



OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-V)
सीमाशुल्क आयुक्त (एनएस - V) का कार्यालय
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA,
जवाहरलाल नेहरू सीमाशुल्क भवन, न्हावा शेवा,
TALUKA – URAN, DISTRICT - RAIGAD,
MAHARASHTRA -400707
तालुका - उरण, जिला - रायगढ़ , महाराष्ट्र - 400707
Email: jnch.cac@gov.in

DIN - 20260578NX000000C7E2

Date of Order: 14.05.2026

F. No. S/10-112/2025-26/COMMR./GR.V/NS-V/CAC/JNCH

Date of Issue: 14.05.2026

SCN No.: 150/2025-26/COMMR./NS-V/Gr.V/CAC/JNCH

SCN Date: 16.05.2025

Passed by: Sh. Anil Ramteke

Commissioner of Customs, NS-V, JNCH

Order No: 37/2026-27/COMMR/GR-V/NS-V/CAC/JNCH

Name of Noticee: M/s. Jaguar Land Rover India Ltd. (IEC: 0313007748)

ORDER-IN-ORIGINAL

मूल - आदेश

1. The copy of this order in original is granted free of charge for the use of the person to whom it is issued.

1. इस आदेश की मूल प्रति की प्रतिलिपि जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निःशुल्क दी जाती है।

2. Any Person aggrieved by this order can file an Appeal against this order to CESTAT, West Regional Bench, 34, P D'Mello Road, Masjid (East), Mumbai - 400009 addressed to the Assistant Registrar of the said Tribunal under Section 129 A of the Customs Act, 1962.

2. इस आदेश से व्यथित कोई भी व्यक्ति सीमाशुल्क अधिनियम 1962 की धारा 129 (ए) के तहत इस आदेश के विरुद्ध सी.ई.एस.टी.ए.टी., पश्चिमी प्रादेशिक न्यायपीठ (वेस्ट रीजनल बेंच), 34, पी. डी.मेलो रोड, मस्जिद (पूर्व), मुंबई - 400009 को अपील कर सकता है, जो उक्त अधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।

3. Main points in relation to filing an appeal: -

3. अपील दाखिल करने संबंधी मुख्य मुद्दे:-

Form - Form No. CA3 in quadruplicate and four copies of the order appealed against (at least one of which should be certified copy).

फार्म - सीए3, चार प्रतियों में तथा उस आदेश की चार प्रतियाँ, जिसके खिलाफ अपील की गयी है (इन चार प्रतियों में से कम से कम एक प्रति प्रमाणित होनी चाहिए).

Time Limit - Within 3 months from the date of communication of this order.

समय सीमा - इस आदेश की सूचना की तारीख से 3 महीने के भीतर

Fee -फीस-

- (a) Rs. One Thousand - Where amount of duty & interest demanded & penalty imposed is Rs. 5 Lakh or less.
- (क) एक हजार रुपये जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम 5 लाख रुपये या उस से कम है।
- (b) Rs. Five Thousand - Where amount of duty&interest demanded&penalty imposed is more than Rs. 5 Lakh but not exceeding Rs. 50 Lakh.
- (ख) पाँच हजार रुपये – जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम 5 लाख रुपये से अधिक परंतु 50 लाख रुपये से कम है।
- (c) Rs. Ten Thousand - Where amount of duty&interest demanded&penalty imposed is more than Rs. 50 Lakh.
- (ग) दस हजार रुपये – जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम 50 लाख रुपये से अधिक है।

Mode of Payment - A crossed Bank draft, in favor of the Asstt. Registrar, CESTAT, Mumbai payable at Mumbai from a nationalized Bank.

भुगतान की रीति – क्रॉस बैंक ड्राफ्ट, जो राष्ट्रीय कृत बैंक द्वारा सहायक रजिस्ट्रार, सी.ई.एस.टी.ए.टी., मुंबई के पक्ष में जारी किया गया हो तथा मुंबई में देय हो।

General - For the provision of law & from as referred to above & other related matters, Customs Act, 1962, Customs (Appeal) Rules, 1982, Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982 may be referred.

