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**
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DIN - 20250671MN0000414864

क	फ़ाइल संख्या FILE NO.	S/49-31/CUS/MUN/2025-26
ख	अपील आदेश संख्या ORDER-IN-APPEAL NO. (सीमा शुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962)	MUN-CUSTM-000-APP-093-25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	19.06.2025
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	Order-in-Original No. MCH/ADC/AKM/250/2024-25 Dated 04.01.2025
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	19.06.2025
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s. Greentech Services, PI no. B 47, Flat No. 402, Sr. No. 94-97, Serenity, Pune-411045

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. Greentech Services, PI no. B 47, Flat No. 402, Sr. No. 94-97, Serenity, Pune-411045, (hereinafter referred to as the 'Appellant') in terms of Section 128 of the Customs Act, 1962, challenging the Order-in-Original No. MCH/ADC/AKM/250/2024-25 Dated 04.01.2025 (hereinafter referred to as 'the impugned order') passed by the Additional Commissioner, Custom House, Mundra (hereinafter referred to as the 'adjudicating authority').

2. Facts of the case, in brief, are that the appellant are engaged in import of e-scooters/e-bikes in CKD condition by declaring the imported goods as parts and components of e-scooters/ e-bikes and classifying the same under Chapter Tariff Heading (CTH) 8714 of Custom Tariff Act, 1975. The said Appellant is also registered under GST with GSTIN 27AAXFG0750E1ZA. The Appellant had filed the Bill of Entry No. 2520611 dated 20-09-2022 by declaring the consignment as Parts of e-scooters/ e-bikes and classifying the same under Chapter Tariff Heading (CTH) 8714 of Custom Tariff Act, 1975 which attracts Basic Customs duty @ 15%. The same was put up on hold and examined under panchnama dated 07.10.2022 by the officers of Special Intelligence and Investigation Branch (SIIB) and in presence of representatives of Customs Broker, Imported and Chartered Engineer Shri Tushar Zankat. It may be pointed out that the examination of the consignment revealed that barring the Tyres, Battery and Charger, all other components required for the functioning of an Electric Scooter were present in the import consignment.

2.1 Further, DRI issued alert circular No. 06/2022-Cl dated 10.10.2022, wherein it was informed that parts and accessories of these vehicles are classifiable under CTH 8714 and are leviable to tariff rate of BCD @ 15%/20%. In terms of CBIC Notification No. 50/ 2017-Cus Dated 30.06.2022 (Sr. No. 531A), effective rate of duty on these goods under CTH 8711 is in the range of 15%/25%/50% depending upon the extent of assembly of these goods at the time of importation, whereas effective rate of BCD on import of their parts & accessories under CTH 8714 is 15% vide Sr. No. 532 of the said notification. Thus, rate of BCD leviable on import of electric vehicle parts in any condition mentioned at Sr. No. 1(b) and 2 of entry 531A of the notification No. 50/ 2017-Cus, dated 30.06.2017 (i.e. 25%/50%) is higher than that leviable on import of

their parts and accessories (i.e. 15%).

2.2 In pursuance of the said circular, total nine Bills of Entry filed by same Appellant were put on hold for detail examination and further investigation. The details of the said 9 Bills of entry are as per Table-I below: -

Table-I

Sr No	Importer Name	BOE No. and Date	Declared Assessable Value	Total Declared duty (@15% under CTH Code 8714)
1	M/s. Greentech Services	2727091 dt. 04.10 .2022	22,52,684	11,06,519
2	M/s. Greentech Services	2330929 dt. 07.09 .2022	22,90,254	11,24,973
3	M/s. Greentech Services	2520603 dt. 20.09 .2022	27,60,911	13,56,160
4	M/s. Greentech Services	2657214 dt. 29.09 .2022	38,28,475	18,80,547
5	M/s. Greentech Services	2657514 dt. 29.09 .2022	18,81,447	9,24,167
6	M/s. Greentech Services	2745322 dt. 05.10 .2022	19,70,338	9,67,830
7	M/s. Greentech Services	2745323 dt. 05.10 .2022	36,72,880	18,04,119
8	M/s. Greentech Services	2520611 dt. 20.09 .2022	36,23,807	17,80,014
9	M/s. Greentech Services	2832203 dt. 11.10 .2022	19,60,520	9,63,008

2.3 The goods covered above mentioned Bills of Entry were examined under Panchnama dated 17.10.2022, 18.10.2022 and 19.10.2022 in the presence of representative of Appellant and Custom Broker and Govt. approved Chartered Engineer Shri Tushar Zankat. During the examination in all the Bills of Entry, Appellant had declared the goods under HSN 8714: @ 15% rate of BCD. On the basis of physical examination of cargo and import documents, it was observed that parts of e-scooter/e-bikes are being imported as sets of equal quantities required for assembling a particular quantity of e-scooter. All the parts lend the essential character to the e-scooter such as Motors, Controller, frame etc. Appellant had mis-declared the goods in chapter heading 8714 for evasion of duty. The goods appeared to be rightly classifiable under chapter heading of 8711. The duty structure on e-bike/e-scooter parts in Knocked down condition imported by Appellant i.e. M/s. Greentech Services appeared to fall under sr. no. 531A of notification No. 50/ 2017- Cus. dated 30.06.2017 where standard rate of Customs Duty is 25%/50%.

2.4 Shri Tushar Zankat, Custom Empanelled Chartered Engineer has examined the consignment and certified that 75% to 80% of the components to assemble and enable the E-Scooter's functioning are present in the consignment. The Chartered Engineer has also stated in his Certificate No.

CE/TZ/MUN/414/2022-23 dated 04-11-2022 that -

Imported Major Component & Its Applications:

The CE discussed the applications of the major components of the electric Scooter being:

- Brakes which is an essential component and used to retard the speed as well as arrest the motion of the vehicle using frictional force;
- Motor is the prime mover of the vehicle;
- Converter is the electrical component in the motor. Which is used to convert the electric power from battery to desired voltage and the converted power is supplied to the controller of the scooter.
- Suspension is used to absorb the vibrations or shocks from the wheel applied to the vehicle during a motion.

ABSENCE OF MAJOR COMPONENTS & ITS APPLICATIONS

"(i) Battery The CE has very specifically mentioned that a Battery is the essential part of electric scooter, since, it is the energy source for the prime mover(motor), in the conventional vehicle the engine is the energy source of the vehicle. Likewise, the battery will serve the same purpose in the electric vehicles, the battery will define the vehicle capacity (range of the vehicle in the electric vehicle) and its proportional to the battery capacity. Based on the vehicle, the better is crucial part of the vehicle as it will act as the engine."

"(ii) Tires (Tyres) also not available in the consignment, which is also the essential part to form an electric scooter as it provides the contact of road to vehicle and traction force to move the vehicle"

"(iii) Frame is the skeletal body as well as base structure of the vehicle. By considering is a base, the remaining component were built on it to form a vehicle design.

"(iv) Controller being essential component has a viral role in controlling the power supplying to the motor from the battery and it sends the power to the motor based on accelerator input.

2.5 The consignment was examined by Officers of SIIB, Customs, Mundra Port, Mundra on 07.10.2022, 17.10.2022, 18.10.2022 and 19.10.2022 under Panchanama /Examination Report. During the course of the examination, it was revealed that the consignment contained all the parts for assembling a complete e-scooter barring the batteries, tyres, chargers, front and rear body guards. The said goods appeared to be classified under CTH 8711 attracting duty @ 50% advalorem, as per Rule 2(a) of General Rules of interpretation for Import Tariff, as it could be noticed that the goods declared as parts of E-Bike, if assembled make almost 75% to 80% of a complete E-bike. It may be noted that as per policy Condition 2(d) of Chapter 87, the import of new vehicles shall be permitted only through the Customs port at Nhava Sheva, Kolkata, Chennai and Chennai Airport, Cochin, ICD-Tughlakabad and Delhi Air Cargo, Mumbai Port and Mumbai Ai Cargo Complex, ICD Talegaon Pune. Thus, disabling the Importing to make such imports from the port of Mundra and at the same time, import of a bike under the guise of parts attracts Customs duty on a lower side i.e. 15%.

