO000000AD90

1. यहआदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
2. This Order - in - Original is granted to the concerned free of charge.
3. यदि कोई व्यक्ति इस आदेश से असंतुष्ट है तो वह सीमाशुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमाशुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1 में चार प्रतियों में नीचे बताए गए पते परअपील कर सकताहै-
4. Any person aggrieved by this Order - in - Original may file an appeal under Section 128A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

"सीमाशुल्कआयुक्त (अपील),

चौथी मंजिल, हुडको बिल्डिंग, ईश्वरभुवन रोड,

नवरंगपुरा,अहमदाबाद 380 009"

"THE COMMISSIONER OF CUSTOMS (APPEALS),

HAVING HIS OFFICE AT 4TH FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD,

NAVRANGPURA, AHMEDABAD-380 009."

5. उक्तअपील यहआदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।

Appeal shall be filed within sixty days from the date of communication of this order.

6. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must be accompanied by –

(i) उक्त अपील की एक प्रति और

A copy of the appeal, and

(ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं°-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए।

This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

7. अपील ज्ञापन के साथ ड्यूटि/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये।

Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.

8. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम,1982 और सीमाशुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.

9. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (A) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

Intelligence developed by DRI Indore Zonal Unit indicated that M/s. SPRNG Ujjvala Energy Pvt. Ltd. (IEC: AAPCA2645D) (hereinafter referred to as 'SUEPL' or 'the importer') having registered address as Office No: A-001 Upper Ground P-5, Pentagon Tower, Hadapsar, Pune, Maharashtra-411013 had been importing goods declared as '30MVAR-33KV SVG' (hereinafter referred to as "the imported goods") by classifying the same under Customs Tariff Item (CTI) 8543 7099 and paying BCD @7.5% + SWS @10% + IGST @18%. Whereas on verification of the product details and product catalogue of the items viz. Static VAR Generator (SVG), the items appeared to be devices used in electrical power systems to control flow of reactive power using static parts hence principally working as a 'Static Convertor'. The aforesaid goods appeared to be correctly classifiable under CTI 8504 40 90 attracting merit rate of duty i.e. BCD @20% [BCD payable @10% as per Sr. No 13 of Notification No 57/2017 dated 30.06.2017 as amended by Notification No 22/2018 dated 02.02.2018] + SWS @10% + IGST @18%.

2.1 Acting on the above intelligence, investigation was initiated against the importer and Summon dated 28.10.2025 was issued to SUEPL, under Section 108 of the Customs Act, 1962 to tender statement and to submit technical write-up of Static Var Generator imported by them.

2.2 It is to further note that investigation on the aforesaid matter was already initiated against M/s. SPRNG Solar Plus Private Limited (SSPPL) (IEC-AADCF2813L) which comes under the same group of companies as of M/s. SPRNG Ujjvala Energy Limited viz. M/s. SPRNG Energies Ltd. The statement of Shri Devendra Godbole, Assistant General Manager (Engineering and BOP procurement) and Shri Shridhar Ghate, Assistant General Manager (Procurement) both of SPRNG Energy Pvt. Ltd were once already recorded on 23.09.2025 under Section 108 of the Customs Act, 1962 in investigation

against M/s. SPRNG Solar Plus Pvt. Ltd. It was during the investigation against M/s. SPRNG Solar Plus Pvt. Ltd., that data for import of 'Static Var Generator' was again analysed, and it was found that certain other firms were mis-classifying the imported goods under CTI 8543.7099. Accordingly, the aforesaid summon dated 28.10.2025 was issued for Shri Shridhar Ghate, Assistant General Manager (Procurement) for tendering voluntary statement.

2.3 In response to the summon dated 28.10.2025, Shri Shridhar Ghate, who had previously appeared for statement in the matter of M/s. SPRNG Solar Plus Private Limited, called and informed that M/s. SPRNG Ujjvala Energy Limited just like M/s. SPRNG Solar Plus Private Limited is one of the Special Purpose Vehicles under M/s. SPRNG Energies Ltd. He further informed that they had agreed to correct the misclassification and they will make voluntary payment against the differential duty and interest in respect of M/s. SPRNG Ujjvala Energy Private Limited before appearing for tendering his voluntary statement.

3. STATEMENTS OF CONCERNED PERSONS:

3.1 In response to the Summon dated 15.09.2025 issued to SPRNG Solar Plus Private Limited, **Shri Devendra Godbole, Assistant General Manager (Engineering and BOP procurement), SPRNG Energy Pvt. Ltd.** appeared for the statement on 23.09.2025 and also submitted Technical Write-Up of 'Static Var Generator/Static Var Compensator' imported by them. He inter alia stated that:

- He is the Assistant General Manager (Engineering and BOP procurement) in SPRNG Energy Pvt. Ltd which is the parent company of SSPPL and is looking after DC Engineering components and technical compliances; He looks after PV Module selection, string sizing, SCB design, cable sizing, earthing design, inverter station design, inverter selection and grid related compliances such as dynamic reactive power support, installation of power plant controller, sending data to RLDC, filter installation & design and installation of PQ meters; Whenever a new device has to be procured, his team check for the technical aspects of the device as per

their requirements and report the same to Mr. Rahul Ramtek, VP (Engineering and BOP Procurement) regarding classification of the said products.

- On being asked regarding their imports, he stated that they had imported 'Static Var Generator/Static Var Compensator' from the supplier Guangdong Mingyang Longyuan Power Electronics Co. Ltd. Group, China since the same was not available in local market.
- On being asked about the working of SSPPL, he stated that SPRNG Energy Pvt. Ltd. is the parent organization which works in renewable energy sectors namely solar energy and wind energy; It owns and installs the power generating plants and signs power purchase agreement with government; For the purpose of operating a power plant, Special Purpose Vehicle (SPV) is assigned for example in present case, their solar power plant situated at Luna Kalla and Luna Khurd, Bhaniyana, Village Sardasar, Teshil-Pokharan, Jaisalmer, Rajasthan, 345024 is a SPV namely M/s. SPRNG Solar Plus Private Limited.
- On being asked to describe the product 'Static Var Generator' as declared and imported by them vide their Bill of Entry no. 4313123 dated 05.09.2025, he stated that as per his knowledge, the product imported by their organization is actually a Static Var Compensator instead of a Static Var Generator; The item viz. Static Var Generator as per goods description imported by SSPPL is a device which was purchased in compliance with CEA working group's report which required their firm to dynamically support the power transmission grids at the point of interconnection at any time of the day; The said device Static Var Generator provides the dynamic support to the grid to mitigate the voltage related issues.
- On being asked to explain what is a 'Static Var Generator' as imported by SSPPL, he stated that Static Var Generators (SVG) are electronic devices which contain voltage source convertor/inverter (Insulated-Gate Bipolar Transistor based) to absorb or inject reactive power at the point of interconnection; It is most advanced technology in power quality management for dynamic reactive power compensation; It helps stabilize voltage levels and improve power factor by injecting or absorbing reactive