सामान्य - विधि के उपबंधों के लिए तथा ऊपर यथा संदर्भित एवं अन्य संबंधित मामलों के लिए, सीमाशुल्क अधिनियम, 1962, सीमाशुल्क (अपील) नियम, 1982, सीमाशुल्क, उत्पाद शुल्क एवं सेवा कर अपील अधिकरण (प्रक्रिया) नियम, 1982 का संदर्भ लिया जाए।

4. Any person desirous of appealing against this order shall, pending the appeal, deposit 7.5% of duty demanded or penalty levied therein and produce proof of such payment along with the appeal, failing which the appeal is liable to be rejected for non-compliance with the provisions of Section 129E of the Customs Act 1962.

4. इस आदेश के विरुद्ध अपील करने के लिए इच्छुक व्यक्ति अपील अनिर्णीत रहने तक उसमें माँगे गये शुल्क अथवा उद्गृहीत शास्ति का 7.5 % जमा करेगा और ऐसे भुगतान का प्रमाण प्रस्तुत करेगा, ऐसा न किये जाने पर अपील सीमाशुल्क अधिनियम, 1962 की धारा 129 E के उपबंधों की अनुपालना न किये जाने के लिए नामंजूर किये जाने की दायी होगी।

Subject - Adjudication of Show Cause Notice No. 150/2025-26/CC/NS-V/GR-V/CAC/JNCH dated 16.05.2025 issued to Jaguar Land Rover India Ltd. (IEC – 0313007748) - reg.

1. BRIEF FACTS OF THE CASE

1.1 It is stated in the Show Cause Notice (SCN) No. 150/2025-26/CC/NS-V/GR-V/CAC/JNCH dated 16.05.2025 that Jaguar Land Rover India Limited (IEC: 313007748) (hereinafter referred to as the ‘Importer’ or the ‘Noticee’) had filed Bills of Entry as detailed in Annexure-A to the subject SCN, at Nhava Sheva, JNCH, Mumbai, through Customs Broker, M/s. Mangalam (India), for clearance of “Various parts usable in the manufacturing of vehicles like Norm and Small Parts and Collective Packages for Jaguar Land Rover, Actuator, Adaptor, Aerial-Roof Mount, Amplifier, Antenna, Arm Wiper, Assembly Compressor, Badge, Bearing, Belt, Bezel, Blade wiper, Blower, Bracket, Bulb, Bush, Parking Camera, Clamp, Clip, Compressor, Condenser, Connector, Duck, Gasket, Harness, Head Lamp, Horn, Hose, Washer, Charger, Switch etc.” having assessable value of **Rs. 2,23,67,98,642/- (Rupees Two Hundred Twenty Three Crore Sixty Seven Lakh Ninety Eight Thousand Six Hundred Forty Two Only)** (hereinafter referred as the ‘imported goods’) and classified them under Chapter 32, 39, 40, 70, 73, 74, 76, 82, 83, 84, 85 & 90 of the first Schedule to the Customs Tariff Act, 1975.

1.2 During the course of Post Clearance Audit of Bills of Entry, it was prima-facie noticed that the importer had imported above mentioned subject goods on payment of lower rate of BCD @5%, 7.5% and 10% with IGST @18% & 28% under Serial Nos. detailed at undermentioned Table-A of Schedule-III & Schedule-IV of the IGST levy Notification No. 01/2017 dated 28.06.2017 by classifying under wrong Chapter 32, 39, 40, 70, 73, 74, 76, 82, 83, 84, 85 & 90 instead of the correct classification in Chapter 87 in various sub-heads which attracts BCD @15% with IGST @ 28% under Sr. No. 170 of Schedule-IV of Notification No. 01/2017 dated 28.06.2017.