2.6 The Appellant had suppressed that the goods i.e. declared e-bike parts of the instant import contain 75% to 80% of a complete Electric Bike and had made this import with an intent to evade payment of appropriate Customs Duty leviable and also contravened port restriction policy in terms of Chapter notes to Chapter 87 of ITC (HS) of ETP 2015-2020.

2.7 Based on the above, the goods imported under Bills of Entry mentioned in Table I above , having total assessable value of Rs. 2,42,41,317/- were seized under Seizure Memo dated 24-11-2022.

2.8 The Appellant imported the parts/sub-assemblies from M/s. Wuxi Feihao International Trade Co. Ltd, China and supply them to M/s. Wardwizard Innovations & Mobility Limited only. To investigate the matter further, a summons was issued to the Appellant i.e. M/s. Greentech Services to be appears on 21.10.2022 for further investigation. Shri Mohsinkhan B. Pathan, authorized representative of M/s Greentech Services appeared for his voluntary statement on 21.10.2022. During his statement he stated as under:

- Their firm M/s. Greentech Services is engaged in importation of Electric Scooters parts. After importation of goods they sell the goods mainly to M/s. Wardwizard Innovations & Mobility Pvt Ltd.

- They import the goods mainly to supply for M/s. Wardwizard Innovations & Mobility Pvt Ltd and they import parts of E-scooter except battery, tyres etc which can be seen in the previous imports made by M/s. Greentech Services.
- On being asked about mis-classification of goods in current shipments under Heading 8714 whereas the goods are having the essential characteristics of finished article and based on the essential characteristics of the goods, goods are rightly classifiable under chapter Heading 8711, he stated that they received instructions directly through Mr. Sorabh, Partner of M/s. Greentech Services regarding classification of goods under either Heading 8714 or Heading 8711 with sr. no. 531A 1(b) (where standard rate of BCD is 25%).

2.9 Based on voluntary statement given by representative of the M/s. Greentech Services, it was revealed that Appellant was ready to re-assess the 09 Bills of Entry under Heading 8711 with sr. no. 531A 1(b) (where standard rate of BCD 25%). Further, Appellant submitted a letter dated 20.10.2022 addressed to the Commissioner of Customs, CH Mundra, wherein, they submitted that they agreed for reclassification of goods under Heading 8711 (where standard rate of BCD 25%) for 09 Bills of Entry. Appellant also requested to wave off interest and penalty to sustain the organization in the competitive market and to give relief from extra burden of interest and penalty and to release the containers as early as possible. On request of the Appellant, the impugned goods were released provisionally on submission of bank Guarantee of differential duty and submission of bond for full value by the adjudicating authority.

2.10 It appeared that the E-scooters/ E-bikes in CKD form imported by the Appellant M/s. Greentech Services have been mis-declared as "E-Scooter Spare Parts" and mis-classified as parts of e-bike/ e-scooter under CTH 8714. From the explanation of HSN explanatory notes, it transpires that even if the bike is imported without fitted with the wheels or tyres and battery, it merits classification as the corresponding complete or finished vehicle provided it has the essential character of the E-bike/ E-scooter, within the ambit of Rule 2(a) of General Rules for Interpretation of Import Tariff. Whereas, on the reasonable belief that the Appellant had imported the parts and components of E-bike and the second class of the said goods under CTH 8714, instead of correct CTH 8711 men and the second class of port restriction of said imported goods, the subject goods imported under Bill of Entry mentioned in Table I by M/s. Greentech

Services Agency were seized under Seizure Memo 24-11-2022 with directions to not deal with, temper with or otherwise dispose of the said goods without obtaining the prior permission from the SIIB Section, Customs House, Mundra.

2.11 Investigations revealed that they imported a consignment which could assemble and erect 75% to 80% of numerous e-Scooters under the guise of spare parts. The consignment did not have any Batteries, Chargers and Tyres required for an e-Scooter. Whereas, an import of a e-scooter without a battery, its charger and Tyres are reasonably justified as majority wear and tear of any e-scooter that occurs are on the battery and tyres. In view of the licensing notes to Chapter 87 ITC (HS) of Foreign Trade Policy 2015-2020, import of new vehicles is restricted from the Port of Mundra thus, the Appellant tried to import it as e-Scooter spare parts. The differential duty applicable on the goods after classifying the goods under CTH 87116020, categorically under Serial No. 531A(2) of Notification No.50/2017 dated 30-06-2017 is shown in Table-II as under:

Table-II

Sr No	BOE	Date	Assessable value (in ₹)	Total Duty in BE (under CTH 87141090 @ BCD 15% & IGST:28%)(IN Rs.)	Revised Total Duty under CTH 87116020 with Notn. 50/2017 Sr. No. 531A(2) @ BCD:50% & IGST : 5% (in Rs.)	Total Recoverable Amount (in Rs.)
1	2832203	11-10-2022	19,60,520	9,63,008	12,30,226	2,67,219
2	2745323	05-10-2022	36,72,880	18,04,119	23,04,732	5,00,614
3	2745322	05-10-2022	19,70,339	9,67,830	12,36,388	2,68,557
4	2330929	07-09-2022	22,90,254	11,24,973	14,37,134	3,12,162
5	2520611	20-09-2022	36,23,807	17,80,014	22,73,939	4,93,925
6	2520603	20-09-2022	27,60,911	13,56,160	17,32,472	3,76,312
7	2657214	29-09-2022	38,28,475	18,80,547	24,02,368	5,21,821
8	2657514	29-09-2022	18,81,447	9,24,167	11,80,608	2,56,441
9	2727091	04-10-2022	22,52,684	11,06,518	14,13,559	3,07,041
		Total	**2,42,41,317**	**1,19,07,335**	**1,52,11,427**	**33,04,092**

2.12 Therefore, M/s. Greentech Services, PI no. B 47, Flat No. 402, Sr. No. 94-97, Serenity, Pune-411045 were called upon to Show Cause Notice to the Additional Commissioner of Customs as to why: -

(i) The classification of the goods imported vide Bills of Entry mentioned in Table II should not be rejected and re-classified under Customs Tariff Heading 87116020 (with Notf. 50/2017 Sr. No. 531A (2)) of the

First Schedule to the Customs Tariff Act, 1975 and Customs Duty amount should not be re-assessed and determined at ₹ 1,52,11,427 (Rupees One crore fifty-two Lakhs Eleven Thousand four Hundred and twenty seven Only) accordingly;

(ii) The goods imported valued at Rs. 2,42,41,317 /- (Rupees Two crore forty-two Lakhs Forty-One Thousand three hundred and seventeen Only) as detailed in Table-II above and which have been seized vide Seizure Memo dated 24-11-2022 bearing DIN 20221171MO0000510085 should not be held liable for confiscation under the provisions of Section 111(d) and 111(m) of the Customs Act, 1962.

(iii) Penalty should not be imposed on them under the provisions of Section 112(a)(i) of the Customs Act, 1962 acts of commission and omission discussed herein above.

2.13 The above show cause notice was adjudicated by the Adjudicating Authority vide impugned order as under:

(i) He rejected the description of goods declared as "parts and components of e-scooters/ ebikes" and order to declare it as "E-Bikes /E-Scooters in CKD form" and further order to classify all the goods covered under impugned B/E's mentioned in Table-II under CTH 87116020.

(ii) He ordered for confiscation of the goods i.e. "E-Bikes / E-Scooters in CKD form' imported vide Bill of Entry No. 2520611 dated 20.09.2022 having assessable value of Rs. 2,42,41,317 /(Rupees Two crore forty-two Lakhs Forty-One Thousand three hundred and seventeen Only) under the provisions of Section 111(m) of the Customs Act, 1962. However, he gave an option to the Appellant to redeem the confiscated goods on payment of redemption fine of Rs.24,00,000 /- (Rs. Twenty-Four Lakhs Only) under Section 125 of Customs Act, 1962;

(iii)He imposed a penalty of Rs 2,00,000/-(Rupees Two Lakhs only) on M/s. Greentech Services under Section 112(a)(ii) of the Customs Act, 1962.

3. SUBMISSIONS OF THE APPELLANT:

Being aggrieved with the impugned order, the Appellant has filed the present appeals wherein they have submitted grounds which are as under:-

3.1 It is submitted that the Appellant had imported parts of e-scooter from M/s Wuxi Feihao International Trade Co. Ltd., China. The Appellant filed the respective Bills of Entry for each consignment, declaring the goods under CTH 8714 as parts and accessories of vehicles. The Basic Customs Duty under CTH 8714 was 15% at the time of import. However, the impugned order has held that the imported products were to be classified under CTH 8711 by application of ule 2 (a) of the General Interpretative Rules of the HSN.