power as required; Whereas, Static Var Compensators (SVC) uses thyristor control reactors and capacitors in a containerized solution to absorb or to inject reactive power and to maintain the voltage stability at point of interconnection; The reaction/response time of SVC is generally lesser than 20 ms which is sufficient to achieve dynamic reactive power control; SVC is a smart device which can provide either absorption or injection of reactive power based on the data inputs from the grid and thus provide stability in voltage levels and improves power factor.

- On being asked to tell about the applications and purpose of a 'Static Var Generator' as per their goods description declaration, he stated that 'Static Var Generators' are widely used in wind power plants, solar PV plants and energy storage systems for the purpose of stabilizing their voltage and power supply; They had imported the said device to provide dynamic support to their grid systems in compliance with CEA working group's report.
- On being asked to explain the working principle of a 'Static Var Generator', he stated that Static Var Generator is fundamentally a Voltage-Source Converter (VSC) configured as a static synchronous compensator providing reactive power compensation technology. The conversion process as follows:

    1. The Input: The SVG is connected to an AC power system.
    2. The Core Conversion (Inversion): The SVG takes power from the AC grid, rectifies it to DC, and stores it in a capacitor bank to create a stable DC voltage source.
    3. The Output Generation: Using a full-bridge inverter circuit made of IGBTs, it then converts this DC voltage back into a set of AC voltages that are precisely controlled and synchronized with the grid.
    4. Reactive Power Control: By using a technique called Pulse-Width Modulation (PWM), the SVG controls the amplitude of the AC output voltage it produces relative to the grid voltage.

  If the SVG's output voltage is greater than the grid voltage, it acts like a capacitor and generates reactive power.

If the SVG's output voltage is less than the grid voltage, it acts like an inductor and absorbs reactive power.

He further added that Static Var Compensator utilizes the Thyristor-controlled reactors and thyristor-switched capacitors to control flow through passive inductors and capacitors through charging and discharging.

- On being asked to explain the term 'Static Convertors', their working principle and various types of Static Convertor, he stated that a static convertor is an electronic device with no moving parts that converts electrical power from one form to another, such as converting AC to DC, DC to AC, or changing the frequency or voltage of AC power as per requirement; The "static" aspect refers to its reliance on solid-state, semiconductor devices operating as electronic switches; These converters use a rectifier to change AC to DC and an inverter to then change the DC back to AC, often providing stable, clean power at a required voltage and frequency for various industrial and commercial applications; The static convertors include Rectifier, inverter, battery charger, voltage regulator etc.
- On being asked to elaborate on the functioning of various types of Static Convertor as answered above namely, Rectifier, inverter, Alternating Current Convertors and Cycle Convertors, Voltage regulator and supplier etc., he stated that Rectifier and Inverter work in the following manner:

  Rectifier: The initial AC power is fed into a rectifier, which converts it into direct current (DC).

  Inverter: When the DC power goes to the inverter, it which uses semiconductor switches (like IGBTs) to convert the DC back into an AC output, but at the desired voltage, frequency, and with a stable, pure sine wave.
- On being asked to explain whether 'Static Var Generator' as per their goods description declaration, is function principally similar to Static Convertors, he stated that SVG devices are built from the semiconductors (thyristors, IGBTs), capacitors, reactors and control electronic components; There are no rotating or moving mechanical components;

They meet the "static" requirement; SVG/SVC synthesizes an AC waveform by switching a DC link (capacitor) through IGBTs, i.e. it performs DC↔AC synthesis just like an inverter; On the other hand, Thyristor-based SVCs also utilise the semiconductors (thyristors, IGBTs), capacitors, reactors and control electronic components for controlled switching to change the net reactive current drawn from/supplied to the grid; In both cases the device actively changes the electrical quantities (voltage/current/phase) using semiconductor devices- which is conversion/conditioning; Hence, SVG/SVC converts grid conditions into a controlled AC injection/absorption- similar to power-electronic processing; In case of SVG/SVC, even when the real power exchange is minimal, the reactive power control is controlled by converting waveforms and controlling phase/current.

3.2 In response to the Summon dated 15.09.2025 issued to SSPPL, Shri Shridhar Ghate, Assistant General Manager (Procurement), SPRNG Energy Pvt. Ltd. appeared for the statement on 23.09.2025. He inter alia stated that:

- He is the Assistant General Manager (Procurement) in the the firm M/s. SPRNG Energy Pvt. Ltd. and looking after procurement, and global import logistics; He oversee all day to day activities related to import and export by the said firm; He mainly handle the work related to decision of classification, claiming of notification etc., in consultation with his technical team and consultants or CHA and firm management, whenever a new item is imported; Thereafter after receipt of the import documents from supplier, he verify the documents, he forward the same to the CHA for preparation of Checklist; After filing of Bill of Entry, he also handle the payment of duty, other charges related to CHA, Liner, DO, CFS, Transportation etc; Further he also coordinate with Customs in cases if there are any queries related to classification, duty rate, other compliances etc. and submitting their replies after consulting with the CHA, consultants and management team; He further informed that M/s. Sprng Energy Pvt. Ltd. is the parent organisation and it works in the sector or renewable energy; For the purpose of operating a power plant, Special Purpose Vehicle (SPV) is assigned for example in present case,

the solar power plant at LUNA KALLA AND LUNA KHURD, BHANIYANA, VILLAGE SARDASAR, TESHIL-POKHARAN, Jaisalmer, Rajasthan, 345024 is a SPV viz. M/s. SPRNG Solar Plus Private Limited; Further, M/s. SPRNG Solar Plus Private Limited does not have any employees separate to M/s. Sprng Energy Pvt. Ltd.