1.3 Relevant CTH of BCD for the items imported is as given below:

Declared CTH	BCD % as per declared CTH	Correct CTH	BCD % as per correct CTH
32, 39, 40, 70, 73, 74, 76, 82, 83, 84, 85 & 90	0, 5, 7.5, 10, 12.5 & 15	8708	15

1.4 The relevant parts of the IGST levy Notification No. 01/2017- Integrated Tax (Rate) dated 28.06.2017 are reproduced as under:

Table-A

IGST Schedule	Schedule Sr. No.
Sch-III - 18%	III104, III105, III107, III108, III111, III118, III119, III121B, III123A, III123B, III138, III189B, III189E, III189G, III238, III250, III253, III265, III274, III275A, III276, III303, III303A, III305, III306, III308A, III308B, III317, III317A, III317B, III320, III322, III325, III327B, III328, III352, III362, III366, III368, III369, III369A, III369B, III372, III374, III375, III376, III376B, III379, III380, III381, III381A, III382, III382A, III383A, III383B, III384A, III388, III388A, III388B, III389, III390, III393, III394, III395, III408, III413, III416, III417, III419, III420, III421, III422, III435A, III437, III453
Sch-IV - 28%	IV117, IV154

Correct IGST Schedule

Table-B

IGST Schedule	Schedule Sr. No.	Description
Sch-IV -28%	170	Parts and accessories of the motor vehicles of heading 8701 to 8705 (other than specified parts of tractors);

1.5 Further, the Hon'ble Supreme Court's judgement in various cases held that parts & accessories which are known to be used with automobiles in commercial parlance, and specially / specifically designed to be used in automobiles and accessories which give vehicles inalienable identity are not the parts of general use and deserve classification under Chapter 87.

- (i) In the case of *M/s. Asian Paints India Ltd.* reported at 1988(35) E.L.T. 31 (SC), Hon'ble Supreme Court has held that "It is well settled that the commercial meaning has to be given to the expression in tariff items: Where definition of a word has not been given. It must be construed in its popular sense. Popular sense means that sense which people conversant with the subject matter with which the statute is dealing would attribute to it".
- (ii) In the case of *M/s. G.S. Auto International Ltd.* reported at 2003(152) E.L.T.3(S.C), Hon'ble Supreme Court has held that to determine the applicability of the item under particular head, the test of commercial identity of the goods would be the relevant test and not the functional test. It was also held that the expression 'parts of general use' throughout the Schedule, means, inter alia, articles of Heading No. 73.18 and similar articles of other base metal; and the expression 'part and accessories' in Chapter Heading 87.08 does not apply to parts or accessories which are not suitable for use solely or primarily with articles of Chapter Heading 87.08 which pertains to parts and accessories of motor vehicles of Chapter Heading Nos. 87.01 to 87.05. The court was also categorical that in such a case the test that is to be applied is: "whether the goods are suitable for use solely or primarily with articles of chapter Heading 8701 to 8705. It is observed that these are parts and accessories of the vehicles and are sold in unit and as per part numbers of the original vehicle manufactures. They are not inter-changeable and can be marketed only by auto-vehicle part dealers."
- (iii) Applying the same principle, Hon'ble Supreme Court, in case of *M/s. Cast Metal Industries Pvt. Ltd.*, reported at 2015(325) E.L.T 471(S.C) has held that "Door Handles and hinges for automobiles", being specifically meant for and use in motor vehicles as its parts and accessories, are classifiable under heading 8708.

1.6 Further, as per Explanatory Notes to Section XVII of the HSN, parts and accessories of the vehicles, aircraft or equipment concerned should be classified under headings of Section XVII, only if they comply with following conditions:

- (a) They must not be excluded by the terms of Note 2 to Section XVII;
- (b) They must be suitable for use solely or principally with the articles of Chapter 86 to 88; and
- (c) They must not be more specifically included elsewhere in the nomenclature.