3.2 Further, a relevant extract from the US Customs and Border Protection publication called "Tariff Classification", May 2004 is reproduced below -

> WHAT IS THE ESSENTIAL CHARACTER OF A PRODUCT?
>
> The term "essential character," as used in the GRIs, is not defined in the Harmonized System. As concerns that term, however, it is stated in the Explanatory Notes to the Harmonized System (which is an extrinsic interpretative aid to the Harmonized System that is discussed below) that the factor that determines the essential character of a good will vary as between different kinds of goods (i.e., essential character must be determined on a case-by-case basis). The essential character of a good, may, for example, be determined by the nature of the material or component, its bulk, quality, weight or value, or by the role of a constituent material in relation to the use of the goods. Other factors may be considered in determining the essential character of a product.

3.3 The rule 2(a) and its explanatory notes make it clear that parts (incomplete or unassembled) are required to be classified as the whole when the parts, as presented, possess the essential characteristics of the whole. If the parts as presented do not possess the essential characteristic of the whole, then the said rule is not applicable. The impugned order has failed to establish how the impugned import consignments have possessed the essential characteristics

of the e-scooter (CTH 8711) to be classified so, especially when the crucial component of chassis/frame was absent in the imported consignment. The Australian Department of Immigration and Border Protection as published a guide on classifying Incomplete Vehicles, 2015 and a relevant extract from the said publication is extracted below -

> How do we assess the essential character of incomplete motor vehicles? Essential character relates to the identity of the good. A vehicle build that has reached the stage where it has sufficient features to define it as a vehicle, regardless of whether or not it is currently assembled, has the essential character of a vehicle.
>
> Goods that have reached this stage will have become more than a part or sub-assembly to be added to a vehicle being assembled. Instead, they are an incomplete vehicle awaiting the addition of parts for completion.
>
> A drive train, for example, is clearly dedicated for use in a vehicle, but it is still only a subassembly, a 'part', and not an incomplete vehicle. Being dedicated for use in a vehicle is not a basis for determining character.
>
> The question of whether the good is driveable is also not the basis for determining character. A car or truck, for example, which is missing the battery, will not work but it is still clearly identifiable as a car or truck. The absence of such essential systems or parts simply indicates that the good is incomplete. However, the goods must possess those systems or parts that are central to the character of the goods.
>
> The following goods are treated as complete vehicles under the direction of the legal Notes:
>
> - a chassis and cab; or
> - vehicles without engine and/or gearbox.
>
> Other forms of substantially complete vehicles may also be treated as complete vehicles under Interpretive Rule 2(a). It is not possible to supply exhaustive examples of substantially complete vehicles in this guide. When importing partial vehicles, the state of the goods on importation needs to be considered in determining if they have the essential character of a vehicle.

3.3 As brought out in this explanation, "the state of the goods on importation needs to be considered in determining if they have the essential character of a vehicle". In the instant case, the state of goods on importation was examined and reported by the Government approved Chartered Engineer, Shri Tushar Zankat. His report explicitly states about the absence of major components & their applications. The same has been discussed in the impugned order.

3.4 The said report of the Govt appointed chartered engineer is part of the investigation which led to the SCN and eventually to this impugned order. This report holds that all the four absent components are essential parts in as much as:

i. Battery is the energy source for the prime mover as compared to conventional vehicle where engine is the primary source of power.

ii. Tyres are also stated to be essential as it provides the contact of road to vehicle,

iii. Frame is the skeletal body as well as the base structure and;

iv. Controller has the vital role in controlling the power supply as accelerator input.

3.5 The show cause notice has failed to establish as to how in the absence of above parts [which are all essential and crucial] the imported parts/components, have the essential character of the complete or finished goods, so as to attract the provisions of rule 2 (a) of the said rules. It is pertinent to note here that the Hon'ble High Court of Madras in Commissioner of Customs (Port-Import), Chennai vs. Authority of Advance Rulings, CENTRAL EXCISE, CUSTOMS AND SERVICE TAX, NEW DELHI (2024) 22 Centax 393 (Mad.) has relied on CBIC circular in F.No.528/128/97-Cus-Tu dated 05.12.1997 to hold that Chassis is an essential component of motor vehicles. The relevant part of the said order is extracted below:

"9. Having traced the history of the notification relating to import of Motor Vehicle in varying forms, it may be relevant to refer to Circular in F.No.528/128/97-Cus-Tu dated 05.12.1997, wherein it was clarified that the following parts could be construed as most essential to bring into effect a finished motor vehicle viz., Engine, Gear Box,

Chassis. Transmission Assembly System, Body/Cab, Suspension System, Axel Front and Rear. It was clarified that if all these components or parts or sub assemblies are imported, Rule 2(a) of the General Interpretative Rules would come into play since it is possible to take a view that when all these parts, components or sub assemblies when put together would have the essential character of a complete or finished motor vehicle. Importantly, it was also clarified that if a few of these components or parts of sub assemblies are not imported but are manufactured or purchased locally, it would then be difficult to take a view that the import of the other components or parts or sub assemblies has the essential character of a complete or finished motor vehicle. "

3.6 Since chassis/frame serves the same function in both electric and Internal combustion engine vehicles, a chassis is an equally essential component in electric vehicles as well. The impugned import consignments were devoid of chassis/frame and therefore they cannot be said to possess the essential characteristics of a e-scooter. Consequently, rule 2(a) is not applicable and the imports are rightly classified under CTH 8711. Only after the import, the essential components including frame/chassis are brought and then assembled into an e-scooter. At the stage of import, the essential component of frame/chassis is not present as far as the import consignments are concerned. Further, it has been laid down in the judgment of DUNLOP INDIA LTD. & MADRAS RUBBER FACTORY LTD. Versus UNION OF INDIA AND OTHERS 1983 (13) E.L.T. 1566 (S.C.) that the goods must be assessed in the state they are imported and not on the basis of any subsequent process that may apply on it. It has been specifically laid down that:

"30. The relevant taxing event is the importing into or exporting from India. Condition of the article at the time of importing is a material factor for the purpose of classification as to under what head, duty will be leviable. The reason given by the authority that V.P. Latex when coagulated as solid rubber cannot be commercially used as an economic proposition, as even admitted by the appellants, is an extraneous consideration in dealing with the matter. We are, therefore, not required to consider the history and chemistry of synthetic rubber and V.P. Latex as a component of SBR with regard to which extensive arguments were addressed by both sides by quoting from different texts and authorities.

31. It is well established that in interpreting the meaning of words in a taxing statute, the acceptation of a particular word by the Trade and its popular meaning should commend itself to the authority."

3.7 The aforementioned principle has been applied in the case of KRISLON TEXTURISER PVT. LTD. Versus UNION OF INDIA 1989 (44) E.L.T. 448 (Bom) which has been specifically laid down that:

"5. CVD must be levied on the goods as they are when they are imported. The goods here as they were when they were imported by the petitioners was POY of 115 deniers. It was liable to that rate of CVD as was provided for in respect of POY of 115 deniers. That rate was, as the petitioners rightly contend, Rs. 61.25 per kg.

6. It is not for the Customs authorities knowingly to misapply the provisions, though they do it, in their light, to protect the interests of the Revenue. If they feel that a particular provision goes against the interests of the Revenue they may so point out to the appropriate authorities so that the requisite amendments or alterations may be considered. They are bound to apply the provisions regardless of what such application may do, in their view, to the interests of the Revenue. "

3.8 That the aforementioned judgment has attained finality by the Hon'ble Apex court in the case of VARELI WEAVES PVT. LTD. Versus UNION OF INDIA 1996 (83) E.L.T. 255 (S.C.) [27-02-1996] where it has been laid down that:

"3. Learned Counsel for the appellants submitted that there was no warrant for levying countervailing duty upon imported goods at a stage they would reach subsequent to their import after undergoing a process. They had to be subjected to duty in the state in which they were when imported. Reference was made to the judgment of a Single Judge of the Bombay High Court in Krislon Texturiser Pvt. Ltd. v. Union of India, 1989 (44) E.L.T. 448 [S.P. Bharucha, J.], which was followed by a Division Bench of the High Court of Gujarat in Special Civil Application No. 1165 of 1983, Vareli Exports Pvt. Ltd and Another v. Union of India and Others where it was so held.

