



सीमा शुल्क(अपील) आयुक्त का कार्यालय, अहमदाबाद

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

चौथी मंजिल 4th Floor, हड्को भवन HUDCO Bhawan, ईश्वर भुवन रोड Ishwar Bhuvan Road
नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad - 380 009
दूरभाष क्रमांक Tel. No. 079-26589281

DIN-20250771MN000000E4B7

क	फ़ाइल संख्या FILE NO.	S/49-47/CUS/AHD/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)	AHD-CUSTM-000-APP- 155 -25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
द	दिनांक DATE	14.07.2025
इ	उद्भूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	222/ADC/VM/O&A/2023-24, dated 13.02.2024
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	14.07.2025
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	(1) M/s Prompt Equipments P Ltd., 3-B Vardan Exclusive, Nr. Stadium Petrol Pump, Navrangpura, Ahmedabad.



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 (1) (यथा संशोधित) के अधीन निम्नलिखित श्रेणियों के मामलों के सम्बन्ध में कोई व्यक्ति इस आदेश से अपने को आहत महसूस करता हो तो इस आदेश की प्राप्ति की तारीख से 3 महीने के अंदर अपर सचिव/संयुक्त सचिव (आवेदन संशोधन), वित्त मंत्रालय, (राजस्व विभाग) संसद मार्ग, नई दिल्ली को पुनरीक्षण आवेदन प्रस्तुत कर सकते हैं। Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order. निम्नलिखित सम्बन्धित आदेश/Order relating to : (क) बैरोज 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 दस्तावेजों 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 हजार मात्र), जैसा भी मामला हो, से सम्बन्धित 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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2.	सीमाशुल्क अधिनियम 1962 की धारा 129 डी (1) (यथा संशोधित) के अधीन निम्नलिखित श्रेणियों के मामलों के सम्बन्ध में कोई व्यक्ति इस आदेश से अपने को आहत महसूस करता हो तो इस आदेश की प्राप्ति की तारीख से 3 महीने के अंदर अपर सचिव/संयुक्त सचिव (आवेदन संशोधन), वित्त मंत्रालय, (राजस्व विभाग) संसद मार्ग, नई दिल्ली को पुनरीक्षण आवेदन प्रस्तुत कर सकते हैं। Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order. निम्नलिखित सम्बन्धित आदेश/Order relating to : (क) बैरोज 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 दस्तावेजों 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 हजार मात्र), जैसा भी मामला हो, से सम्बन्धित 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 सम्बन्ध में यदि कोई व्यक्ति इस आदेश से आहत महसूस करता हो तो वे सीमाशुल्क अधिनियम 1962 की धारा 129 ए (1) के अधीन फॉर्म सी.ए.-3 में सीमाशुल्क, केन्द्रीय उत्पाद शुल्क और सेवा कर अपील अधिकरण के समक्ष निम्नलिखित पते पर अपील कर सकते हैं				
	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 :				
	<table border="0"> <tr> <td style="vertical-align: top;">सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ</td> <td style="vertical-align: top;">Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench</td> </tr> <tr> <td style="vertical-align: top;">दूसरी मंज़िल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016</td> <td style="vertical-align: top;">2nd Floor, Bahumali Bhavan, Nr. Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016</td> </tr> </table>	सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench	दूसरी मंज़िल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016	2 nd Floor, Bahumali Bhavan, Nr. Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench				
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5.	<p>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-</p> <p>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 -</p> <p>(क) अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए या उससे कम हो तो एक हजार रुपए.</p> <p>(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;</p> <p>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 हजार रुपए</p> <p>(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 ;</p> <p>(ग) अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पचास लाख रूपए से अधिक हो तो; दस हजार रुपए.</p> <p>(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</p> <p>(d) 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।</p> <p>(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.</p> <p>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.</p> <p>Under section 129 (a) of the said Act, every application made before the Appellate Tribunal-</p> <p>(a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or</p> <p>(b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.</p>				

ORDER-IN-APPEAL

M/s Prompt Equipments Pvt. Ltd. situated at 3-B, Vardan Exclusive, Nr. Stadium Petrol Pump, Navrangpura, Ahmedabad (hereinafter referred to as 'the Appellant' for the sake of brevity) have filed the present appeal challenging Order-in-Original No. 222/ADC/VM/O&A/2023-24 dated 13.2.2024 (hereinafter referred to as 'the impugned order') passed by the Additional Commissioner, Customs, Ahmedabad (hereinafter referred to as 'the adjudicating authority').