Therefore, following parts and accessories specially / specifically designed for motor vehicle, are classifiable under CTH 8708: Motor vehicle radiators and part thereof, Pipe-Hose / Exhaust Pipe for Motor Vehicle, Gear Boxes and part thereof (other than internal part of engines or motors), Silencers, clutches, safety seat belts, bumpers and parts thereof, exterior luggage racks, Automotive door lock components, Door handle and hinges, regulator assembly, Fuel tank and part thereof, control equipment, steering wheels, steering column, steering boxes, steering wheel axles, gear-change, hand-brake levers, brakes system and part thereof (plates, drums, cylinders,

mounted linings, oil reservoirs etc.), brake pad, connecting-rods, road wheels, rims, discs, hub-caps, suspension, shock absorbers, other suspension parts, torsions bars, transmission parts and components, chassis frames, radiator, cowlings, non-electric heating and defrosting appliance which use the heat produced by the engine of the vehicle and part thereof, shaft (other than internal part of engines), parts of bodies and associated accessories for example, front or rear panels, luggage compartments, doors and parts thereof, seat recliner & parts thereof, bonnets, hoods, framed windows, windows equipped with heating resistors, electrical connectors, window frames, mudguards, number plate brackets, bumpers, brackets for engine mounting, other brackets specifically designed for vehicles, other insulator/cover/connector/fixer specifically designed for vehicles luggage racks, moulding assembly for door/electric components, wire/cable & their assembly (cut to the length and equipped with end fittings), body fitting equipment including nut, bolt etc.

1.7 In view of the above, it appeared that the parts and accessories of motor vehicle (having unique part number) which have not been otherwise excluded and are specially / specifically designed to be used for / with a motor vehicle of particular model and make, should be classified under chapter 87. Therefore, it appeared that the goods imported under bills of entry detailed at Annexure-A to the subject SCN are misclassified under various chapter heads of Chapter 39, 40, 70, 73, 74, 76, 83, 84, 85, 90 & 94 to get the benefit of lower BCD and IGST, which resulted into loss to exchequer. Further, by this way of misclassifying the imported goods purposefully, which are specially / specifically meant for use solely and principally for manufacture of motor vehicles falling under Chapter 8701 to 8705, the importer has short paid the BCD and IGST duty amounting to **Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only)**.

1.8 Accordingly, a Consultative Letter vide F. No. S/2-Audit-Gen-233/2023-24/JNCH/B1 Circle dated 13.02.2025 was issued to the importer for payment of short levied duty along with applicable interest and penalty. Vide the aforementioned Consultative letter, the importer was advised to pay the differential duty along with interest and penalty in terms of Section 28(4) of the Customs Act 1962. The importer was further advised to avail the benefit of lower penalty in terms of Section 28(5) of the Customs Act, 1962, by early payment of short paid duty and interest along with penalty @ 15%. The importer vide letter dated 26.02.2025 requested to provide time up to 30.04.2025 to make their submission on the subject matter. As audit is a time bound process, no further time extension was provided.

1.9 Relevant Legal / Penal Provisions

After the introduction of self-assessment vide Finance Act, 2011, the onus is on the importer to make true and correct declaration in all aspects including classification and calculation of duty, but in the instant case the subject goods have been mis-classified and duty has not been paid correctly.

The extracts of the following provisions of law / rules relevant to the import of goods in general, recovery of duty, liability of goods to confiscation and liability of the concerned persons to penalty for improper importation of goods, and other laws for the time being in force, were mentioned in the subject SCN. The same are not reproduced in this Order-in-Original for the sake of brevity:

- Section 17 : Assessment of duty.
- Section 28 : Recovery of duties not levied or short levied or erroneously refunded.
- Section 28AA : Interest on delayed payment of duty.
- Section 46 : Entry of goods on importation.
- Section 111 : Confiscation of improperly imported goods.
- Section 112 : Penalty for improper importation of goods, etc.
- Section 114A : Penalty for short-levy or non-levy of duty in certain cases.