4. Learned counsel for the respondent fairly stated that the view taken in these judgments was unassailable.

5. The circular upon the basis of which the duty was levied having been issued in Delhi, the Delhi High Court had jurisdiction to entertain and try the appellants' writ petition.

6. Countervailing duty must be levied on goods in the state in which they are when they are imported. Section 3 of the Customs Tariff Act so mandates. The POY imported by the appellants fell in the slot of 100 deniers and above but not above 750 deniers. It was, therefore, liable to that rate of countervailing duty as was provided for in the said clause (iv) of the exemption notification. There was no warrant for the levy of countervailing duty as provided for in the said clause (iii) upon the basis that, subsequent to the process of texturising the POY that was imported would have the denierage therein stated.

7. The Civil Appeal is, therefore, allowed and the order of the Delhi High Court is set aside. The Writ Petition filed by the appellants before the Delhi High Court is allowed. The bank guarantee furnished by the appellants pursuant to the order of this Court dated 2nd May, 1983, shall stand discharged. "

3.9 Therefore, by the ratio of these judgements, the goods as imported did not possess the essential characteristics of an e-scooter in the absence of the frame/chassis. Hence, rule 2(a) is not applicable and the imports are rightly classified under CTH 8711.

3.10 Notwithstanding the above, if the Appellate Authority is of the opinion that the impugned goods are to be classified under CTH 8711, then the sub-clauses under which duty liability is fastened under such classification needs to be scrutinised. The Adjudicating Authority has erroneously held that the imported goods are to be classified under CTH 87116020 under clause (2) of Serial No. 531A of Notification No.50/2017 dated 30-06-2017, whereas the more appropriate one is clause (1)(a). It is pertinent to note at the very onset that the entry at S.No.531 is exactly similar as that of S.No. 531A except that entry at S.No. 531 pertains to Motor Vehicles (which are not electrically operated) and entry at S. No.531A pertains to electrically operated vehicle. This explanation at entry no. 531 is not there. It has been intentionally incorporated at the entry no. 531A, so that to make it amply clear that even in absence of one part not being imported, the importer shall not be dis-entitled from the reduced duty

burden at clauses (1)(a) and (1)(b). So, in any case charging BCD @ 50% is not at all legally sustainable.

3.11 A bare reading of the aformentioned entry from the notification, it can be observed that CTH 8711 at Sr.no. 531A has been divided in two parts namely: -

1) As a knocked down unit whether incomplete or unfinished, containing all the necessary components, parts or sub-assemble, for assembling a complete vehicle. Serial. No. 1 can further be classified into two parts which are:

a) if the components are not interconnected with each other and not mounted on a chassis they attract a Standard duty rate of 15%; and

b) if the components are interconnected with each other but not mounted on a chassis they attract a duty of 25%.

2) In form other than Serial No. I mentioned above which attracts a duty of 50%.

3.12 Furthermore, in the explanation provided under Section 531A, it has been unequivocally affirmed that exemptions under sub-clauses l(a) and I(b) remain applicable even in instances where one or more components necessary for assembling a complete vehicle are not imported. The omission of such components does not preclude the classification of the goods under Customs Tariff Heading (CTH) 8711 (1) of the Customs Tariff Act, 1975. That from the explanation, it is clear that even if some of the components required for assembling an electric vehicle are not imported, the benefit of concessional BCD rate would still be available if the kit is classified under 8711 as the complete e-scooter. The Explanatory Memorandum to Finance Bill, 2022 (Pg. 89) also clarifies that even if some components are missing in the electric vehicle kit, the benefit of concessional rate of duty would still be available, provided that the kit as presented has the essential character of an electric vehicle.

3.13 In the present case even if it is held that the goods which have been imported by the appellant are liable to be classified under CTH 8711, the duty liability of 15% is applicable under Clause (1)(a) of Sl No 531A of the Notf 50/2017-Customs. This is because the impugned goods when imported were neither inter-connected with each other and nor mounted on a chassis. No reason is given in the impugned Order or SCN as to why the liability under

Clause (2) of SI No 531A has been fastened and why the classification under Clauses (1) (a) or (1)(b) have not been held to be applicable. The notification has prescribed three different rates of customs duty as elaborated above and the impugned order has been non-speaking in so far as rejecting the concessional rates and fastening the higher rate of 50% on the Appellant. Therefore, if it is held that the applicable classification is CTH 8711, then the Appellant is liable to duty under clause (1)(a) of Sl no 531A as discussed supra. Since this duty is also 15% there shall be no differential demand in that case.

3.14 The appellant wishes to submit that the relevant documents pertaining to the said import have been submitted and there is no suppression of facts or misdeclaration. The difference of opinion is only with regard to the classification of the impugned goods. Classification being an interpretational issue, cannot be a misdeclaration. Therefore, the appellant has not indulged in any misdeclaration, much less with the intent to get any undue benefit of exemption. The burden of proving any form of mala fide on the part of the appellant is on the hands of the department alleging it. In this regard, reliance is placed on LInizvorth Textiles Ltd. v. Commissioner of Central Excise, Raipur, 2013 (288) E.L.T. 161 (S.C.), wherein Hon'ble Supreme Court had held that burden of proving any form of mala fide lies on the shoulders of the one alleging it and the assessee is not under the obligation to prove claim of bonafide conduct that there was no suppression. Except for making a bald allegation followed by a non-reasoned finding that the appellant has availed exemption with an intention to evade tax and relying on selective portions of the coercive statements recorded, the order does not establish malafide on the part of the appellant. Therefore, it is submitted that the department having failed to establish how the appellant had suppressed facts or wilfully misdeclared the classification with intent to evade the payment of duty, cannot hold that mens rea is involved. Further, the allegation or fact (as per the department) that the appellant has mis-classified the goods cannot be a proof to hold that the same has been done with an intention to evade payment of customs duty. Reliance in this regard is placed on the order of Hon'ble CESTAT in C.C. Kolkata v. Satyanarayan Impex Pvt Limited, 2019 (370) E.L..T. 1304 (Tri.-Kol), wherein it was held that mere non-payment of tax cannot substantiate allegation of suppression. Similarly, the fact that because of the classification adopted by the appellant, they availed exemption does not by itself establish mens rea.

3.15 Section 111 of the Customs Act, 1962 deals with confiscation of

goods improperly imported into India. Sub-section (m) of Section 111 of Customs Act, 1962 provides for confiscation of goods where there is a mis-declaration of value or description of such goods with the entry made under the Cstoms Act.

> *Section 111(m) -- (any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act or in the case of baggage with the declaration made under section 77 [in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54];*

In this regard, the appellant has stated that the classification of the said goods was correct and the description of goods in the BOEs was accurate. That without prejudice, even if the contention of the department that the goods are classifiable under CTH 8711 is accepted, the duty is to be imposed as applicable under clause 1(a) of Sl No 531A of the Notf No 50/2017 dated 30.06.2017 which has the same duty of 15% as that of goods classified under CTH 8714, thereby causing no unlawful gains to the appellant or unlawful harm to the public exchequer. Such classification disagreement is a question of interpretation and does not amount to mis- declaration of the description of goods imported. The appellant has submitted that for an offence contemplated under Section 111 of the Customs Act, 1962, which warrants confiscation, mens rea is an essential ingredient. When there is no mala fide motive behind the imports, the provisions of Section 111 of the Customs Act, 1962 do not have any application. This is the ratio of the judgment by Hon'ble Calcutta High Court in Opal Exports Pvt. Ltd. v..Collector of Customs [1992 (60) ELT 232 (Cal.) where it was specifically held that:

> *'The petitioner having imported the consignment in question under the bona fide and correct belief that the subject goods were spare parts of measuring instruments, and there being no mala fide motive behind the importst the provisions of Section 111 of the Customs Act do not and cannot have any application inasmuch as mens rea is an essential ingredient for an offence contemplated under Section 111 of the Act. The show cause notice, therefore does not even prima facie disclose the offence or violation alleged. The show cause notice is, therefore, liable to be quashed".*

3.16 The imported goods are not liable to be confiscated under sub-section (m) of Section 111 of Customs Act, 1962 in the absence of mis-declaration of value, description or HSN code of the said goods. The detailed

submissions regarding the same are made in the above paragraphs. In view of the above submissions, the goods imported by the appellant are not liable to confiscation under Section 111(m) of the Customs Act, 1962 and therefore, the impugned order to the extent of holding that such goods are liable to be confiscated is not sustainable and the same is liable to be set aside.