2. Facts of the case, in brief, are that Show Cause Notice No. VIII/10-197/ICD-Khod/O&A/HQ/2022-23 dated 16.3.2023 was issued by the Additional Commissioner, Customs, Ahmedabad wherein it was alleged that the appellant had imported parts of machinery of the heading 8434 under Bills of Entry Nos. 3369899 dated 31.2.2021 and 6315866 dated 1.1.2020 (hereinafter referred to as the impugned goods) and cleared the same at lower rate of IGST @12% under Sr. No. 198 of Schedule II of the IGST Notification No. 01/2017. It was observed that parts of the machine of Heading 8434 are not covered by the Sr. No. 198 of Schedule II of the IGST Notification No. 01/2017 and are covered under residual entry at Sr. No. 453 of Schedule III of the said notification which attracts IGST @18%. Accordingly, differential IGST amounting to Rs. 8,00,898/- was demanded along with proposal to impose penalty, charge of interest and proposal of confiscation of goods.

3. The adjudicating authority passed the impugned order wherein:

- The impugned goods were ordered to be re-assessed at 18% IGST under Sr. No. 453 of Schedule III to Notn. No. 1/2017 – IGST (Rate)
- The goods valued at Rs. 1,23,30,995/- were ordered to be confiscated under Section 111(m) of the Customs Act. However, since the goods were not available for confiscation, redemption fine of Rs. 10,00,000/- was imposed under Section 125 of the Customs Act
- Differential IGST of Rs. 8,00,898/- was demanded under Section 28(4) of the Customs Act alongwith interest under Section 28AA of the Customs Act

- Penalty of Rs. 8,00,898/- plus penalty equal to the applicable interest was imposed under Section 114A of the Customs Act.
- Penalty of Rs. 5,00,000/- was imposed under Section 114AA of the Customs Act

4. Being aggrieved with the impugned order passed by the Adjudicating Authority, the Appellant have filed the present appeal. They have, inter-alia, raised various contentions and filed detailed submissions as given below in support of their claims:

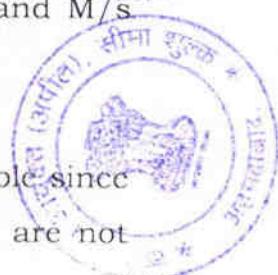
- Rule 2(a) of General Rules of Interpretation for Import Tariff stipulates that unassembled or disassembled goods are to be considered as the finished article
- They import Milking Machines in CKD condition and such parts are taken on the assembly line for manufacture of Milking Machines. They submitted Purchase Order No. PEPL/PO/0056 dated 4.12.2019 in support of their claim.



The Country of Origin issued in respect of Bills of Entry Nos. 3369899 dated 31.2.2021 and 6315866 dated 1.1.2020 contains the description of the goods "Milking Machinery"

- The parts imported in CKD condition under Bills of Entry Nos. 3369899 dated 31.2.2021 and 6315866 dated 1.1.2020 constitute the essential character of a Milking Machine in as much as the parts require the mere process of assembly. Thus, by virtue of Rule 2(a) of the General Rules of Interpretation for Import Tariff, the goods imported by the appellants are to be considered as Milking Machines and resultantly IGST @ 12% has been correctly discharged under Sr. No. 198 of Schedule II to Notn. No. 1/2017-IGST (Rate)
- IGST was leviable under Section 3(7) of the Customs Tariff Act and not under Section 12 of the Customs Act. Reliance was placed on the case laws of M/s Hyderabad Industries Ltd. reported at 1999 (108) ELT 321 (SC) and M/s Mahindra & Mahindra Ltd. reported at (2023) 3 Centax 261 (Bom)

- Interest can be levied and charged on delayed payment of tax only if the statute that levies and charges the tax makes a substantive provision in this behalf. Reliance was placed on the case law of M/s Mahindra & Mahindra Ltd. reported at (2023) 3 Centax 261 (Bom) and order dated 16.7.1997 of the Hon'ble Supreme Court in the case of M/s India Carbon Ltd.
- There were no provisions under Section 3(12) of the Customs Tariff Act for charge of interest or imposition of penalty and as such no penalty or interest could have been charged in the case. Reliance was placed on the case laws of M/s Mahindra & Mahindra Ltd. reported at (2023) 3 Centax 261 (Bom) and M/s A R Sulphonates Pvt. Ltd. reported at (2025) 29 Centax 212 (Bom).
- They had uploaded all the relevant documents such as Invoice, Packing List, Bill of Lading, etc. in e-sanchit at the time of filing the Bill of Entry and the same were available to the assessing officer at the time of assessment. The Appraising Officer had assessed the Bill of Entry on the basis of the documents and no query was raised at the relevant time. Thus, it is a case where all the relevant information was available with the department and there is no case for suppression of facts or mis-declaration. As such the extended period of limitation was not available and the notice was hit by limitation. Reliance was placed on the case laws of Dr. Rai Memorial Cancer Institute reported at 2022 (381) ELT 540 (T), M/s Sirthai Superware India Ltd. reported at 2020 (371) ELT 324 (T), M/s Semco Electric Pvt. Ltd. reported at 2019 (370) ELT 1052 (T) and M/s Sandor Medicaids Pvt. Ltd. reported at 2019 (367) ELT 486 (T).
- Penalty under Section 114A of the Customs Act was not imposable since the elements of suppression of facts and willful mis-statement are not satisfied in the facts of the case at hand.
- Penalty under Section 114AA of the Customs Act was not imposable since it was not a case which involved false or incorrect declaration, statement or document signed or used by any person.
- There is no mens rea in the case and as such penalty was not imposable.

