सत्यमेव जयते

सीमा शुल्क(अपील) आयुक्त का कार्यालय, अहमदाबाद

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

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

DIN - 20250871MN0000111A23

क	फ़ाइल संख्या FILE NO.	S/49-88/CUS/MUN/2024-25
ख	अपील आदेश संख्या ORDER-IN-APPEAL NO. (सीमा शुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962)	MUN-CUSTM-000-APP-169-25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	08.08.2025
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	Order-in-Original no. MCH/32/AC/KRP/Gr 3/2024-25 dated 23.04.2024
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	08.08.2025
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s. Latiyal Handicrafts Pvt. Ltd., P. No. SPL-1, 2nd Phase, RIICO Ind. Area, Boranada, Jodhpur, Rajasthan-342008

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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

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	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

The present appeal has been filed by M/s. Latiyal Handicrafts Pvt. Ltd., P. No. SPL-1, 2nd Phase, RIICO Ind. Area, Boranada, Jodhpur, Rajasthan-342008, (hereinafter referred to as the 'Appellant') in terms of Section 128 of the Customs Act, 1962, challenging the Order-in-Original no. MCH/32/AC/KRP/Gr 3/2024-25 dated 23.04.2024 (hereinafter referred to as 'the impugned order') passed by the Assistant Commissioner, Customs House, Mundra (hereinafter referred to as the 'adjudicating authority').

2. Facts of the case, in brief, are that the appellant had filed a Bill of Entry No. 3089773 dated 10.03.2021 for import of "Clear Glass Sheet Super White (DIA 1200MM Thick 15MM) for Table" classifying the same under CTH 70200090. The Appellant had paid the IGST @ 12% on the above mentioned item as prescribed under Sr. No. II179 (Schedule-II) of Notification No. 001/2017(IGST) dated 28.06.2017. Vide Notification No. 43/2017- IGST dated 14.11.2017 a new entry under Sr. No. 195A in Schedule III has been inserted. The Appellant had paid the IGST @ 12% as per Sr. No. II179 (Schedule II) of Notification No. 001/2017 (IGST) dated 28.06.2017 on the item imported i.e. "Clear Glass Sheet Super White (DIA 1200MM Thick 15MM) for Table". In view of the above, there are two sets of IGST Rates i.e. 12% and 18% under Sr. No. 179 of Schedule II and Sr. No. 195A of Schedule III of Notification No. 001/2017 (IGST) dated 28.06.2017 respectively and Sr. No. 195A of Schedule III excludes such description of goods which are covered by Sr. No. 179 of Schedule - II. Further, Heading 7020 has a total of Six Tariff items. As per the notification, it is clear that three CTH 70200011 (Globes for lamps and lanterns), 70200012 (Founts for kerosene wick lamps) and 70200021 (for lamps and lanterns) are covered by Sr. No. 179 of Schedule II of Notification No. 001/2017 (IGST) dated 28.06.2017. CTH 70200019, 70200029 and 70200090 are covered under Sr. No. 195A of Schedule III of Notification No. 001/2017 (IGST) dated 28.06.2017.

2.1 It was observed that Appellant imported "Clear Glass Sheet Super White (DIA 1200MM Thick 15MM) for Table" classifying the same under CTH 70200090 and paid IGST @ 12% as prescribed under Sr. No. II179 (Schedule II) of Notification No. 001/2017 (IGST) dated 28.06.2017, however, as per the above reasoning the CTH 70200090 is specifically covered under Sr. No. 195A of Schedule III of Notification No. 001/2017 (IGST) dated 28.06.2017 which prescribes 18% IGST on the imported goods. Accordingly, the Appellant has short paid the IGST of Rs. 92,072/- in respect of the Bill of Entry No. 3089773 dated 10.03.2021.