3.17 The impugned order has imposed penalty under section 112. A bare reading of the above provision indicates that penalty is imposable under Section 112 only when goods are liable for confiscation in terms of Section 111 of the Customs Act, 1962. In view of the foregoing submissions on merits, as there is no mis-declaration of classification in the present case, the said goods are not liable for confiscation and when the said goods are not liable for confiscation, penalty in terms of Section 112 is not imposable. Therefore, the appellant pleads that the impugned order to the extent penalty is sought to be imposed under Section 112 is liable to be set aside. Without prejudice to the submissions that penalty is not imposable under Section 112 as there is no mis-declaration, assuming but not accepting that the classification is erroneous, the same was not done with any mala fide intention as the words "knowingly" and "intentionally" as mentioned in Section 114AA. Therefore, the penalties under Sections 112 of the Customs Act, 1962 cannot be imposed. Hon'ble CESTAT, Bangalore in Agarwal Industrial Corporation Ltd. v. Commissioner of Customs, Mangalore [2020 (373) ELT 280 (Tri.-Bang)] set aside the penalty imposed under Section 112(a) and Section 114AA of the Customs Act, 1962 on - the ground that there is no mala fides brought on record. The bald allegation in the SCN that the Appellant ought to know the correct classification and availment of higher benefit presupposes malafide is baseless and does not invite the rigours of Section 112.

PERSONAL HEARING:

4. Personal hearing was granted to the Appellant on 12.06.2025, following the principles of natural justice wherein Shri Arjun Raghavendra M along with Shri Aditya Sarin, Advocates attended Personal Hearing and they re-iterated the submission made at the time of filing the appeal. They particularly relied on the case law M/s. Battre Electric Mobility Pvt. Ltd. Versus Principal Commissioner of Customs, New Delhi by emphasising that the said proceedings are covered and even if the contention qua classification (as confirmed in the order is accepted), the Appellant will be entitled to the benefit of Notification No.

50/2017-Cus. dated 30 June 2017 (as amended by Notification No. 3/2019-Cus. dated 29 January 2019, and further by Notification No.1/2020-Cus. dated 2 February 2020 (S. No. 531A(1)(a))) and the appellant had anyway paid duty at 15% ad valorem, and hence there can be no demand of differential duty. They subsequently prayed that the proceedings on confiscation and penalty also may be dropped. They also submitted additional written submission as under:

4.1 The appellant has submitted that the imported goods are rightly classifiable under Customs Tariff Heading 8714, which covers "parts and accessories of vehicles of headings 8711 to 8713". This classification was adopted consistently by the appellant while filing nine Bills of Entry during the relevant period and is supported by the very nature of the goods themselves. The description "Electric Scooter Spare Parts" was accurately declared in the import documents. These goods were imported as standalone components, which individually do not possess the essential character of a complete or finished vehicle. It is important to note that the scope of Rule 2(a) of the General Interpretative Rules only applies when the imported goods, as presented, possess the essential character of the complete or finished product. In the present case, crucial components such as the battery, controller, tyres, and chassis/frame were not imported. These parts are fundamental to the assembly and functioning of an electric scooter. The Chartered Engineer's report relied upon by the department itself notes the absence of these components. Without them, the kits do not exhibit the essential character of a complete vehicle.

4.2 The Chartered Engineer's report dated 04.11.2022, issued by Shri Tushar Zankat, a Customs-empanelled expert, forms a critical piece of evidence in the present matter and categorically affirms that several essential components required to assemble and operate an electric scooter—namely the battery, tyres, frame, and controller—were not present in the imported consignments. While the report notes that approximately 75-80% of the components necessary for functionality were imported, it expressly emphasizes that the missing items are foundational to the vehicle's essential character. The battery, akin to the engine in a conventional vehicle, is indispensable as the primary energy source; the tyres ensure contact with the road and enable movement; the frame serves as the structural backbone upon which other parts are assembled; and the controller regulates the power supply from the battery to the motor, making it central to operational control. The absence of these core components unequivocally undermines the classification of the goods as a complete or

substantially complete electric scooter under CTH 8711, and affirms that the consignment does not possess the essential character required to invoke Rule 2(a), thus justifying classification under CTH 8714.

4.3 Further, as per multiple judicial precedents including Dunlop India Ltd. and Krislon Texturiser Pvt. Ltd., classification must be based on the condition of the goods at the time of importation. A classification cannot be made based on the intended use or subsequent assembly of goods post-import. The goods must be assessed in the form they are imported. In the present case, the imported consignments were parts in themselves, and not an unassembled vehicle. That specific portion of Dunlop India Ltd. & Madras Rubber Factory Ltd. Vs. Union Of India & Ors. 1983 (13) E.L.T. 1566 (SC) is produced herein below:

> *30. The relevant taxing event is the importing into or exporting from India. Condition of the article at the time of importing is a material factor for the purpose of classification as to under what head, duty will be leviable. The reason given by the authority that V.P. Latex when coagulated as solid rubber cannot be commercially used as an economic proposition, as even admitted by the appellants, is an extraneous consideration in dealing with the matter. We are, therefore, not required to consider the history and chemistry of synthetic rubber and V.P. Latex as a component of SBR with regard to which extensive arguments were addressed by both sides by quoting from different texts and authorities.*
>
> *31. It is well established that in interpreting the meaning of words in a taxing statute, the acceptation of a particular word by the Trade and its popular meaning should commend itself to the authority.*

4.4 Accordingly, the classification under CTH 8714 is not only legally tenable but also factually accurate. The goods lack essential systems that would allow them to be considered substantially complete vehicles. As such, invoking Rule 2(a) to reclassify the goods under CTH 8711 is misplaced and contrary to the principles established under the Customs Tariff and relevant judicial rulings. The appellant therefore submits that the original classification under CTH 8714 must be upheld.

4.5 Without prejudice to the above submissions, and assuming but not admitting that the goods fall under CTH 8711, the appellant submits that even

under this classification, the goods are covered by Clause (1)(a) of Sl. No. 531A of Notification No. 50/2017-Customs (Tariff) dated 30.06.2017, and not Clause (2), as erroneously held in the impugned order. The classification and duty implications for electrically operated vehicles under Serial No. 531A of Notification No. 50/2017-Cus. have undergone significant clarifications through amendments. The chronological development is as follows:

- Original Notification No. 50/2017 (30.06.2017): Serial No. 531 was introduced to cover the the rate of taxation on import of all motorcycles, included but not limited to escooters. It specifically prescribed the rate of tax for all Motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side cars, and side cars, new, which have not been registered anywhere prior to importation.

- Amendment vide Notification No. 03/2019 (01.02.2022, effective 30.01.2019): Vide the aforementioned amendment, Serial No. 531 was restricted to non-electric motorcycles, as after the words, "an auxiliary motor,", the brackets and words, "(excluding electrically operated motorcycles and cycles)" were inserted; , while Serial No. 531A was introduced Electrically operated motor cycles. Serial No. 531A.

- Amendment vide Notification No. 02/2022 (01.02.2022, effective 02.02.2022): The statutory framework governing Serial No. 531A of Notification No. 50/2017-Cus. underwent a critical clarification through an amendment introduced vide Notification No. 02/2022-Customs dated 01.02.2022. A pivotal Explanation was inserted to resolve ambiguities regarding the eligibility of concessional Basic Customs Duty (BCD) rates for electric vehicle (EV) kits. The Explanation explicitly states:

  "For the removal of doubts, the exemption contained in the items (1)(a) and (1)(b) of this entry shall be available, even if one or more of the components, parts or sub-assemblies required for assembling a complete vehicle are not imported in the kit, provided that the kit as presented, is classifiable under the heading 8711 of the Customs Tariff Act, 1975 as per the general rules of interpretation."