Reliance was placed on the case laws of M/s Anand Nishikawa Co Ltd reported at 2005 (188) ELT 149 (SC), Padmini Products Limited v CCE reported at 1989 (43) ELT 195 (SC), Chemphar Drugs & Liniments 1989 (40) ELT 276 (SC), Gopal Zarda Udyog v. CCE 2005 (188) ELT 251 (SC) and Lubri-Chem Industries Ltd. v. CCE 1994 (73) ELT 257 (SC).

- The said goods are not available for confiscation and in such cases where the goods itself are not available for confiscation, confiscation cannot be done. Hence, in absence of any confiscation no redemption fine can be imposed. Reliance was placed on the case laws of M/s. INDOKEM LTD. reported at ELT 2017 (352) ELT 386 (Tri.- Mumbai) and M/s VIDHI DYESTUFF MANUFACTURING LTD. reported at 2015 (327) E.L.T. 500 (Tri. - Mumbai).

5. Personal hearing in the matter was held on 13.05.2025 wherein Shri John Christian and Shri Ashish Jain, Consultants appeared for hearing on behalf of the appellant and they reiterated the submissions made in appeal memorandum and placed reliance on record the case law of M/s A R Sulphonates Pvt. Ltd. reported at (2025) 29 Centax 212 (Bom) to emphasize that there are no provisions for confiscation, charge of interest and imposition of penalty with respect to levy of IGST under Section 3(7) of the Customs Act is concerned.

6. I have carefully examined the impugned order, the appeal memorandum submitted by the appellant, the oral and written submissions made during the course of the hearing, as well as the documents and evidence available on record. The primary issue for determination in the present appeal is whether the goods imported under Bills of Entry Nos. 3369899 dated 31.02.2021 and 6315866 dated 01.01.2020 are classifiable for the purposes of IGST at the rate of 12% under Serial No. 198 of Schedule II of Notification No. 1/2017-Integrated Tax (Rate), or at the rate of 18% under Serial No. 453 of Schedule III of the same notification.

6.1 The entry at Serial No. 198 of Schedule II of Notification No. 1/2017-Integrated Tax (Rate), as it existed prior to its omission by Notification No. 6/2022-Integrated Tax (Rate) with effect from 18.07.2022, covered goods such as milking machines and dairy machinery falling under Customs Tariff Heading (CTH) 8434. In contrast, Serial No. 453 of Schedule III of the same notification is a residual entry, which applies to "Goods not specified in Schedule I, II, IV, V or

VI." It is a well-settled principle that a residual entry is invoked only when the goods in question are not specifically covered under any of the defined entries. Therefore, it becomes necessary to examine whether the goods under consideration fall within the scope of a specific entry such as Serial No. 198 or whether classification under the residual entry is warranted.

6.2 It is the contention of the appellant that they are engaged in the manufacture and sale of Milking Machinery, a claim substantiated by the submission of tax invoices issued for domestic sales along with corresponding GSTR-1 statements. The appellants have further asserted that the goods imported in the present case are Milking Machines in Completely Knocked Down (CKD) condition. In support of this, they have submitted Purchase Order No. PEPL/PO/0148 dated 18.01.2021 placed on M/s Mirza Sagim Teknolojileri ITH VE Ticaret Ltd., which clearly indicates that a Milking Machine in CKD condition, comprising 22 different types of parts valued at USD 80,992.37, was ordered. Correspondingly, Bill of Entry No. 3369899 reflects the import of goods from the same supplier, namely M/s Mirza Sagim Teknolojileri ITH VE Ticaret Ltd., wherein 22 different parts, declared at a total value of USD 80,992.37, have been imported. The description of the parts as mentioned in the Purchase Order aligns with those declared in the Bill of Entry. Similarly, Purchase Order No. PEPL/PO/0056 dated 04.12.2019, also placed on the aforementioned supplier, indicates the ordering of a Milking Machine in CKD condition comprising 27 different types of parts valued at USD 83,089.00. In line with this, Bill of Entry No. 6315866 dated 01.01.2020 documents the import of 27 parts from the same supplier, matching the purchase order in both quantity and declared value. Furthermore, Certificate of Origin No. 0777722, pertaining to the goods covered under Bill of Entry No. 6315866 dated 01.01.2020, describes the goods as "Milking Machines & Milking Equipment". The above factual matrix, including corroborative documentary evidence such as Purchase Orders, Bills of Entry, and the Certificate of Origin, conclusively demonstrates that the goods under import are Milking Machines in CKD condition.