1.10 Acts of omission and commission by the importer:

1.10.1 As per Section 17(1) of the Customs Act, 1962 “An importer entering any imported goods under Section 46, shall, save as otherwise provided in Section 85, self-assess the duty, if any, leviable on such goods.” Thus, in this case, the importer had self-assessed the Bills of Entry and appeared to have short paid duty due to mis-classification of the goods which are specially / specifically designed to be used in automobiles under various chapters instead of CTH 8708, and thereby availed wrong BCD and IGST benefit.

As the importer got monetary benefit due to said act, it appeared that the same was done deliberately with an intention to evade duty on the said goods in the Bills of Entry during self-assessment. Therefore, differential duty amount is recoverable from the importer under Section 28(4) of the Customs Act, 1962 along with applicable interest as per Section 28AA of the said Act.

1.10.2 It appeared that the importer has given a declaration under Section 46(4) of the Customs Act, 1962, for the truthfulness of the content submitted at the time of filing Bill of Entry. However, the applicable duty on the imported goods was not paid by the importer at the time of clearance of goods. It also appeared that the importer has submitted a false declaration under Section 46(4) of the Act. By the act of presenting goods in contravention to the provisions of Section 111(m), it appeared that the importer has rendered the subject goods liable for confiscation under Section 111(m) of the Act. For the above act of deliberate omission and commission that rendered the goods liable to confiscation, the importer also appeared liable to penal action under Section 112(a) and /or 114A of the Customs Act, 1962.

1.11 From the foregoing, it appeared that the importer has wrongly classified the goods and has submitted a false declaration under Section 46(4) of the said Act. Due to this act of omission of the importer, there has been loss to the government exchequer equal to the differential duty.

1.12 Therefore, in view of the above facts, it appeared that the importer, Jaguar Land Rover India Limited, has deliberately not paid the duty by willful mis-classification as it was their duty to declare correct applicable rate of duty in the entry made under Section 46 of the Customs Act, 1962, and thereby evaded duty amounting to **Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only)**. Therefore, for their acts of omissions / commissions, the differential duty, so not paid, is liable for recovery from the importer under Section 28(4) of the Customs Act, 1962 by invoking extended period of limitation, along with applicable interest under Section 28AA of the Customs Act, 1962. Accordingly, the importer also appeared liable to penal action under Section 112(a) and /or 114A of the Customs Act, 1962.

1.13 In view of the above, vide Show Cause Notice (SCN) No. 150/2025-26/CC/NS-V/GR-V/CAC/JNCH dated 16.05.2025, Jaguar Land Rover India Ltd. (IEC - 0313007748), was called upon to show cause to the Commissioner of Customs, Nhava Sheva-V, JNCH (the Adjudicating Authority), as to why:

- (i) The classification of the subject goods claimed under CTI as detailed in Annexure-A to the subject SCN, should not be rejected and the same should not be re-assessed under Chapter 87 in various sub-heads which attracts BCD @ 15% with IGST @ 28% under Sr. No. 170 of Schedule-IV of Notification No. 01/2017 dated 28.06.2017.
- (ii) The imported goods having assessable value of **Rs. 2,23,67,98,642/- (Rupees Two Hundred Twenty Three Crore Sixty Seven Lakh Ninety Eight Thousand Six Hundred and Forty Two Only)** under Bills of Entry as detailed in Annexure-A to the subject SCN, should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962.
- (iii) Applicable interest on differential duty of **Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only)** for non-payment of

differential duty should not be demanded for the Bills of Entry as detailed in Annexure-A to the subject SCN, under Section 28AA of the Customs Act, 1962.

- (iv) Penalty should not be imposed under Section 112(a) and / or 114A and 114AA of the Customs Act, 1962.