- This amendment was further elucidated in TRU Letter (DOF No. 334/01/2022-TRU dated 01.02.2022), which clarified that the revisions

to Serial Nos. 525, 526A, and 531A were driven by representations from trade and field formations seeking clarity on the scope of these entries. The TRU Letter emphasized that the changes were "clarificatory" in nature, aimed at removing interpretational doubts while retaining the existing BCD rates for EVs. Notably, the amendment reinforced that CKD/SKD kits missing certain components could still qualify for concessional duty under Serial No. 531A(1)(a) or (b), provided the imported consignment retained the "essential character" of a vehicle classifiable under CTH 8711. The legislative intent, as reflected in the TRU Letter, was to ensure uniformity in the application of tariff rules while promoting domestic assembly of EVs.

4.6 Clause (1)(a) specifically deals with electrically operated vehicles imported in a knocked-down kit form, where none of the components are inter-connected and not mounted on a chassis. The appellant's import clearly satisfies this criterion: the components were not interconnected, and the consignment did not include any chassis or frame structure. Therefore, the goods fall squarely within the scope of SI. No. 531A(1)(a), attracting a BCD rate of 15%, the same as what was paid under CTH 8714.

4.7 The Explanation to SI. No. 531A introduced vide Notification No. 02/2022 dated 01.02.2022 clarifies that the benefit of Clause (1)(a) or (1)(b) remains available even if one or more of the components are not imported, provided the kit is classifiable under CTH 8711. This reinforces the legislative intent that even incomplete kits can enjoy concessional rates under Clause (1), provided the components are not inter-connected and are unmounted.

4.8 In the present case, the impugned order has offered no reasoned analysis for rejecting the applicability of Clause (1)(a) and instead invoking Clause (2), which carries a 50% duty. This is both factually incorrect and legally unsustainable. The goods neither resemble a complete vehicle nor qualify for the higher duty under Clause (2), which is meant for imports in forms other than knocked-down kits. Hence, even under CTH 8711, the appropriate classification. That a tabular representation of the aforementioned position is reproduced herein below:

Date / Notification	Provision/Serial No.	Amendment / Clarification	Remarks
30.06.2017 (Original Notification No. 50/2017-Cus.)	Serial No. 531	Covered all motorcycles (including mopeds and cycles fitted with auxiliary motors) not registered prior to importation.	No separate entry for electrically operated vehicles.
01.02.2019 (effective 30.01.2019) Notification No. 03/2019-Cus.	Serial No. 531 (Amended) New Serial No. 531A introduced	Inserted: "(excluding electrically operated motorcycles and cycles)" under Serial No. 531. Introduced Serial No. 531A for electrically operated motor cycles.	Demarcated electric vehicles from conventional ones.
01.02.2022 (effective 02.02.2022) Notification No. 02/2022-Cus.	Serial No. 531A	Inserted Explanation: "For the removal of doubts, the exemption contained in the items (1)(a) and (1)(b) of this entry shall be available, even if one or more of the components, parts or sub-assemblies required for assembling a complete vehicle are not imported in the kit, provided that the kit as presented, is classifiable under the heading 8711 of the Customs Tariff Act, 1975 as per the general rules of interpretation."	Clarified that even incomplete CKD/SKD kits could avail concessional BCD under 531A(1)(a) or (b).
01.02.2022 TRU Letter (DOF No. 334/01/2022-TRU)	Explains Notification No. 02/2022	Emphasized the clarificatory nature of the amendment to 531A, stating that incomplete kits may still enjoy concessional rates if classifiable under CTH 8711.	Reinforced legislative intent.

4.9 The invocation of Section 28(4) of the Customs Act, 1962, on the allegation of wilful misstatement or suppression of facts is wholly misplaced in the instant matter. It is a well-established principle that a difference in interpretation or classification of goods does not amount to suppression of facts or misdeclaration. The entire basis of the Show Cause Notice and the impugned order rests on a difference in classification, which is an interpretative issue and does not ipso facto establish mala fide intent. That it has been categorically laid down by the Hon'ble Supreme Court in Northern Operating Systems Pvt. Ltd. v. CCE & ST, Bangalore [2022 (61) G.S.T.L. 129 (S.C.)], that where the dispute pertains to interpretation of legal provisions, such as classification or taxability under an ambiguous statutory framework, the extended period of limitation cannot be invoked in the absence of wilful suppression or deliberate misstatement. The Court emphasized that a bona fide belief regarding the applicability of law, particularly in matters involving classification or valuation, cannot be equated with fraudulent intent or conscious evasion. The provisions of Section 73(1) of the Finance Act, 1994 invoked in that case are pari materia to Section 28(4) of the Customs Act, 1962, both being penal in nature and requiring the same strict standard of proof. Thus, in the absence of any positive act indicating intent to mislead or suppress, the mere difference in interpretation

between the appellant and the Department is insufficient to sustain invocation of the extended limitation period under Section 28(4). The Hon'ble Supreme Court in Uniworth Textiles Ltd. v. Commissioner of Central Excise, 2013 (288) E.L.T. 161 (S.C.), held that the burden of proving suppression or fraud lies squarely on the department. The Court clarified that unless there is clear evidence of intent to evade duty, mere non-declaration or erroneous classification cannot justify invocation of the extended limitation period. In the present case, the appellant disclosed all material facts including product descriptions, supplier details, and technical specifications, and followed the prevailing practice of classifying such parts under CTH 8714.

4.10 The appellant's bona fides are further evident from the consistent classification of the goods, full disclosure in the Bills of Entry, and absence of any attempt to mislead customs authorities. The difference in classification is a matter of technical interpretation, backed by legal precedents and departmental clarifications. Therefore, the invocation of the extended limitation period under Section 28(4) is legally unsustainable and must be set aside.

4.11 The appellant respectfully submits that the goods in question are not liable to be confiscated under Section 111(m) of the Customs Act, 1962, as there has been no misdeclaration of the nature or value of the goods. The classification of the goods under CTH 8714 was made based on the appellant's bona fide interpretation, consistently applied across nine Bills of Entry, with all product details accurately disclosed. Even assuming without admitting that the correct classification is under CTH 8711, the description "Electric Scooter Spare Parts" in the import documents remains factually correct. The appellant did not conceal any material facts; rather, they fully declared all relevant specifications and supported the classification with technical documentation and industry precedent. It is trite law that classification disputes, being matters of legal interpretation, cannot by themselves give rise to a finding of misdeclaration. The Hon'ble Calcutta High Court in Opal Exports Pvt. Ltd. v. Collector of Customs [1992 (60) E.L.T. 232 (Cal.)] categorically held that in the absence of mala fide intent or mens rea, Section 111 has no application. The Court observed that when goods are imported under a bona fide belief, the provisions of Section 111—being penal in nature—cannot be invoked. In the present case, there has been no evidence of false declaration, nor any mens rea to defraud the revenue. On the contrary, the classification adopted has legal backing and has been transparently disclosed at all stages. Accordingly, the invocation of Section

111(m) is both factually unwarranted and legally unsustainable, and the order of confiscation is liable to be set aside in toto.

4.12 The imposition of penalty of ₹2,00,000/- under Section 112(a)(ii) of the Customs Act, 1962 is wholly unsustainable in the facts of the present case. As per the text of Section 112, the precondition for imposition of penalty is that the act or omission must render the goods liable to confiscation under Section 111. In the instant matter, as submitted in the foregoing ground, the imported goods are not liable to confiscation under Section 111(m), as there is neither a misdeclaration of description nor concealment of value or material facts. Accordingly, in the absence of a valid confiscation, the foundational requirement for invoking Section 112 also falls away. Without prejudice, assuming but not admitting that there was any misclassification, the same was at best a consequence of interpretational ambiguity and not a deliberate attempt to evade duty. The Hon'ble CESTAT in Agarwal Industrial Corporation Ltd. v. Commissioner of Customs [2020 (373) E.L.T. 280 (Tri.-Bang.)] held that a penalty under Section 112 cannot be sustained in the absence of malafide intent or knowledge of wrongful conduct. Similarly, the Hon'ble Supreme Court in Unworth Textiles Ltd. v. Commissioner of Central Excise [2013 (288) E.L.T. 161 (S.C.)] reaffirmed that the burden of proving mala fides lies squarely on the department and cannot be presumed from mere misclassification. In the present case, the department has failed to discharge this burden. The appellant has always acted in good faith, with transparent disclosures and reliance on available legal interpretations. Hence, the penalty imposed under Section 112 is liable to be quashed.