- On being asked how a Bill of Entry is filed with reference to imports made by their firm M/s. SPRNG Solar Plus Private Limited, he stated that when the supplier sends them the import documents, he forwards the same to the CHA for the preparation of checklist; Whenever a new product is imported, the same is discussed with their technical team, CHA and management team and based on inputs provided by them, he decides the CTH and communicate the same to their CHA for the preparation of checklist; After preparation of the checklist by the CHA, the same is shared with him on his email ID i.e. shridharghate@sprngenergy.com for confirmation; Accordingly the checklist is verified and classification of all the items, duty rate and notification claimed are verified by him; After verification, if everything is found in order, confirmation is provided to the CHA by him through return mail; Thereafter Bill of Entry is filed by CHA; If any correction is required to be made, the same is communicated to the CHA and a revised check list is sent by the CHA and after approval from them, final Bill of Entry is filed by the CHA; They have employed CHA viz. M/s. Dhara Logistics for their shipment of 'Static Var Generator' as declared in the goods description imported vide Bill of Entry no. 4313123 dated 05.09.2025.
- On being asked about who is the authority or person concerned, in their company to take the decision in Customs compliance matters such as classification, claiming of Notification for duty benefits etc. in case of any disputes, he stated that all the matters related to classification, duty rates, claiming of notification etc. are decided by him in the firm M/s. SPRNG Energy Pvt. Ltd. and he is solely responsible for all the decisions related to CTH, duty rates etc.
- On being asked about the products being imported by the firm M/s. SPRNG Solar Plus Private Limited, he stated that they mainly import Solar Modules and other related items; They had imported their first

consignment of 'Static Var Generator' as declared in the goods description for the purpose of dynamic support to the grid vide Bill of Entry no. 4313123 dated 05.09.2025.

- On being asked to inform whether the Static Var Generator/Static Var Compensator should fall in the category of Static Convertor as per its functioning. Further as per Chapter heading of 8504.40 which reads as below:

  Static Convertors (For Example, Rectifiers and Inductors):

  Thus chapter heading 8504.40 specifically covers all the types of static convertors. Hence in view of the above and heading 8504, on being asked to explain as to why the subject goods viz. 'Static Var Generator/ Static Var Compensator' should not be classifiable under Chapter heading 8504.40, he stated that as per the technical details of the Static Var Generator provided by Shri Devendra Godbole, AGM (Engineering and BOP procurement) in his statement dated 23.09.2025, and discussion on the classification, he agrees that 'Static Var Generator/Static Var Compensator' having similar function as 'Static Convertor' should be classifiable in 8504.40; He further added that he will consult with his firm's management, technical team and consultant and inform regarding the same.

- On being asked to refer to the explanatory notes to Chapter heading 8504 shown as below:

  (II) Electrical Static Convertors:

  The apparatus of this group are used to convert electrical energy in order to adapt it for further use. They incorporate converting. elements (e.g., valves) of different types. They may also incorporate various auxiliary devices (e.g., transformers, induction coils, resistors, command regulators, etc.). Their operation is based on the principle that the converting elements act alternately as conductors and non-conductors. The fact that these apparatus often incorporate auxiliary circuits to regulate the voltage of the emerging current does not affect their classification in this group, nor does the fact that they are sometimes referred to as voltage or current regulators.

  This group includes :

(A) Rectifiers by which alternating current (single or polyphase) is converted to direct current, generally accompanied by a voltage change.

(B) Inverters by which direct current is converted to alternating current.

(C) Alternating current converters and cycle converters by which alternating current (single or polyphase) is converted to a different frequency or voltage.

(D) Direct current converters by which direct current is converted to a different voltage.

In view of the above, as 'Static Var Generator/ Static Var Compensator' incorporates specific application of voltage-source convertor technology, optimized for a single purpose which is the rapid and continuous generation and absorption of reactive power to support the electrical grid similar to the fundamental AC-DC-AC conversion which defines the Static Convertors and places it within the scope of heading 8504. Therefore the subject goods appears to be rightly covered under the scope of heading 8504.40. Further as the 'Static Var Generator / Static Var Compensator' involves the function of both a Rectifier, Inverter and does not involve any functions of Battery Charger or Voltage Regulator and Stabilizer, it should fall under the 'Other' subheading of 8504.40 i.e. 8504.4090. On being asked to comment on the same, he stated that he agrees that the subject goods imported viz. 'Static Var Generator/ Static Var Compensator' having the capacity to convert voltage-source technology, absorption/ injection of reactive power which is similar to the function of Static convertors involving the function of both a rectifier and inverter and accordingly should fall under the 'Other' subheading of 8504.40 i.e. 8504.4090; but he further stated that he will consult with his firm's management, technical team and consultant and inform regarding the correct classification at the earliest.

3.3 In response to the Summon dated 28.10.2025 issued to M/s. SPRNG Ujjvala Energy Private Limited, Shri Shridhar Ghate, Assistant General Manager (Procurement), SPRNG Energy Pvt. Ltd. appeared for the statement on 11.11.2025. He inter alia stated that:

- He is Assistant General Manager (Procurement) in the firm M/s. SPRNG Energy Pvt Ltd. On being asked about the below mentioned firms, he informed that the said firms are all Special Purpose Vehicles/ firms under parent firm M/s. SPRNG Energy Pvt Ltd and there are no separate employees in the all the following Special Purpose Vehicle (SPV) firms:

S. No.	Name of the firm	IEC
1	SPRNG Vayu Vidyut Private Limited	AAYCS9346Q
2	SPRNG Akshaya Urja Private Limited	ABFCS9208R
3	SPRNG Renewable Energy Private Limited	0517530023
4	SPRNG Power Earth Private Limited	ABJCS1281J
5	SPRNG Soura Kiran Vidyut Private Limited	AAYCS9372G
6	SPRNG Green Power Private Limited	ABFCS8754A
7	SPRNG Natural Power Source Private Limited	AAYCS9457N
8	SPRNG Ujjvala Energy Private Limited	AAPCA2645D
9	SPRNG Agnitra Private Limited	AAYCS9363B
10	SPRNG Photovoltaic Private Limited	0315040271

Hence, he had appeared to represent all the aforesaid firms and to tender the voluntary statement in compliance of the summons issued to aforementioned firms.

