

	<b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS CUSTOMS HOUSE, MUNDRA, KUTCH- GUJARAT -370421</b> <b>PHONE: 02838-271426/271428</b> <b>FAX :02838-271425</b> <b>E-mail: adj-mundra@gov.in</b>	
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<b>A</b>	<b>FILE NO./फाइल संख्या</b>	GEN/ADJ/ADC/1975/2025-Adjn
<b>B</b>	<b>OIO NO./आदेश संख्या</b>	MCH/ADC/ZDC/401/2025-26
<b>C</b>	<b>PASSED BY/जारीकर्ता</b>	DIPAK ZALA, ADDITIONAL COMMISSIONER, CUSTOM HOUSE, MUNDRA.
<b>D</b>	<b>DATE OF ORDER/आदेश की तारीख</b>	26.11.2025
<b>E</b>	<b>DATE OF ISSUE/जारी करने की तिथि</b>	26.11.2025
<b>F</b>	<b>SCN No. &amp; Date/कारण बताओ नोटिस क्रमांक</b>	SCN Waived as per Importer's request
<b>G</b>	<b>NOTICEE/ PARTY/ IMPORTER</b> नोटिसकर्ता/पार्टी/आयातक	M/s Renew Green Energy Solutions Pvt. Ltd. [IEC-AAGCR3789L]
<b>H</b>	<b>DIN/दस्तावेज़ पहचान संख्या</b>	20251171MO000000EDC1

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

“सीमाशुल्क आयुक्त (अपील),  
 चौथी मंजिल, हुड़को बिल्डिंग, ईश्वरभुवन रोड,  
 नवरंगपुरा, अहमदाबाद 380 009”

**“THE COMMISSIONER OF CUSTOMS (APPEALS),  
 HAVING HIS OFFICE AT 4<sup>TH</sup> FLOOR, HUDCO BUILDING, ISHWAR BHUVAN ROAD,  
 NAVRANGPURA, AHMEDABAD-380 009.”**

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**5.** उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए।

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

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

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

(i) उक्त अपील की एक प्रति और

A copy of the appeal, and

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

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

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

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

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

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

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

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

### **BRIEF FACTS OF THE CASE**

**1.** Specific intelligence was developed by the officers of Directorate Revenue Intelligence, Zonal Unit, Lucknow (hereinafter referred to as “DRI”) that M/s Renew Green Energy Solutions Private Limited, Block-1, Zone-6, Main Sector

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Road, Phase-V, Commercial Complex, Golf Course Road, Gurugram-122009 (IEC-AAGCR3789L)(hereinafter referred to as "the importer/notice") has imported "Static VAR Generator" from China through Mundra Port (INMUN1) classifying the said product under CTH 85437099 and paid BCD @ 7.5%, SWS @ 10%, IGST @ 18%, vide Bills of Entry 8751575 dated 27.03.2025 and 8751577 dated 07.03.2025.

**2.** An enquiry was initiated by DRI and Summons dated 17.06.2025 was issued to the Authorized Signatory of M/s Renew Green Energy Solutions Private Limited for recording statement u/s 108 of the Customs Act, 1962 for appear on 08.07.2025 and to submit copy of import related documents. In response to summon dated 17.06.2025, M/s Renew Green Energy Solutions Private Limited vide email dated 07.07.2025 requested for date on 11.07.2025 due to some exigencies.

**3.** In compliance of the summon dated 17.06.2025, Shri Rahul Dwivedi, General Manager along with Mrs. Pragya Singh, Senior Manager (Logistics) of M/s Renew Green Energy Solutions Private Limited appeared on 11.07.2025 and during tendering statement he submitted authorization letter issued by M/s Renew Green Energy Solutions Private Limited and copy of Purchase Order dated 11.12.2024, copy of commercial Invoice, copy of packing list, copy of Bill of entry, technical literature pertaining to B/Es 8751575 and 8751577 both dated 07.03.2025. Shri Rahul Dwivedi, General Manager while tendering statement on dated 11.07.2025 inter alia stated:-

- i. that he is working as General Manager in the company for more than 07 years. He also stated that the company is established around 08 years, IEC taken in 2022 and office address is Block-1, Zone-6, Main Sector Road, Phase-V, Commercial complex, Golf course Road, Gurugram-122009. The Directors of the company are Shri Deepak Gupta and Shri Dheeraj Ahuja. The company is engaged in generation of electricity, through various renewable sources by installation of solar and wind plants;
- ii. that the goods imported under B.E.s 8751575, and 8751577 both dated 07.03.2025 are "Static VAR Generator" under HSN 85437099 from TBEA Xian Electric Technology Co. Ltd. China from Mundra Port. The same were imported for use their solar plant located in Sholapur, Maharashtra. That they have not imported SVG apart from aforementioned B.Es;
- iii. that SVG is advance reactive power compensation technology. It is based on voltage source converter and uses power electronic devices of high frequency and high power to realize reactive transformation. He also submitted technical literature of the goods;

iv. On being asked that SVG is static power electronic device and rightly classifiable under CTH 85044090 and thus attracts BCD @20%, the representative accepted and stated that the product is rightly classifiable under CTH 85044090.