2.2 It appeared that the Appellant has willfully mis-stated the facts & wrongly availed IGST benefit to pay lower IGST by categorizing its goods under Serial No. Sr. No. II179 (Schedule II) of Notification No. 001/2017 (IGST) dated 28.06.2017 which prescribes IGST duty @ 12% whereas the goods attracts IGST @ 18% under Sr. No. 195A of Schedule III of Notification No. 001/2017 (IGST) dated 28.06.2017 as amended vide Notification No. 43/2017-IGST dated 14.11.2017. In the light of the documentary evidences, as brought out above and the legal position, it appeared that a well thought out conspiracy was hatched by the Appellant to defraud the exchequer by adopting the modus operandi of mis-declaring the IGST Sr. No. II179 (Schedule II) of Notification No. 001/2017 (IGST) dated 28.06.2017 of the goods imported instead of Correct Sr. No. 195A of Schedule III of Notification No. 001/2017 (IGST) dated 28.06.2017.

2.3 It was apparent that the Appellant was in complete knowledge of the correct nature of the goods nevertheless, the Appellant claimed undue benefit of lower IGST Rate under Sr. No. II179 (Schedule II) of Notification No. 001/2017 (IGST) dated 28.06.2017 for the said goods which prescribes duty @ 12%. However, IGST @ 18% is applicable on the imported goods under Sr. No. 195A of Schedule III of Notification No. 001/2017 (IGST) dated 28.06.2017. In the instance case, the Appellant intentionally abused this faith placed upon it by the law of the land. Therefore, it appeared that the Appellant has wilfully violated the provisions of Section 17(1) of the Act in as much as Appellant has failed to correctly self-assess the impugned goods and has also wilfully violated the provisions of Sub-section (4) and (4A) of Section 46 of the Act. Therefore, the goods having assessable value of 11,53,772/- (Rupees Eleven Lakhs Fifty-Three Thousand Seven Hundred and Seventy-Two only) imported vide Bill of Entry No. 3089773 dated 10.03.2021 appeared liable for confiscation under Section 111(m) of the Customs Act, 1962. It appeared that the Appellant wilfully claimed undue benefit for the impugned goods resulting into short levy of duty. Further, it appeared that in respect of the Bill of Entry No. 3089773 dated 10.03.2021 such wrong claim of lower IGST Rate on the part of the Appellant has resulted into short levy of duty of 92,072/- (Rupees Ninety Thousands and Seventy-Two Only) which is recoverable from the Appellant under the provisions of Section 28(4) of the Customs Act, 1962 along with interest as applicable under Section

28AA of the Act. For such act of omission and commission, the Appellant has rendered themselves liable to penalty under Section 112(a)(ii)/114A of the Customs Act, 1962.

2.4 In view of foregoing, M/s. Latiyal Handicrafts Pvt. Ltd., P. No. SPL-1, 2nd Phase, RIICO Ind. Area, Boranada, Jodhpur, Rajasthan - 342008 were Issued show cause notice dtd. 27.10.2023 as to why: -

i. The goods having assessable value of 11,53,772/- (Rupees Eleven Lakhs Fifty-Three Thousands Seven Hundred and Seventy-Two only) covered under Bill of Entry No. 3089773 dated 10.03.2021 should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962;

ii. IGST Rate @12% at Sr. No. II179 (Schedule II) of Notification No. 001/2017 (IGST) dated 28.06.2017 on the goods should not be denied and the same should not be re-assessed at correct rate of IGST @18% under Sr. No. 195A of Schedule III of Notification No.001/2017 (IGST) dated 28.06.2017;

iii. The differential duty worked out as 92,072/- (Rupees Ninety thousands and Seventy-Two Only) for Bill of Entry No. 3089773 dated 10.03.2021 should not be recovered under Section 28 (4) of the Customs Act, 1962 along with applicable interest thereon as per Section 28AA of the Customs Act, 1962, as applicable.

iv. Penalty should not be imposed upon them under Section 112(a) (ii)/114A of the Customs Act, 1962.

2.5 Consequently, the Adjudicating Authority passed the following order:

i. He held that the goods having assessable value of 11,53,772/- (Rupees Eleven Lakhs Fifty-Three Thousands Seven Hundred and Seventy-Two only) covered under Bill of Entry No. 3089773 dated 10.03.2021 were liable for confiscation under Section 111(m) of the Customs Act, 1962. However, he gave the Appellant an option under Section 125 of the Customs Act, 1962 to redeem the same on payment of Redemption Fine of Rs. 1,25,000/-(One Lakh Twenty Five Thousand only)

ii. He ordered to recover the differential duty of as 92,072/- (Rupees Ninety Thousands and Seventy-Two Only) for Bill of Entry No. 3089773 dated 10.03.2021 along with applicable interest thereon as per Section 28AA of the Customs Act, 1962.