- On being asked about the authority or person concerned, in the firms viz. SPRNG Vayu Vidyut Private Limited, SPRNG Green Power Private Limited, SPRNG Renewable Energy Private Limited, SPRNG Power Earth Private Limited, SPRNG Soura Kiran Vidyut Private Limited, SPRNG Akshaya Urja Private Limited, SPRNG Natural Power Source Private Limited, SPRNG Ujjvala Energy Private Limited, SPRNG Agnitra Private Limited and SPRNG Photovoltaic Private Limited, to take the decision in Customs compliance matters such as classification, claiming of Notification for duty benefits etc. in case of any disputes, he stated that all the matter related to Customs including classification, duty rates, claiming of notification etc. are decided by him in the said firms and he is solely responsible for all the decisions related to CTH, duty rates etc. after final approval by firm's management

- On being asked to inform whether the goods imported by your firms viz. SPRNG Vayu Vidyut Private Limited, SPRNG Green Power Private Limited, SPRNG Renewable Energy Private Limited, SPRNG Power Earth Private Limited, SPRNG Soura Kiran Vidyut Private Limited, SPRNG Akshaya Urja Private Limited, SPRNG Natural Power Source Private Limited, SPRNG Ujjvala Energy Private Limited, SPRNG Agnitra Private Limited and SPRNG Photovoltaic Private Limited are different from the goods imported by SPRNG Solar Plus Private Limited, he stated that the products imported by aforesaid firms is Static Var Generator/ Static Var Compensator which is prinicipally similar to 'Static Convertors'; All these goods imported by SPRNG Energy Pvt. Ltd. through its SPVs are devices used for same purpose; Only difference between the various products imported by the various firms is in their load capacity which is required as per utilization in particular power plants.
- On being asked to comment on the misclassification of the said product viz. 'Static Var Generator/ Static Var Compensator' under CTI 8543.7099 instead of its correct CTI 8504.4090 and hence evasion of Customs duty, he stated that as per the discussion in statement dated 23.09.2025, his firm understood and agreed that the correct classification of the said imported products viz. 'Static Var Generator/ Static Var Compensator' should be under CTI 8504.4090 attracting BCD@20% [BCD payable @10% as per Sr. No 13 of Notification No 57/2017 dated 30.06.2017 as amended by Notification No 22/2018 dated 02.02.2018] instead of CTI 8543.7099 attracting BCD@7.5% as declared by them and therefore made voluntary payment for the short payment of Customs duty along with interest in respect of goods imported by SPRNG Solar Plus Private Limited; Further, since the goods imported by their other Special Purpose Vehicles viz. SPRNG Vayu Vidyut Private Limited, SPRNG Green Power Private Limited, SPRNG Renewable Energy Private Limited, SPRNG Power Earth Private Limited, SPRNG Soura Kiran Vidyut Private Limited, SPRNG Akshaya Urja Private Limited, SPRNG Natural Power Source Private Limited, SPRNG Ujjvala Energy Private Limited, SPRNG Agnitra Private Limited and SPRNG Photovoltaic Private Limited are principally similar, they agreed to the correct classification of the said imported

products viz. 'Static Var Generator/ Static Var Compensator' to be under CTI 8504.4090;

4. <u>Payment Details:</u>

During the course of investigation, **SUEPL has deposited Rs. 11,76,414/- (Rupees Eleven Lakh Seventy Six Thousand Four hundred and Fourteen only) voluntarily (differential duty of Rs. 10,45,383/- (Ten Lakh Forty Five Thousand Three hundred and Eighty Three) and interest of Rs. 1,31,031 /- (One Lakh Thirty One Thousand and Thirty One))**. The details of the Payment Challans are as follow:

S. No.	Name of the firm and IEC	Port Code	BE Number	Differential Duty	Interest	Challan No. and Date	Amount paid
1	SPRNG Ujjvala Energy Private Limited (AAPCA2645D)	INMUN1	7697125 dated 09-01-2025	10,45,383/-	1,31,031 /-	2063200821 dated 06-11-2025	11,76,414 /-

5. Investigation by DRI

<u>Details of Imported Items:</u>

Static Var Generator

5.1 Static Var Generators are devices used in electrical power systems to control the flow of reactive power. Reactive power is necessary for the operation of inductive and capacitive loads but is not consumed by them. It creates voltage drops and increases line losses in power transmission systems. SVGs help regulate the reactive power flow, maintaining power system stability and improving power quality.

Static Var Generators are part of a broader category of power electronic devices called Flexible AC Transmission Systems (FACTS). FACTS devices are used to enhance the control and performance of AC power systems. Static Var Generators specifically focus on reactive power control and compensation.

In AC power systems, electrical power has two components:

- Active (Real) Power → measured in watts (W), does the useful work (running motors, lighting lamps).
- Reactive Power → measured in VAR (volt-ampere reactive), doesn't do useful work directly, but is necessary to sustain the electric and magnetic fields in inductive/capacitive equipment (like motors, transformers, transmission lines).

Static VAR

- "Static" here means there are **no rotating parts** (unlike synchronous condensers which use rotating machines).
- A **Static VAR device** generates or absorbs reactive power **electronically**, using semiconductor-based converters.

Examples:

- **SVC (Static VAR Compensator):** Uses thyristors + capacitors/reactors.
- **SVG (Static VAR Generator / STATCOM):** Uses IGBT-based inverters to inject or absorb reactive current very quickly.

Working of Static Var Generator

5.2 The primary function of a Static Var Generators is to provide dynamic and fast-acting reactive power compensation. They achieve this by connecting in parallel with the power system and injecting or absorbing reactive power as needed. Static Var Generators can instantaneously control the voltage and

power factor, stabilize voltage levels, and mitigate voltage flicker caused by fluctuating loads or faults.

An SVG is fundamentally a Voltage-Source Converter (VSC) configured as a static synchronous compensator. Here's the conversion process:

1. The Input: The SVG is connected to an AC power system (e.g., a 3-phase grid).
2. The Core Conversion (Inversion): The SVG takes power from the AC grid, rectifies it to DC, and stores it in a capacitor bank to create a stable DC voltage source.
3. The Output Generation: Using a full-bridge inverter circuit made of IGBTs, it then converts this DC voltage back into a set of AC voltages that are precisely controlled and synchronized with the grid.
4. Reactive Power Control: By using a technique called Pulse-Width Modulation (PWM), the SVG controls the amplitude of the AC output voltage it produces relative to the grid voltage.