2. WRITTEN SUBMISSIONS OF THE NOTICEE

In response to the SCN, Jaguar Land Rover India Ltd. vide letter dtd. 15.04.2026 submitted their interim reply to the SCN, through their advocate, Lakshmikumaran & Sridharan. Further, vide letter/email dtd. 04.05.2026, they submitted additional submissions along with Annexure having a list of general use items, and submitted that the interim reply along with additional submissions may be considered as their final reply to the SCN. Vide their above submissions, the Noticee denied all the allegations made against them in the SCN. The submissions made by them, in their words, are interalia as under:

2.1 About the Noticee:

The Noticee, Jaguar Land Rover India Limited, is *inter alia* engaged in the business of sale of automobiles in India, including Jaguar and Land Rover passenger vehicles, and are a part of the Tata Group. In connection with the activity of sale / trading / maintenance of automobiles, the Noticee has been importing the subject goods historically for several years.

2.2 About the imported goods:

2.2.1 During the regular course of business, the Noticee *inter alia* imported the following goods vide multiple Bill(s) of Entry during the period from 20.05.2020 till 30.01.2025 and classified them under their respective Headings:

Sr. No.	Imported Goods & Declared Heading	Function of the goods	Constituent material of imported goods
1.	Sealant – Adhesive Heading 32.14	The subject goods are Room Temperature Vulcanizing (RTV) Silicone based sealants supplied in cartridge form, used for creating a flexible and oil-resistant sealing layer between mating metal surfaces during mechanical assembly. These sealants are applied in liquid or semi-solid form and cure to form an elastomeric seal capable of withstanding elevated temperatures, vibration, and exposure to oils and other fluids. Such silicone-based sealing compounds are commonly used in sealing engine pans, covers, housings, and comparable metal interfaces in mechanical systems. The product functions as a consumable sealing compound applied during assembly and does not constitute a permanent structural component.	Silicone
2.	Tubes, Pipes and Hoses Heading 39.17	The products under consideration comprise a wide range of plastic tubes, pipes, and hoses used for the conveyance of fluids and air in automotive systems. These include high-pressure tubes, water inlet and outlet tubes, air intake tubes, vacuum and breather pipes, intercooler hoses, cooling system hoses, heater and washer hoses, and similar fluid-carrying or ventilation components. Such assemblies are designed to facilitate fluid transfer, ventilation, cooling, and air or vapour flow between different systems and sub-assemblies. The subject goods are manufactured from	Plastic

		plastic materials and are supplied as tubes or hose assemblies for integration during assembly operations.	
3.	Badges, decals, labels and adhesive plastic tapes Heading 39.19	The subject goods include plastic badges, name plates, decals, labels, anti-squeak tapes, and other self-adhesive plastic articles. These items are supplied in the form of adhesive-coated plastic sheets, tapes, films, or cut shapes and are used for identification, information display, branding, noise reduction, surface protection, or vibration dampening. Anti-squeak tapes are applied between adjoining surfaces to minimize noise and friction, while labels and decals are used to display technical, safety, or product information. Badges and name plates serve identification and decorative purposes. All such goods function through their adhesive backing.	Plastic
4.	Plastic reservoirs and caps (including windshield washer reservoirs, screenwash reservoirs, expansion reservoirs and filler caps) Heading 39.23	The subject goods include plastic reservoirs used for storing and supplying fluids in vehicle systems, such as windshield washer fluid and expansion fluids. These reservoirs act as containers designed to hold and dispense liquids to connected systems through attached tubes or hoses. The subject goods also include plastic filler caps used to close and seal reservoir or filler openings, preventing leakage and contamination. These articles are moulded plastic containers and closures, supplied as individual components, and are fitted during assembly to facilitate fluid storage, filling, and controlled discharge within fluid systems.	Plastic
5.	Plastic name plates, badges, handles and similar decorative/trim articles Heading 39.26	The products under consideration include plastic name plates, badges, decorative labels, outer and inner door handles, assist handles, pull handles, tailgate handles, coat hangers and similar trim or identification articles. These items are moulded plastic articles primarily serving identification, decorative, grip-assistance, or user-interface functions. Name plates and badges are used for branding, model identification or information display, while handles and pull components facilitate manual operation such as opening, closing or support.	Plastic
6.	Rubber anti-squeak pads and rubber floor mats Heading 40.08	The subject goods include rubber anti-squeak pads and rubber floor mats. Anti-squeak pads are applied between adjoining surfaces to dampen vibration, reduce friction, and prevent noise generation during vehicle operation. Rubber floor mats are placed on the vehicle floor area to provide surface protection against dust, moisture, and wear, while also enhancing grip and ease of cleaning. These items are passive rubber articles that do not perform any mechanical or controlling function and are fitted or placed during assembly or use for cushioning, protection, and noise reduction purposes.	Rubber
7.	Rubber hoses, tubes, pipes and hose assemblies (including radiator hoses, heater hoses, brake hoses, power steering hoses, vacuum hoses, washer hoses, oil	The subject goods primarily consist of rubber hose assemblies and tubing components used across various automotive systems, including braking systems, radiator and cooling circuits, intercoolers, fuel and oil cooling systems, air conditioning systems, exhaust gas recirculation (EGR), crankcase ventilation, and washer fluid systems. These items are manufactured from rubber, often reinforced with textile or metal braiding to withstand pressure, heat, vibration, and exposure to automotive fluids. The hoses and tubes are	Rubber