v. On being asked to state reason for classifying the product under HSN 85437099, the representative stated that the HSN was decided and confirmed from the Chinese supplier through telephonic conversation and also through a proforma invoice No. XK20250121001, dated 21.01.2025. However, on being explained that it is majorly a power electronic device having other sub articles attached to it and classification is decided based on major constituent and principle of product, they understood that the product is classifiable under CTH 85044090.

vi. On being shown the data of various importers who have imported SVG under HSN 85044090 from various Chinese supplier including M/s TBEA Xian Electric Technology Co. Ltd., the representative stated that it is evident that the same Chinese supplier has supplied goods to different importer under HSN 85044090 and that he need to talk to Chinese supplier as to why they provided them the product with wrong HSN. Further he stated that the CHA clearing the goods told them that there are other importers who are also importing from same supplier are clearing goods under HSN 85437099.

vii. that M/s Nidhi Shipping Private Limited (AADCN8828RCH002) is Customs Broker who cleared the subject goods at Mundra Port.

viii. On being asked regarding differential duty along with the applicable interest arising due to said misclassification and payment thereof, the representative submitted that HSN 85044090 attracts BCD @10% after exemption Notification No. 57/2017-Customs dated 30.06.2017, as amended vide Notification No. 22/2018 dated 02.02.2018 where at SI. No. 13 the BCD is reduced to 10% for goods under HSN 850440 with description as "All goods other than charger or adapter of cellular mobile phones". The differential BCD @2.5% along with SWS and IGST comes out to Rs. 21,92,675/-.

ix. that Mrs. Pragya Singh majorly decide the classification of imported goods and discuss with engineering and project control team.

**4.** M/s Renew Green Energy Solutions Private Limited paid the differential duty @ 2.5% amounting to Rs.18,58,199/- (BCD+SWS), IGST Rs. 3,34,476/- along with applicable interest of Rs. 1,30,660/-, totaling to **Rs. 23,23,335/-**

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**through Challans No.4255538939, all dated 30.07.2025** and informed the same to this office through email dated 30.07.2025. The genuineness of the said Challans was verified from ICEGATE Portal as per Para 5 of Circular No. 27/2024-Customs issued vide F.No. 450/54/2024-Cus.IV dated 23.12.2024.

**5.** Now SVGs and static converters both have power electronics devices without moving parts. SVG is a static convertor that acts as voltage regulator and stabilizer. The description of HSN in Customs Tariff is as below:-

**8504 ELECTRICAL TRANSFORMERS, STATIC CONVERTERS (FOR EXAMPLE, RECTIFIERS) AND INDUCTORS**

**8504 40 - Static converters:**

8504 40 10 --- Electric inverter u 20% -

--- Rectifier:

8504 40 21 ---- Dip bridge rectifier u 20% -

8504 40 29 ---- Other u 20% -

8504 40 30 --- Battery chargers u 20% -

8504 40 40 --- Voltage regulator and stabilizers (other than automatic) u 20%

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**8504 40 90 --- Other u 20% -**

Thus it appears that Static VAR Generator is rightly classifiable under HSN 85044090 which attracts BCD @ 20% as per Customs Tariff and is being imported under wrong CTH for evading duty. Whereas, the importer has paid duty @ 7.5% by wrongly classifying under HSN 85437099.

**6.** The documents submitted by M/s Renew Green Energy Solutions Private Limited were analyzed and based on scrutiny of Bills of Entry and wording of Notification No. 57/2017-Customs dated 30.06.2017, as amended vide Notification No. 22/2018 dated 02.02.2018 where at SI. No. 13 the BCD is reduced to 10% for goods under HSN 850440 with description as "*All goods other than charger or adapter of cellular mobile phones*". Accordingly, the rate of differential duty payable on the goods imported vide B.E.s 8751575, and 8751577 both dated 07.03.2025 under HSN 85044090 stands at the rate of 10% by virtue of above said notification. Accordingly, the differential duty liability (BCD) of the importer stands at the rate of 2.5% of the Assessable Value along with SWS @10% and IGST due on 18% of (BCD+SWS). The duty calculation chart is tabulated below:-

Port	B.E. No. & Date	CTH	Total Assessable Value	Differential BCD at rate 2.5%	SWS @ 10% of BCD	IGST Due (18% of BCD+SWS )	Total Duty B.E. Wise
INMUN 1	8751575 dated 07.03.25	85044090	33785440	844636	84464	167238	1096338
	8751577 dated 07.03.25		33785440	844636	84464	167238	1096338

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Total Duty	67570880	1689272	16892 7	334476	<b>219267</b> <b>5</b>
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**7.** Interest is determined as per the **Section 28AA (2) of the Customs Act, 1962**:-

***Interest on delayed payment of duty***

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

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

The Central Government, by virtue of Notification No. 33/2016-Customs (N.T.) dated 01.03.2016, fixed the rate of interest at fifteen per cent per annum.