If the SVG's output voltage is greater than the grid voltage, it acts like a capacitor and generates reactive power.

If the SVG's output voltage is less than the grid voltage, it acts like an inductor and absorbs reactive power.

Therefore, the primary internal process of an SVG is the conversion from AC to DC and then back to a precisely controlled AC. This is the definitive function of a static converter.

5.3 Items imported by SPRNG Ujjvala Energy Pvt. Ltd.:

5.3.1 Static Var Generator:

The imported item is a Static Var Generator (SVG), also known as a Static Synchronous Compensator (STATCOM). It is a power electronics-based static converter using IGBT/semiconductor technology. The device dynamically generates or absorbs reactive power to stabilize voltage, improve power factor,

and enhance grid stability. The SVG is typically installed in substations, renewable power projects, or industrial networks for reactive power compensation.

5.4 DISCUSSIONS ON CLASSIFICATION OF IMPORTED GOODS:

Static Var Generator:

5.4.1 As per the technical datasheet and user guide submitted by the SUEPL during the recording of statement, it can be clearly seen that the subject goods are devices for dynamically supporting the power transmission grids at the point of interconnection at any time of the day to mitigate the voltage related issues.

5.4.2 During the course of investigation, Shri Devendra Godbole, Asst. General Manager, SPRNG Energy Ltd. vide his voluntary statement recorded under Section 108 of the Customs Act, 1962 admitted that the subject goods uses IGBT-based inverters in a containerized solution to absorb or to inject reactive power and to maintain the voltage stability at point of interconnection. Static Var Generator work as a static convertor since they have no moving/rotating parts that converts electrical power from one form to another but instead utilize IGBT-based inverters to inject or absorb reactive current very quickly.

5.4.3 Thus in view of the discussions made vide Paras supra, it appears that the Static Var Generator, imported by SUEPL, are devices that use IGBT-based inverters to inject or absorb reactive current electronically, using semiconductor-based converters. Therefore they appear to work principally similar to static convertors.

5.4.4 However, the importer has classified the goods under CTI 8543.7099 to pay duty (BCD@7.5%) instead of its correct CTI 8504.4090 attracting merit duty BCD@20% [BCD payable @10% as per Sr. No 13 of Notification No 57/2017 dated 30.06.2017 as amended by Notification No 22/2018 dated 02.02.2018] hence evading customs duty.

For better understanding of the classification of imported goods relevant portion of chapter heading and explanatory notes for the Heading 8543 and 8504 are produced below:

Heading 8543 of the Customs Tariff Act reads as:

8543	***ELECTRICAL MACHINES AND APPARATUS HAVING INDIVIDUAL FUNCTIONS, NOT SPECIFIED OR INCLUDING ELSEWHERE IN THIS CHAPTER***		
8543 10	*- Particle accelerators:*		
8543 10 10	*--- Ion implanters for doping semi conductor material*	*u*	*Free* -
8543 10 20	*--- Vane graff, cock-croft, Walton accelerators*	*u*	*7.5%* -
8543 10 30	*--- Synchrocyclotrons, synchrotrons*	*u*	*7.5%* -
8543 10 90	*--- Other including cyclotrons*	*u*	*7.5%* -
8543 20	*- Signal generators :*		
8543 20 10	*--- Sweep generators*	*u*	*7.5%* -
8543 20 20	*--- Impulse generators*	*u*	*7.5%* -
8543 20 30	*--- Tacho generators*	*u*	*7.5%* -
8543 20 90	*--- Other*	*u*	*7.5%* -
8543 30 00	*--- Machines and apparatus for electroplating, electrolysis or electrophoresis*	*u*	*7.5%* -
**8543 40 00*	*- Electronic cigarettes and similar personal electric vaporising devices*	*u*	*7.5%* -
8543 70	*-- Other machines and apparatus:*		
8543 70 11	*---- Proximity card and tags*	*u*	*Free* -
8543 70 12	*---- Metal detector*	*u*	*7.5%* -
8543 70 13	*---- Mine detector*	*u*	*7.5%* -
8543 70 19	*---- Other*	*u*	*7.5%* -
	--- Audio special effect equipment:		
8543 70 21	*---- Digital reverberators*	*u*	*7.5%* -
8543 70 22	*---- Mixing system or consoles*	*u*	*7.5%* -
8543 70 29	*---- Other*	*u*	*7.5%* -
	--- Video special effect equipments:		
8543 70 31	*---- Video mixing system or consoles*	*u*	*7.5%* -

8543 70 32	*---- Video effect system*	*u*	*7.5% -*
8543 70 33	*---- Digital layering machine*	*u*	*7.5% -*
8543 70 34	*---- Paint box*	*u*	*7.5% -*
8543 70 35	*---- Video typewriter*	*u*	*7.5% -*
8543 70 36	*---- Video matting machine*	*u*	*7.5% -*
8543 70 39	*---- Other*	*u*	*7.5% -*
	--- Edit control Unit:		
8543 70 41	*---- Computerised editing system controlling more than three video editing machines*	*u*	*7.5% -*
8543 70 42	*---- Other video control unit*	*u*	*7.5% -*
8543 70 49	*---- Other*	*u*	*7.5% -*
8543 70 50	*--- Colour corrector*	*u*	*7.5% -*
	--- Amplifier:		
8543 70 61	*---- Broadcast amplifier*	*u*	*7.5% -*
8543 70 62	*---- Limiting amplifier, video distribution amplifier and stabilizing amplifiers*	*u*	*7.5% -*
8543 70 69	*---- Other*	*u*	*7.5% -*
	--- Graphic equalizer and synthesized receivers:		
8543 70 71	*---- Graphic equalizer*	*u*	*7.5% -*
8543 70 72	*---- Synthesised receivers*	*u*	*7.5% -*
	--- Other:		
8543 70 91	*---- RF(radio frequency) power amplifer and noise generators for communication jamming equipment, static and mobile or man-portable*	*u*	*7.5% -*
8543 70 92	*---- Equipment gadgets based on solar energy*	*u*	*7.5% -*
8543 70 93	*---- Professional beauty care equipment*	*u*	*7.5% -*
8543 70 94	*---- Audio visual stereo encoders*	*u*	*7.5% -*
8543 70 95	*---- Time code generator*	*u*	*7.5% -*
8543 70 99	*---- Other*	*u*	*7.5% -*
8543 90 00	*- Parts*	*kg.*	*7.5% -*