6.3 With regard to the declaration made in the Bill of Entry, I find that the appellants have correctly declared the applicable rate of duty corresponding to Milking Machines, considering that the goods imported were in CKD (Completely Knocked Down) condition. The description of the goods was stated as per the invoice issued by the foreign supplier. The said Bill of Entry was duly assessed and finalized, and the goods were cleared under an "Out of Charge" order in

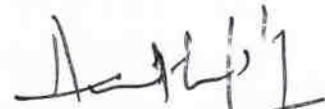
terms of Section 47 of the Customs Act, 1962. This clearly indicates that the duty rate as declared by the appellants was accepted by the department at the time of clearance, and no objection or discrepancy was raised by the authorities during the initial assessment. Consequently, there existed no reason or cause for the appellants to raise any grievance against the assessment at that stage. It is only at a subsequent stage that the department adopted a different interpretation of the matter, leading to the issuance of a Show Cause Notice. The appellants have contested the allegations raised therein. In view of these facts, the question of the appellants challenging the original assessment does not arise, as the assessment had attained finality and was accepted by both parties at the relevant time.

6.4 The above facts leave no room for doubt that the goods under import are Milking Machines in Completely Knocked Down (CKD) condition. The description in the respective Bills of Entry pertains to individual components solely because the machine was imported in CKD form. Such a manner of declaration is consistent with the nature of the import and does not alter the essential character of the goods as Milking Machines.

7. In light of the foregoing facts, the applicability of Rule 2(a) of the General Rules for the Interpretation of the Import Tariff becomes relevant. Rule 2(a) provides that goods presented unassembled or disassembled shall be classified as the finished article, provided they are presented together. In the present case, I find that the impugned goods are unassembled/disassembled Milking Machines imported in CKD condition. Therefore, in terms of Rule 2(a), the goods are to be classified as Milking Machines. This interpretation is further supported by the decision in the case of M/s Bird Retail Pvt. Ltd., reported in 2020 (373) ELT 267 (Tri.-Del.), wherein similar reasoning was adopted. Further, Entry No. 198 of Schedule II of Notification No. 1/2017-Integrated Tax (Rate), as it stood prior to its omission by Notification No. 6/2022-Integrated Tax (Rate) dated 18.07.2022, specifically covered "Milking machines and dairy machinery" falling under Customs Tariff Heading (CTH) 8434. The impugned goods squarely fall within the ambit of this entry. In such circumstances, classification of the impugned goods under the residual entry at Serial No. 453 of Schedule III of the same notification is neither sustainable nor warranted. Accordingly, I hold that the impugned goods are appropriately classifiable under Entry No. 198 of Schedule II of Notification No. 1/2017-Integrated Tax (Rate), and are liable to IGST at the rate of 12%.

8. Having arrived at the above conclusion, I find that the consequential actions—namely, the imposition of penalty on the appellants, demand for interest, holding the goods liable for confiscation, and imposition of redemption fine—are not sustainable and therefore liable to be set aside.

9. Accordingly, I set aside the impugned order and allow the appeal with consequential relief, if any in accordance with the law.



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

F. No. S/49-47/CUS/AHD/2024-25

Date: 14.07.2025

By Registered post A.D/E-Mail

26/25

To,

M/s Prompt Equipments P Ltd.,
3-B Vardan Exclusive, Nr. Stadium Petrol Pump,
Navrangpura, Ahmedabad.



Copy to:

1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad.
2. The Principal Commissioner of Customs, Ahmedabad.
3. The Additional Commissioner of Customs (O&A), Ahmedabad.
4. Guard File.

सत्यापित/ATTESTED

 अधीक्षक/SUPERINTENDENT
 सीमा इकल (अपील), अहमदाबाद.
 CUSTOMS (APPEALS), AHMED.