**8.** Accordingly, the calculation of interest of the duty liability is determined as below:-

<b>Description</b>	<b>Value (INR)</b>	<b>Remarks</b>
B.E. No. & Date	8751575 dated 07.03.25 & 8751577 dated 07.03.25	
Total Assessable Value	67570880	
<b>BCD Liability</b>	<b>1689272</b>	Differential duty @2.5% BCD
<b>SWS on BCD</b>	<b>168927</b>	10% of BCD
<b>Total IGST due</b>	<b>334476</b>	IGST @ 18% on (BCD+SWS) due
<b>Total Duty paid</b>	<b>2192675</b>	
Duty paid on	30.07.2025	
Interest determined from	07.03.2025	As per Section 28AA(2) of Customs Act, 1962
<b>Interest liability</b>	<b>130659</b>	For 145 Days at the rate of 15% p.a.
<b>Interest Paid</b>	<b>130660</b>	

**9.** M/s Renew Green Energy Solutions Private Limited vide their letter dated 05.05.2025 submitted that “The company, on issue being highlighted and explained by DRI, Lucknow and to conclude the matter in good faith without prejudice to its right as a law-abiding company and in order to avoid any dispute has duly deposited the anti dumping duty, IGST and interest totaling to Rs.

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**23,23,335/-** through challans at ICEGATE portal. The said payments were made by us for impugned imported goods against proceedings initiated by your office vide summon dated 12.06.2025".

They further stated that "Without prejudice, the differential custom duty arose on account of a bonafide mistake and the company did not have any intent whatsoever to evade any tax or duty. Without prejudice, in view of this the company requests your good self to kindly close the proceeding in terms of Section 28(2) of the Customs Act, 1962 and to waive off the Show Cause Notice in the instant matter. The company also submits that it does not want to go into litigation and request your good self not to impose any penalty as there was never any suppression of information/tax by the company at any stage of enquiry. We request your respectful department to issue us a closure letter against the said investigation."

**10.** M/s Renew Green Energy Solutions Private Limited, on being explained that the goods imported by them vide aforementioned BEs were classified under wrong HSN and the correct classification is 85044090 and accordingly, the duty is short paid due to incorrect classification of the impugned goods. During the statement of the authorized representative recorded on 11.07.2025, he readily accepted this fault and agreed to pay the duty. Further, they deposited the Customs duty along with applicable interest in respect of impugned goods.

**11.** M/s Renew Green Energy Solutions Private Limited vide letter NIL dated requested for waiver of SCN and closure of the subject investigation may be considered, as they have paid differential duty, due IGST along with applicable interest.

### **DISCUSSION AND FINDINGS**

**12.** I have carefully gone through the facts of the case and documents placed before me. I find that importer has imported "Static VAR Generator" from China through Mundra Port (INMUN1) classifying the said product under CTH 85437099 and paid BCD @ 7.5%, SWS @ 10%, IGST @ 18%, vide Bills of Entry 8751575 dated 27.03.2025 and 8751577 dated 07.03.2025.

**13.** I find that during the statement before DRI on 11.07.2025, authorised representative of importer stated that imported goods i.e. Static Var Generator (SVG) is static power electronics device. It is based on voltage source converter and uses power electronic devices of high frequency and high power to realize reactive transformation. Based on functionality of the imported goods, importer agreed that imported goods are rightly classifiable under CTH 85044090 and ready to pay differential duty along with the applicable interest.

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**14.** I find that importer voluntarily paid the differential duty of Rs. 23,23,335/- (Rs. Twenty Three Lakh Twenty Three Thousand Three Hundred and Thirty Five) (Duty- Rs. 21,92,675/- + Interest- Rs. 1,30,659/-) and requested for closure of proceeding under section 28(2) of Customs Act, 1962.

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

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

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

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

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

*(i) his own ascertainment of such duty; or*

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

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

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

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**16.** I find that importer voluntarily paid the differential duty of 23,23,335/- (Rs. Twenty Three Lakh Twenty Three Thousand Three Hundred and Thirty Five) (Duty- Rs. 21,92,675/- + Interest- Rs. 1,30,659/-) and requested for closure of proceedings under section 28(2) of the Customs Act, 1962.

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

**ORDER**

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

**Dipak Zala,  
Additional Commissioner,  
Custom House, Mundra.**

**To,**

M/s Renew Green Energy Solutions Private Limited,  
Block-1, Zone-6, Main Sector Road, Phase-V,  
Commercial Complex, Golf Course Road, Gurugram-122009

**Copy to:**

1. The Joint Director, DRI, Zonal Unit, Lucknow. (Email: [dri-nlrsru@gov.in](mailto:dri-nlrsru@gov.in))
2. The DC/AC of Customs, (RRA/TRC/EDI), Mundra.
3. Guard File.