Whereas, Heading 8504 of the Customs Tariff Act reads as:

8504	***ELECTRICAL TRANSFORMERS, STATIC CONVERTERS (FOR EXAMPLE, RECTIFIERS) AND INDUCTORS***	
8504 10	*- Ballasts for discharge lamps or tubes :*	
8504 10 10	*--- Conventional type*	*u *7.5% -*
8504 10 20	*--- For compact fluorescent lamps*	*u *7.5% -*
8504 10 90	*--- Other*	*u *7.5% -*
	- Liquid dielectric transformers:	
8504 21 00	*-- Having a power handling capacity notexceeding 650 kVA*	*u 10% -*
8504 22 00	*-- Having a power handling capacity exceeding 650 kVA but not exceeding 10,000 kVA*	*u 10% -*
8504 23	*-- Having a power handling capacity exceeding 10,000 kVA:*	
8504 23 10	*--- Having a power handling capacity exceeding 10,000 kVA but not exceeding 50,000 kVA*	*u 10% -*
8504 23 20	*--- Having a power handling capacity exceeding 50,000 kVA but not exceeding 1,00,000 kVA*	*u 10% -*
8504 23 30	*--- Having a power handling capacity exceeding 1,00,000 kVA but not exceeding 2,50,000 kVA*	*u 10% -*
8504 23 40	*--- Having a power handling capacity exceeding 2,50,000 kVA*	*u 10% -*
	- Other transformers:	
8504 31 00	*-- Having a power handling capacity not exceeding 1 kVA*	*u 10% -*
8504 32 00	*-- Having a power handling capacity exceeding 1 kVA but not exceeding 16 kVA*	*u 10% -*
8504 33 00	*-- Having a power handling capacity exceeding 16 kVA but not exceeding 500 kVA*	*u 10% -*
8504 34 00	*-- Having a power handling capacity exceeding 500 kVA*	*u 10% -*
8504 40	*- Static converters:*	

8504 40 10	*--- Electric inverter*	*u 20% -*
	--- Rectifier :	
8504 40 21	*---- Dip bridge rectifier*	*u 20% -*
8504 40 29	*---- Other*	*u 20% -*
8504 40 30	*--- Battery chargers*	*u 20% -*
8504 40 40	*--- Voltage regulator and stabilizers (other than automatic)*	*u 20% -*
8504 40 90	*--- Other*	*u 20% -*
8504 50	*- Other inductors:*	

5.4.4.2 Further Section II of Explanatory Notes of WCO, belonging to Chapter Heading 8504, reads at:

(II) ELECTRICAL STATIC CONVERTERS

The apparatus of this group are used to convert electrical energy in order to adapt it for further use. They incorporate converting. elements (e.g., valves) of different types. They may also incorporate various auxiliary devices (e.g., transformers, induction coils, resistors, command regulators, etc.). Their operation is based on the principle that the converting elements act alternately as conductors and non-conductors.

The fact that these apparatus often incorporate auxiliary circuits to regulate the voltage of the emerging current does not affect their classification in this group, nor does the fact that they are sometimes referred to as voltage or current regulators.

This group includes :

***(A) Rectifiers** by which alternating current (single or polyphase) is converted to direct current, generally accompanied by a voltage change.*

***(B) Inverters** by which direct current is converted to alternating current.*

***(C) Alternating current converters and cycle converters** by which alternating current (single or polyphase) is converted to a different frequency or voltage.*

***(D) Direct current converters** by which direct current is converted to a different voltage.*

Electrical static converters may be divided into the following principal categories according to the type of converting element with which they are equipped :

***(1) Semiconductor converters** based on the one-way conductivity between certain crystals. Such converters consist of a semiconductor as the converting element and various other devices (e.g., coolers, tape conductors, drives, regulators, control circuits).*

These include :

(a) Monocrystalline semiconductor rectifiers using, as a converting element, a device containing silicon or germanium crystals (diode, thyristor, transistor).

(b) Polycrystalline semiconductor rectifiers using a selenium disc.

Furthermore, in view of the Explanatory Notes of Chapter 8504, Electrical Static Convertors incorporate auxiliary circuits to regulate the voltage of the emerging current and their classification is based on the principle that the converting elements. In the present case, thyristor, IGBT-based inverters, transistors etc. are being utilized by 'Static Var Generator' for the conversion function that defines Static Convertors, placing it within the scope of 8504. Further the CTI 8543 applies to electrical apparatus not covered elsewhere, which is not the case in 'Static Var Generators'.

In view of the above, CTH declared by the importer under 8543.7099 appears to be incorrect and the goods appear to be correctly classifiable under CTH 8504.4090.

Further, Sl. No. 13 of Notification No. 57/2017-CUS dated 30.06.2017 reads as:

13.	8504 40	[43][All goods other than the following goods, namely:- (a) charger or power adapter; (b) solar inverter]	10%	-

Therefore BCD@10% is applicable on the said imported goods as the impugned goods falls at Sr. No. 13 of the above said notification.

5.4.5 The importer has paid BCD@7.5% which pertains to the CTI 8543.7099 due to misclassification. However as discussed in the Paras 5.1 to 5.4 supra, the subject goods appears to be correctly classifiable under CTI 8504.4090, hence the chargeable to tariff rate of BCD @20% [BCD payable @10% as per Sr. No 13 of Notification No 57/2017 dated 30.06.2017 as amended by Notification No 22/2018 dated 02.02.2018].