	cooler hoses, coolant hoses, breather tubes, air and compressed air hoses, intercooler hoses and similar flexible rubber conduits), Heading 40.09	designed for the conveyance of liquids, air, vacuum, or vapours and include variants such as coolant hoses, fuel feed and return lines, brake hoses, power steering hoses, EGR cooler hoses, and washer fluid tubes. The goods are supplied as individual components, with or without end fittings, and are installed during assembly to enable fluid transfer, air flow, or vapour management within various systems.	
8.	Rubber transmission belts, drive belts and timing belt kits (including V-belts, accessory drive belts, timing belts and belt kits) Heading 40.10	The subject goods include rubber transmission belts such as V-belts, accessory drive belts, timing belts and engine timing belt kits. These belts are used to transmit mechanical power or synchronized motion between rotating components such as the crankshaft, camshaft, alternator, water pump, power steering pump, air-conditioning compressor and other auxiliary systems. Timing belts ensure precise synchronization of engine components, while accessory and drive belts enable the operation of auxiliary equipment. The goods are manufactured from rubber, generally reinforced with textile cords or synthetic fibres to provide strength, flexibility and resistance to heat, wear and vibration. The material composition and functional design align with general-purpose rubber transmission belts used across multiple industries, including automotive, manufacturing and maintenance.	Rubber
9.	Rubber seals, O-rings, gaskets, gasket kits, sealing rings, plugs, insulators, bushes, grommets and similar articles Heading 40.16	The products under consideration include a wide range of rubber sealing and insulating articles such as seals, O-rings, gaskets, gasket kits, sealing rings, drain plugs, rubber mountings, bushes, insulators, grommets, dampers and similar components. These items are used to provide sealing, insulation, cushioning, vibration damping or protection against leakage of fluids, gases or vapours at joints, interfaces or openings. Gaskets and O-rings are applied between mating surfaces to prevent fluid or gas leakage, while seals are used around shafts, covers, housings or doors to restrict ingress or egress of fluids, air or contaminants. Insulators, bushes and rubber mountings are used to absorb vibration, reduce noise and provide elastic support. The goods are manufactured from rubber and are supplied as individual components or as kits for installation during assembly or servicing. Their design and application are consistent with general-purpose rubber articles used in various industries, where they are integrated during assembly to fulfil non-mechanical sealing and damping functions.	Rubber
10.	Safety glass panels (including windscreens, rear windows, door glasses, quarter glasses, backlights, tailgate glasses, sunroof and sliding roof glass panels), toughened or laminated	The products under consideration include safety glass panels such as laminated windscreens, toughened door glass, quarter glass, rear and back window glass, tailgate glass, sunroof glass and sliding roof glass panels. These glass components are manufactured as toughened or laminated safety glass to provide visibility, weather protection, and occupant safety. Windscreens are typically laminated to prevent shattering on impact, while other window and roof glasses are toughened to enhance strength and resistance to breakage. These goods function as transparent barriers that allow light and visibility while protecting occupants from external environmental	Glass