iii. He imposed a penalty of 92,072/- (Rupees Ninety Thousands and Seventy-Two Only) under Section 114A 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 The appellant has submitted that vide impugned OIO, the demand of differential IGST has been confirmed invoking extended period of time after holding that the appellant had willfully mis-stated the facts and wrongly availed IGST benefit. But the appellant had not mis-stated any facts. The description of goods given in BOE is as per invoice and Bill of leading etc. The benefit of notification No. 1/2017-IGST was claimed in the BOE against imported goods. Claiming of benefit of any notification involves interpretation issue where suppression of misstatement cannot be alleged.

3.2 Even otherwise also, the appellant was eligible for availing of input tax credit of differential IGST which could have been used for paying output GST liability or since the appellant is exporting their entire goods almost, therefore, could have also got refund of the same on export of their final products. Under these circumstances, the appellant could not be burdened with the allegation of suppression of mis-statement of facts with intend to evade duty. Therefore, the entire demand confirmed invoking extended period of time is hit by limitation.

3.3 Even otherwise also since the imported goods were released without any bond and since the goods are not available, therefore, the imported goods in question are not liable for confiscation as per decision given by the Hon'ble Tribunal in the case of Mercantile India Vs. CC 2007 (214) ELT 540 (Trib.) and by the Tribunal in the case of Munjal Showa Ltd. Vs. CECE 2008 (86) RLT 530

(Trib.) In the case of MS Shiv Krupa Insat Pvt. Ltd. Vs. CCE 2009 (235) E.LT 623 (Trib.L.B) it was held by the Larger Bench of the Hon'ble Tribunal that goods are not liable for confiscation and fine cannot be imposed when goods are not available for confiscation. Identical issue was considered in CC Vs. Raja Impex Pvt. Ltd. 2008 (229) E.L.T. 185 (P&H) and such order is binding - High Court in said order held that redemption fine in lieu of confiscation was not impossible when goods were allowed to be cleared without execution of bond/undertaking - Similar view taken by Tribunal also in 1999 (112) E.L.T. 400 (Tribunal) and affirmed by Supreme Court (2005 (184) E.L.T. A36 (S.C.J).

PERSONAL HEARING:

4. Personal hearing was granted to the Appellant on 12.06.2025, following the principles of natural justice wherein Shri O P Agarwal, Chartered Accountant appeared for the hearing and he re-iterated the submission made at the time of filing the appeal and also requested to condone the delay in filing the appeal by two days.

DISCUSSION AND FINDINGS:

5. I have carefully gone through the case records, impugned order passed by the Assistant Commissioner, Customs House, AP & SEZ, Mundra and the defense put forth by the Appellant in their appeal.

5.1 On going through the material on record, I find that following issues required to be decided in the present appeals which are as follows:

(i) Whether the delay of 3 days in filing the appeal should be condoned.

(ii) Whether the invocation of the extended period of limitation under Section 28(4) of the Customs Act, 1962, is legally sustainable.

(iii) Consequently, whether the demand for differential IGST, confiscation of goods, and imposition of penalty under Section 114A are sustainable.

5.2 The Appellant has sought condonation of a delay of 3 days beyond the maximum permissible period of 60 days. The reason cited is that the the Chartered Accountant who was to prepare the appeal was suffering from

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fever and acute throat infection and was confined to bed from 25.04.2024 to 27.04.2024. Section 128 of the Customs Act, 1962, provides for a period of sixty days for filing an appeal, with a further grace period of thirty days if sufficient cause is shown for the delay. In this case, the appeal was filed with a delay of 3 days beyond the initial sixty-day period, but within the condonable 30 day period. While parties are expected to exercise due diligence, minor delays attributable to administrative oversights, especially when the appellant acts promptly upon discovering the issue, are generally condoned by appellate authorities to ensure that justice is not denied on mere technicalities. Considering the explanation provided, which indicates no deliberate inaction or gross negligence, I find that the Appellant has shown "sufficient cause" for the delay. Therefore, the condonation of delay is allowed in the interest of natural justice.