6. Relevant Legal Provisions:

6.1 **Section 2(2) of the Customs Act, 1962**: *"assessment" means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum so payable, if any, under this Act or under the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act) or under any other law for the time being in force, with reference to-*

(a) the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act;

(b) the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act;

(c) exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefore under this Act or under the Customs Tariff Act or under any other law for the time being in force;

(d) the quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods;

(e) the origin of such goods determined in accordance with the provisions of the Customs Tariff Act or the rules made thereunder, if the amount of duty, tax, cess or any other sum is affected by the origin of such goods;

(f) any other specific factor which affects the duty, tax, cess or any other sum payable on such goods, and includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is nil;

6.2 Section 2(14) of the Customs Act, 1962: *"dutiable goods" means any goods which are chargeable to duty and on which duty has not been paid;*

6.3 Section 2(16) of the Customs Act, 1962: *"entry" in relation to goods means an entry made in a bill of entry, shipping bill or bill of export and includes the entry made under the regulations made under Section 84.*

6.4 Section 11A (a) of the Customs Act, 1962: *"illegal import" means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.*

6.5 Section 28(1) of the Customs Act, 1962: *Where any duty has not been levied or not paid or short-levied or short-paid or erroneously refunded, or any interest payable has not been paid, part-paid or erroneously refunded, for any reason other than the reasons of collusion or any wilful mis-statement or suppression of facts, —*

(a) the proper officer shall, within two years from the relevant date, serve notice on the person chargeable with the duty or interest which has not been so levied or paid or which has been short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice:

Provided *that before issuing notice, the proper officer shall hold pre-notice consultation with the the person chargeable with duty or interest in such manner as may be prescribed;*

(b) the person chargeable with the duty or interest, may pay before service of notice under clause (a) on the basis of, —

(i) his own ascertainment of such duty; or

(ii) the duty ascertained by the proper officer,

the amount of duty along with the interest payable thereon under section 28AA or the amount of interest which has not been so paid or part-paid.

Provided *that the proper officer shall not serve such show cause notice, where the amount involved is less than rupees one hundred.*

6.6 Section 28(2) of the Customs Act, 1962: *The person who has paid the duty along with interest or amount of interest under clause (b) of sub-section (1) shall inform the proper officer of such payment in writing, who, on receipt of such*

information, shall not serve any notice under clause (a) of that sub-section in respect of the duty or interest so paid or any penalty leviable under the provisions of this Act or the rules made thereunder in respect of such duty or interest.

Provided that where notice under clause (a) of sub-section (1) has been served and the proper officer is of the opinion that the amount of duty along with interest payable thereon under section 28AA or the amount of interest, as the case may be, as specified in the notice, has been paid in full within thirty days from the date of receipt of the notice, no penalty shall be levied and the proceedings against such person or other persons to whom the said notice is served under clause (a) of sub-section (1) shall be deemed to be concluded.

6.7 **Section 28AA (1) of the Customs Act, 1962***: Interest on delayed payment of Duty:*

(1) Notwithstanding anything contained in any judgment, decree, order or direction of any court, Appellate Tribunal or any authority or in any other provision of this Act or the rules made thereunder, the person, who is liable to pay duty in accordance with the provisions of section 28, shall, in addition to such duty, be liable to pay interest, if any, at the rate fixed under sub-section (2), whether such payment is made voluntarily or after determination of the duty under that section.

(2) Interest at such rate not below ten per cent. and not exceeding thirty-six per cent. per annum, as the Central Government may, by notification in the Official Gazette, fix, shall be paid by the person liable to pay duty in terms of section 28 and such interest shall be calculated from the first day of the month succeeding the month in which the duty ought to have been paid or from the date of such erroneous refund, as the case may be, up to the date of payment of such duty.

7. Summary of the DRI Investigation:

7.1 SPRNG Ujjvala Energy Pvt. Ltd. was importing goods declared as 'Static Var Generator (SVG)' by classifying the same under Customs Tariff Item (CTI) 8543 70 99 and has paid BCD@7.5% by the way of misclassification. Since, the

impugned goods declared as 'Static Var Generator' principally work as Static Convertor, the same is correctly classifiable under CTI 8504.4090 attracting merit rate of duty BCD@20% [BCD payable @10% as per Sr. No 13 of Notification No 57/2017 dated 30.06.2017 as amended by Notification No 22/2018 dated 02.02.2018].

7.2 During the voluntary statements of Shri Shridhar Ghate, Assistant General Manager (Procurement), SPRNG Energy Ltd., recorded under Section 108 of the Customs Act 1962 dated 23.09.2025, he admitted that the Static Var Generator imported by their firm are principally similar to Static Convertors, hence the goods imported by them i.e. 'Static Var Generator' appears correctly classifiable under CTI 85044090.

7.3 SUEPL has deposited Rs. 11,76,414/- (Rupees Eleven Lakh Seventy Six Thousand Four hundred and Fourteen only) voluntarily (differential duty of Rs. 10,45,383/- (Ten Lakh Forty Five Thousand Three hundred and Eighty Three) and interest of Rs. 1,31,031 /- (One Lakh Thirty One Thousand and Thirty One)).

7.4 During the investigation, it has been found that SUEPL had declared correct description of the imported goods viz. 'Static Var Generator' and wrongly classified the goods under CTI 8543.7099. Further, it appears that there was no ingredients of suppression of facts, wilful misstatement or collusion found on the part of importer.

7.5 Further SUEPL vide its letter dated 06.11.2025, has requested to conclude the proceedings in terms of Section 28(2) of the Customs Act, 1962 without the issuance of Show Cause Notice.

8. Quantification of duty payable: The details of classification adopted by the importer, correct classification and applicable duty as follows:

8.1 In view of the above, it appears that SUEPL imported impugned goods declared as **'Static Var Generator'** by classifying it under CTI 8543.7099, however the goods are correctly classifiable under CTI 8504.4090.
The duty applicable on goods classifiable under CTI 8543.7099 is as follows:

BCD - @ 7.5% + SWS - @10% + IGST @18%;

However, the duty applicable under CTI 8504.4090 is as follows:

BCD - @ 10% + SWS - @10% + IGST @18%; (BCD payable @10% as per Sr. No 13 of Notification No 57/2017 dated 30.06.2017 as amended by Notification No 22/2018 dated 02.02.2018)

Therefore the differential duty liable to be demanded under Section 28(1) of the Customs Act, 1962 in relation to import of goods covered under Bill of Entry no. 7697125 dated 09-01-2025 at Mundra Sea Port (INMUN1) is as follows:

Table- I

Mundra Sea Port (INMUN1)							
S. No.	**Bill of Entry No.**	**Bill of Entry Date**	**Declared Assessable Value (in Rs.)**	**Duty Payable (in Rs.)**	**Duty Paid (in Rs.)**	**Differential Duty Payable (in Rs.)**	**Interest**
1	**7697125**	**09-01-2025**	**3,22,15,200/-**	**99,80,269/-**	**89,34,886/-**	**10,45,383/-**	**1,19,431/-**

9. Since, SUEPL has deposited Rs. 11,76,414/- (Rupees Eleven Lakh Seventy Six Thousand Four hundred and Fourteen only) voluntarily towards the differential duty liability of Rs. 10,45,383/- (Ten Lakh Forty Five Thousand Three hundred and Eighty Three) and interest liability of Rs. 1,19,431 /- (One Lakh Nineteen Thousand Four Hundred and Thirty One). They have requested to close the investigation without issuance of Show Cause Notice and as per Section 28(2) of the Customs Act, 1962.