DISCUSSION AND FINDINGS:

5. I have carefully gone through the case records, impugned order passed by the Additional Commissioner, Custom House, Mundra and the defense put forth by the Appellant in their appeal. The Appellant has filed the present appeal on 11.04.2025. In the Form C.A.-1, the Appellant has mentioned the date of communication of the Order-In-Original dated 04.01.2025 as 12.01.2025. Hence, there is delay of 29 days in filing of appeal. In their application for condonation for delay, the appellant has submitted that the delay was caused due to the additional time gathering the requisite information was time consuming and led to the inadvertent delay in filing the appeal. It is further submitted that the impugned order incorrectly mentioned the period for filing

appeal as three months instead of sixty days which led to unintentional miscalculation in the deadline for filing the appeal. The delay upto 30 days in filing of appeal beyond the time limit of 60 days is condonable as stipulated under Section 128(1) of the Customs Act, 1962. Therefore, in the interest of justice, I take a lenient view and allow the appeal filed by the Appellant as admitted by condoning the delay of 29 days in filing appeal under the proviso to the Section 128(1) of the Customs Act, 1962.

5.1 The appellant has submitted a copy of the challan No. 2027635789 dtd 11.04.2025 towards payment of amount of Rs. 15,000/- towards 7.5% of penalty . As the appeal has been filed within the mandatory pre-deposit as per Section 129E of the said Act, the same is being taken up for disposal.

5.2 On going through the material on record, I find that following issues required to be decided in the present appeal:

(i) Whether the imported goods are correctly classifiable under CTH 8714 or CTH 8711.

(ii) Whether the benefit of Notification No. 50/2017-Customs (S. No. 531A) was correctly denied and which sub-clause is applicable.

5.3 The classification of the imported goods forms the bedrock of the entire dispute. The Appellant asserts that the goods are correctly classified as "parts" under CTH 8714, while the Adjudicating Authority reclassified them as "E-Bikes/E-Scooters in CKD form" under CTH 8711 by invoking General Interpretative Rule 2(a). The Appellant consistently declared the goods as "Electric Scooter Spare Parts" under CTH 8714, maintaining that these were standalone components that, individually or collectively in any single consignment, did not possess the essential character of a complete vehicle. A critical piece of evidence in this regard is the Chartered Engineer's (Shri Tushar Zankat) report dated 04.11.2022, which was relied upon by the department itself.

5.4 While the Chartered Engineer's report noted that approximately 75% to 80% of the components necessary for the e-scooter's functioning were present in the consignment, it explicitly highlighted the "ABSENCE OF MAJOR

COMPONENTS & ITS APPLICATIONS". The report specifically identified the following crucial components as missing:

- Battery: Described as "the essential part of electric scooter" and "the energy source for the prime mover (motor)," akin to an engine in a conventional vehicle, defining vehicle capacity and price.
- Tyres: Stated as "also the essential part to form an electric scooter as it provides the contact of road to vehicle and traction force to move the vehicle".
- Frame: Identified as "the skeletal body as well as base structure of the vehicle," upon which other components are built.
- Controller: Noted as "an essential electronic component... having a vital role in controlling the power supplying to the motor from the battery".

5.5 The Appellant further provided a comprehensive list of 193 parts, indicating that only 85 were imported, while 108 were not. This list included other critical components such as the motor speed controller, charger, hub motor, instrument cluster, and wiring harnesses. The Adjudicating Authority's reliance on the Chartered Engineer's report to support classification under CTH 8711 appears to be based on a selective interpretation. While the report mentions a high percentage of components present (75-80%), it simultaneously and explicitly identifies the absence of critical, foundational components that are indispensable for the vehicle's essential character. This creates a direct internal contradiction in the reasoning presented in the impugned order. The quantitative presence of many parts does not automatically confer "essential character" if the qualitatively most important parts are missing. A vehicle fundamentally lacks its essential character without a frame, a primary power source, or a central control unit, irrespective of the presence of numerous other minor components.

5.6 A fundamental principle of Customs law dictates that classification must be based on the condition of the goods at the time of importation, not on their intended use or subsequent assembly post-importation. The taxing event occurs at the point of import, and the state of the article at that precise moment is the material factor for classification. The Hon'ble Supreme Court in Dunlop India Ltd. & Madras Rubber Factory Ltd. v. Union Of India & Ors., 1983 (13)

E.L.T. 1566 (SC), unequivocally held that *"The relevant taxing event is the importing into or exporting from India. Condition of the article at the time of importing is a material factor* for the purpose of classification as to under what head, duty will be leviable". This principle was further affirmed in Krislon Texturiser Pvt. Ltd. v. Union of India, 1989 (44) E.L.T. 448 (Bom), which stated that "CVD must be levied on the goods as they are when they are imported" , and subsequently upheld by the Supreme Court in Vareli Weaves Pvt. Ltd. v. Union of India, 1996 (83) E.L.T. 255 (S.C.), which mandated that 'Countervailing duty must be levied on goods in the state in which they are when they are imported. Section 3 of the Customs Tariff Act so mandates".

5.7 The impugned order's reclassification implicitly relies on the potential for the imported parts to be assembled into a complete e-scooter after local procurement of missing components. This approach, however, directly contravenes the established Supreme Court jurisprudence. If essential components like the battery, frame, tyres, and controller are missing at the time of import, the goods, as imported, do not possess the essential character of a complete vehicle, regardless of what might be added later through local procurement. Therefore, the classification adopted in the impugned order, being based on a future state or intended use, is legally impermissible under these precedents.

5.8 General Interpretative Rule 2(a) provides that *"Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential-character of the complete or finished article"*. The Explanatory Notes to the Harmonized System of Nomenclature (HSN) clarify that the "essential character" is not uniformly defined but "will vary as between different kinds of goods" and "must be determined on a case-by-case basis". Factors such as "the nature of the material or component, its bulk, quality, weight or value, or by the role of a constituent material in relation to the use of the goods" may be considered.

5.9 Crucially, the Madras High Court in Commissioner of Customs (Port-Import), Chennai vs. Authority of Advance Rulings, 2024 (22) Centax 393 (Mad.), relying on CBIC circular F.No.528/128/97-Cus-Tu dated 05.12.1997, observed that if "a few of these components or parts of sub assemblies are not imported but are manufactured or purchased locally, it would then be difficult

to take a view that the import of the other components or parts or sub assemblies has the essential character of a complete or finished motor vehicle". This judgment specifically identified the chassis as an essential component.

5.10 The Adjudicating Authority's assertion of "essential character" in the impugned order is undermined by the explicit absence of foundational components like the chassis/frame, battery, and controller, as confirmed by the department's own Chartered Engineer's report. These components are universally recognized as central to a vehicle's identity and functionality. The argument that 75-80% of components are present is a quantitative assessment that fails to address the qualitative impact of the missing critical elements on the "essential character." A vehicle without its structural backbone (frame/chassis) or primary power source (battery) or its central operational control (controller) fundamentally lacks its essential character, regardless of how many other minor parts are present. The omission of such critical components, as confirmed by the department's own expert, renders the application of GRI 2(a) to classify the goods as a complete e-scooter untenable.

5.11 The impugned order failed to establish how, for each of the nine Bills of Entry, the imported goods possessed the essential characteristics of an e-scooter, especially given the confirmed absence of crucial components like the chassis/frame, battery, tyres, and controller. The reliance on the Chartered Engineer's report was selective, overlooking the explicit mention of these missing essential parts.

5.12 A direct and binding precedent on this matter is the judgment of the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in M/s. Battre Electric Mobility Pvt. Ltd. v. Principal Commissioner of Customs, New Delhi, Final Order No. 50311/2025, dated 17.02.2025 reported at 2025 (2) Tmi 639 – Cestat New Delhi. In a case strikingly similar to the present one, involving the import of e-scooter parts and reclassification under CTH 8711, CESTAT explicitly ruled that *"Each Bill of Entry must be assessed by itself and there is no provision in the Customs Act to combine the goods imported under more than one Bill of Entry to decide the classification and assess duty"*. The Tribunal further found that the Show Cause Notice and the impugned order in Battre Electric failed to show how, in each of the 26 Bills of Entry, the goods imported themselves would be sufficient to consider them as e-Scooty applying GRI 2(a).

It concluded that the classification of parts as e-scooter could not be sustained due to lack of evidence for each Bill of Entry.