5.3 The central point of contention for the demand of differential IGST is the invocation of the extended period of limitation under Section 28(4) of the Customs Act, 1962. This section allows for a demand period of five years where any duty has not been levied or has been short-levied, or interest has not been paid, or has been short-paid or erroneously refunded, by reason of "collusion or any wilful mis-statement or suppression of facts" by the importer or exporter. The Revenue's allegation is that the Appellant "had deliberately claimed the benefit of notification No. 1/102170-IGST with an intend to evade payment of duty". This implies willful mis-statement or suppression of facts. However, the Appellant has put forth two strong arguments against the invocation of the extended period:

- **Interpretation Issue:** The Appellant claims that the dispute is one of interpretation regarding the applicability of Notification No. 001/2017 (IGST) vs. Notification No. 43/2017 (IGST). They argue that "claiming of benefit of any notification involves interpretation issue where suppression of mis-statement cannot be alleged". The Hon'ble Supreme Court in Continental Foundation Jt. Venture vs. CCE [2007 (216) ELT 177 (SC)], it was held that "mere construction of the word 'suppression' cannot be stretched to include such an omission." The element of mens rea is crucial for invoking the extended period. If the Appellant had a bona fide belief in their classification/rate, even if incorrect, mens rea is absent.

- **Availability of Input Tax Credit (ITC):** The Appellant argues that even if differential IGST was payable, they were eligible for Input Tax Credit (ITC) of this amount, which could have been utilized for paying output GST liability or claimed as a refund on export of their final products.

5.4 The adjudicating authority's finding that the Appellant "willfully mis-stated the facts and wrongly availed IGST benefit" appears to be a conclusion drawn without adequately addressing the Appellant's contentions regarding interpretation and ITC availability. The mere fact that a different interpretation of a notification exists, or that a lower rate was claimed, does not automatically translate into "willful mis-statement" or "suppression of facts" warranting the extended period. The burden to prove mens rea for invoking the extended period lies squarely on the Revenue, and this burden is not discharged by simply stating that the benefit was "wrongly availed" or "deliberately claimed" without concrete evidence of an active, deliberate, and fraudulent intent to evade duty, especially when the duty is creditable.

5.5 Given the nature of the dispute (interpretation of notification) and, more importantly, the Appellant's eligibility for ITC on the differential IGST, the essential element of mens rea (intent to evade duty) required for invoking the extended period under Section 28(4) is absent. Therefore, the demand for differential IGST falls within the normal period of limitation (two years). Since the SCN was issued on 27.10.2023 for a Bill of Entry dated 10.03.2021, the demand is clearly beyond the normal period of two years. Therefore, this appellate authority finds that the invocation of the extended period of limitation under Section 28(4) of the Customs Act, 1962, is not legally sustainable.

5.6 Since the demand for differential IGST is found to be time-barred due to the non-applicability of the extended period of limitation, the entire demand of ₹92,072/- along with interest, as confirmed by the impugned order, is not sustainable.

6. In view of the detailed discussions and findings above, I pass the following order:

(i) The invocation of the extended period of limitation under Section 28(4) of the Customs Act, 1962, for the demand of differential IGST is hereby set aside, as the conditions of "willful mis-statement" or "suppression of facts" are not met, particularly given the interpretational nature of the dispute and the Appellant's eligibility for Input Tax Credit.

(ii) Consequently, the demand for differential IGST amounting to ₹92,072/- along with interest, as confirmed by the impugned Order-in-Original No. MCH/32/AC/KRP/Gr.3/2024-25 dated 23.04.2024, is hereby set aside as being time-barred.

The appeal filed by M/s. Latiyal Handicrafts Pvt. Ltd. is hereby allowed with consequential benefits, 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/49-88/CUS/MUN/2024-25 2859

Date: 08.08.2025

By Registered post A.D/E-Mail

To,

M/s. Latiyal Handicrafts Pvt. Ltd.,
P.No.SPL-1, 2nd Phase, RIICO Ind. Area,
Boranada, Jodhpur (Raj.) - 342008.

Copy to:
1. The Chief Commissioner of Customs, Ahmedabad zone, Custom House, Ahmedabad.
2. The Principal Commissioner of Customs, Custom House, Mundra.
3. The Assistant Commissioner of Customs, Custom House, Mundra.
4. Guard File.