DISCUSSION AND FINDINGS

10. I have carefully gone through the facts of the case, Investigation Report (IR) and documents placed before me. I find that M/s. SPRNG Ujjvala Energy Private Limited (IEC: AAPCA2645D), Office No: A-001 Upper Ground P-5, Pentagon Tower, Hadapsar, Pune, Maharashtra-411013 had imported "30MVAR-33KV SVG" (Static VAR Generator / Static Var Compensator) under

Bill of Entry No. 7697125 dated 09.01.2025 through Mundra Port (INMUN1). The importer classified the said goods under CTI 8543 7099 and paid BCD @ 7.5%

11. I find that the impugned goods viz. Static VAR Generator (SVG) are electronic devices used in electrical power systems to dynamically control the flow of reactive power. Technical analysis and the statement of Shri Devendra Godbole, AGM (Engineering), confirm that the SVG is fundamentally a Voltage-Source Converter (VSC). The device functions by rectifying AC grid power to DC and then, using IGBT-based inverters, converting it back to controlled AC waveforms synchronized with the grid.

12. I find that as per the Explanatory Notes to Chapter Heading 8504, "Electrical Static Converters" are apparatus used to convert electrical energy to adapt it for further use, incorporating converting elements that act alternately as conductors and non-conductors. Since the SVG utilizes IGBT-based inverters and semiconductor technology for wave synthesis, it is correctly classifiable as a 'Static Converter' under CTI 8504 40 90. Consequently, the goods attract BCD @ 10% as per Sr. No. 13 of Notification No. 57/2017-Cus dated 30.06.2017 (as amended).

13. I find that after the misclassification was explained during the investigation, the importer readily admitted the error and agreed to the correct classification under CTI 8504 40 90. The importer voluntarily paid the differential duty of Rs. 10,45,383/- along with interest of Rs. 1,31,031/- (total Rs. 11,76,414/-) vide Challan No. 2063200821 dated 06.11.2025. They have also requested for closure of proceedings under Section 28(2) of the Customs Act, 1962.

14. I find that the incorrect classification was due to mis-interpretation of the tariff heading and there is no evidence on record to prove wilful mis-statement, suppression of facts or collusion. Hence, the case squarely falls under Section 28(1) of the Customs Act, 1962 and the proceedings merit closure under Section 28(2) ibid without issuance of Show Cause Notice.

15. **Section 28 of the Customs Act, 1962 is reproduced below -**

Recovery of duties not levied or not paid or short levied or short paid or erroneously refunded

(1) Where any duty has not been levied or not paid or short levied or short paid or erroneously refunded, or any interest payable has not been paid, part paid or erroneously refunded, for any reason other than the reasons of collusion or any wilful mis statement or suppression of facts, -

(a) the proper officer shall, within two years from the relevant date, serve notice on the person chargeable with the duty or interest which has not been so levied or paid or which has been short levied or short paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice: Provided that before issuing notice, the proper officer shall hold pre notice consultation with the person chargeable with duty or interest in such manner as may be prescribed;

(b) the person chargeable with the duty or interest, may pay before service of notice under clause (a) on the basis of, -
(i) his own ascertainment of such duty; or

(ii) the duty ascertained by the proper officer, the amount of duty along with the interest payable thereon under section 28AA or the amount of interest which has not been so paid or part - paid. Provided that the proper officer shall not serve such show cause notice, where the amount involved is less than rupees one hundred.

(2) The person who has paid the duty along with interest or amount of interest under clause (b) of sub-section (1) shall inform the proper officer of such payment in writing, who, on receipt of such information, shall not serve any notice under clause (a) of that sub-section in respect of the duty or interest so paid or any penalty leviable under the provisions of this Act or the rules made there under in respect of such duty or interest;

16. Furthermore, amendment made in the Customs Act, 1962 vide Finance Act, 2018, proviso to Section 125 of the Customs Act, 1962 has been added which reads as-

> ***"Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of Section 28 or under clause (i) of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, no such fine shall be imposed."***

17. Thus, in terms of Section 28 ibid, if the person has paid the short-levied duty along with interest and inform the proper officer of such payment in writing, who, on receipt of such information, shall not serve any notice in those cases where the duty was short-levied for any reason other than the reasons of collusion or any wilful mis-statement or suppression of facts, therefore, there are no grounds for invoking Section 28(4) of Customs Act, 1962.

18. I find that the importer vide their letter dated 06.11.2025 has informed that they have voluntarily paid the differential duty of Rs. 10,45,383/- along with interest of Rs. 1,31,031/- (total Rs. 11,76,414/-) and further requested for closure of proceedings under section 28(2) of Customs Act, 1962. Therefore, the voluntary payment of Rs. 11,76,414/- is hereby appropriated against the differential duty and interest liability.

19. In view of the above facts of the case and findings on record, I pass the following order:-

ORDER

I order for conclusion of the proceedings in respect of this matter is hereby treated as concluded in terms of 28(2) of the Customs Act, 1962 without prejudice to any other actions that may be taken under the Customs Act, 1962.

Digitally signed by Dipakbhai Zala
Date: 26-03-2026 19:39:32

DIPAK ZALA,
ADDITIONAL COMMISSIONER,
CUSTOM HOUSE, MUNDRA

To,

M/s. SPRNG Ujjvala Energy Private Limited (IEC: AAPCA2645D),
Office No: A-001 Upper Ground P-5, Pentagon Tower,
Hadapsar, Pune, Maharashtra-411013

Copy to:

1. The Additional Director / Deputy Director, DRI, Indore Zonal Unit.
2. The DC/AC of Customs, (RRA/TRC/EDI), Mundra.
3. Guard File.