5.13 The principle established in Battre Electric applies squarely to the present case. The impugned order here similarly fails to demonstrate how each of the nine Bills of Entry, individually, satisfies the "essential character" test under GRI 2(a). The very premise of the Adjudicating Authority's classification—clubbing multiple Bills of Entry—is legally flawed.

5.14 Furthermore, in SAB Electronics Ltd. v. Commissioner of Customs, New Delhi, Final Order Nos. 155-157/2001-B, dated 27-3-2001, it was held that Rule 2(a) is not attracted if the components were imported at different times and not presented in unassembled condition, and where the Revenue did not show that complete goods were split across consignments. This reinforces the argument that the imported consignments, being incomplete and not presented as disassembled complete units, do not warrant classification under CTH 8711. The qualitative deficiency arising from the absence of essential components, coupled with the legal imperative for individual assessment of Bills of Entry, renders the classification adopted in the impugned order unsustainable.

5.15 Even if, for the sake of argument and without conceding the primary classification, the goods were to be classified under CTH 8711, the Appellant contends that the Adjudicating Authority erroneously applied the higher duty rate under S. No. 531A(2) of Notification No. 50/2017-Customs, instead of the concessional rate under S. No. 531A(1)(a).

5.16 The statutory framework governing S. No. 531A of Notification No. 50/2017-Customs underwent significant clarification through Notification No. 02/2022-Customs dated 01.02.2022 (effective 02.02.2022). This amendment inserted a pivotal "Explanation" to S. No. 531A, explicitly stating: "For the removal of doubts, the exemption contained in the items (1)(a) and (1)(b) of this entry shall be available, even if one or more of the components, parts or sub-assemblies required for assembling a complete vehicle are not imported in the kit, provided that the kit as presented, is classifiable under the heading 8711 of the Customs Tariff Act, 1975 as per the general rules of interpretation".

5.17 This amendment was further elucidated by the TRU Letter (DOF No. 334/01/2022-TRU dated 01.02.2022), which clarified that these revisions were

"clarificatory" in nature, aimed at removing interpretational doubts and promoting domestic assembly of Electric Vehicles (EVs). The Explanatory Memorandum to the Finance Bill, 2022, similarly stated that "even if some components are missing in the EV kit, the benefit of concessional rate of duty available to CKD/SKD kits would still be available provided that the kit as presented has the essential character of an EV".

5.18 The legislative intent behind these amendments was explicitly to broaden the applicability of concessional rates for EV kits, even if incomplete. The Adjudicating Authority's application of the highest duty rate (50%) under Clause (2) not only misinterprets the notification but also runs contrary to the stated public policy of promoting domestic EV assembly. The clear wording of the amended notification and the accompanying clarifications indicate that even incomplete kits, if classifiable under CTH 8711, should benefit from the concessional rates under (1)(a) or (1)(b).

5.19 The impugned order denied the benefit of Notification No. 50/2017-Customs on the ground that the Appellant had not claimed it in the Bill of Entry. This denial is a fundamental legal error. The CESTAT in M/s. Battre Electric Mobility Pvt. Ltd. v. Principal Commissioner of Customs, New Delhi, Final Order No. 50311/2025, dated 17.02.2025, directly addressed this issue. The Tribunal explicitly held that Notification No. 50/2017-Customs (S. No. 531A) is unconditional and its benefit cannot be denied merely because it was not claimed in the Bill of Entry. The Tribunal emphasized that tax laws and notifications must be strictly construed, and an adjudicating authority cannot pass an order against the public interest determined by the Central Government through such notifications. Section 12 of the Customs Act, the charging section, itself begins with an exception clause "except as otherwise provided in this Act or any other law," indicating that an unconditional exemption notification issued under Section 25 reduces the charge of duty. Therefore, the charge of duty under Section 12 will only be to the extent of the tariff rate read with the exemption notification. The denial of an unconditional exemption based on a procedural non-claim is legally unsustainable and directly contravenes the principle that such notifications, issued in public interest, reduce the charge of duty irrespective of the importer's declaration.

5.20 The impugned order held the goods liable for confiscation under Section 111(m) of the Customs Act, 1962, and imposed a penalty under Section

112(a)(ii) on the premise of misdeclaration and intent to evade duty. The Appellant consistently maintained that there was no misdeclaration of the nature or value of the goods. The classification under CTH 8714 was based on a bona fide interpretation, consistently applied across all nine Bills of Entry, with all product details accurately disclosed. Classification disputes are matters of legal interpretation and do not, by themselves, constitute misdeclaration or demonstrate an intent to evade duty. The Appellant provided all material facts, including product descriptions, supplier details, and technical specifications, indicating transparency rather than concealment. Section 111(m) of the Customs Act, 1962, provides for confiscation of goods that "do not correspond in respect of value or in any other particular with the entry made". Section 112(a)(ii) imposes a penalty on any person who, with intent to evade duty, does or omits to do any act that would render goods liable to confiscation under Section 111.

5.21 The CESTAT in M/s. Battre Electric Mobility Pvt. Ltd. v. Principal Commissioner of Customs, New Delhi, Final Order No. 50311/2025, dated 17.02.2025, has also addressed this issue. The Tribunal explicitly ruled that goods cannot be held liable for confiscation under Section 111(m) "merely because the importer classified the goods as it thought proper and the officers, subsequently take a different view". It clarified that classification is a "matter of opinion" and part of "self-assessment" under Section 17(1) of the Customs Act. Consequently, the penalty under Section 112(a)(ii) also cannot be sustained if the goods are not liable for confiscation. The Calcutta High Court in Opal Exports Pvt. Ltd. v. Collector of Customs, 1992 (60) E.L.T. 232 (Cal.), categorically held that mens rea (guilty mind) is an essential ingredient for an offense contemplated under Section 111. In the absence of a mala fide motive, the provisions of Section 111 have no application. Similarly, the CESTAT in Altair Shipping Pot. Ltd. v. Commissioner of Cus., Vijayawada, 2019 (366) E.L.T. 318 (Tri. -Hyd.), stated that an assessee who files a Bill of Entry with a Customs Tariff Heading that is later deemed incorrect will not render goods liable to confiscation under Section 111(m), as it is a self-assessment subject to re-assessment. Confiscation is applicable if the goods' description or value has been wrongly declared, not merely due to a classification difference.

5.22 The Hon'ble Supreme Court in Uniworth Textiles Ltd. v. Commissioner of Central Excise, 2013 (288) E.L.T. 161 (S.C.), reaffirmed that the burden of proving mala fides lies squarely on the department and cannot be presumed from mere misclassification. The CESTAT in Agarwal Industrial

Corporation Ltd. v. Commissioner of Customs, 2020 (373) E.L.T. 280 (Tri.-Bang.), also held that a penalty under Section 112 cannot be sustained in the absence of mala fide intent or knowledge of wrongful conduct.

5.23 The impugned order's findings of misdeclaration and intent to evade duty are unsubstantiated. The Appellant accurately declared the goods as "Electric Scooter Spare Parts". The very act of declaring goods as "parts" and undergoing examination, leading to provisional release, indicates transparency rather than concealment. The department's failure to establish mens rea and its reliance on a classification dispute as per sc misdeclaration directly contradict established judicial precedents. Therefore, the foundational requirement for confiscation under Section 111(m) and penalty under Section 112(a)(ii) is absent.

6. In light of the comprehensive discussion and findings, the impugned Order-in-Original No. MCH/ADC/AKM/250/2024-25 dated 04.01.2025 is hereby set aside in its entirety.

7. The appeal filed by M/s. Greentech Services is allowed with consequential relief, if any as per law.

सत्यापित/ATTESTED
अधीक्षक/SUPRERINTENDENT
सीमा शुल्क (अपील्स), अहमदाबाद.
CUSTOMS (APPEALS), AHMEDABAD

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

F. No. S/49-31/CUS/MUN/2025-26 1599 Date: 19.06.2025

By Registered post A.D/E-Mail

To,
M/s. Greentech Services
Plot No. B 47, Flat No. 402,
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1. The Chief Commissioner of Customs, Ahmedabad zone, Custom House, Ahmedabad.
2. The Pr. Principal Commissioner of Customs, Custom House, Mundra.
3. The Additional Commissioner of Customs, Custom House, Mundra.
4. Guard File.