	Heading 70.07	elements such as wind, water, dust and debris. They are supplied as individual glass panels or assemblies and are fitted during vehicle assembly to enclose the passenger compartment and support safety, comfort and structural integrity of glazing systems. The material composition, manufacturing processes, and functional characteristics of these glass panels are consistent with standardized safety glass products commonly used for glazing applications.	
11.	Glass mirrors and mirror glass (including windshield rear-view mirrors, outer rear-view mirror glass, door mirror glass and vanity mirrors Heading 70.09	The products under consideration include glass mirrors and mirror glass such as interior rear-view mirrors, outer rear-view mirror glass, door mirror glass, and vanity mirrors. These items are manufactured from glass with reflective coatings to provide clear and accurate visual reflection. Their primary function is to enable visibility and visual reference. The goods function as reflective glass articles that assist observation and visibility and are supplied as individual mirror glass components or mirror units. They are installed during assembly as reflective surfaces and do not perform any mechanical, electrical, or load-bearing function. The material composition and functional characteristics are consistent with standard glass mirror products used for reflective and visibility purposes across a range of applications.	Glass
12.	Hose and Tube Assemblies of Iron/Steel Heading 73.04	The subject goods include steel tubes, pipes, hose assemblies and connections such as water outlet connections, coolant pipes, air-conditioning hoses, degas cooling system hoses and water drain tubes. These items are designed to enable the conveyance, circulation or discharge of fluids such as coolant, water or refrigerant between different systems. They function as rigid or semi-rigid conduits and connectors facilitating fluid flow, drainage and system interconnection. The goods are supplied as individual components and are fitted during assembly to support cooling, air-conditioning and drainage functions.	Iron/Steel
13.	Iron or steel pipes, tubes, hoses and transfer lines (including transfer pipes, oil feed and return pipes, oil cooler pipes, brake pipes, heater hoses, drain tubes and connecting tubes) Heading 73.06	The subject goods include iron or steel pipes, tubes, hoses and transfer lines such as transfer pipes, oil feed pipes, oil return hoses, oil cooler pipes, brake pipes, heater hoses, drain tubes, connecting tubes and water connections. These items are used to convey, circulate or discharge fluids or gases including oil, coolant, water, brake fluid or exhaust gases between different points. They function as rigid or semi-rigid conduits and connectors that enable fluid flow, return, drainage or interconnection within systems. The goods are supplied as individual pipe or tube components and are fitted during assembly to support fluid or gas transfer functions.	Iron/Steel
14.	Iron or steel exhaust clamps Heading 73.07	These include iron or steel clamps used to secure, join, or hold together pipe sections or components at junctions. Exhaust clamps are designed to provide fastening and support by maintaining alignment and ensuring a firm connection between adjoining sections. The goods function as fastening and holding accessories and are supplied as individual clamp components fitted during assembly to support secure joining of pipes or tubular elements. These articles do not perform any mechanical or controlling operation independently and primarily serve as passive fastening devices.	Iron/Steel

15.	Iron or steel chains and chain guides (including timing chains and chain guides) Heading 73.15	The products under consideration include iron or steel timing chains and chain guides. Timing chains are used for the transmission of rotational motion and synchronization between rotating components, while chain guides provide alignment, guidance and support to the chain during operation. These articles function as mechanical transmission and guiding elements that ensure smooth motion, correct positioning and controlled movement within assemblies. They perform a functional role of conveying mechanical motion and maintaining alignment.	Iron/Steel
16.	Iron or steel fasteners and fixing articles (including nuts, bolts, screws, washers, studs, rivets, plugs, pins, clips, circlips, retainers and spacers) Heading 73.18	The goods comprise a wide range of iron or steel fasteners and fixing articles such as nuts, bolts, screws, washers, studs, rivets, plugs, pins, clips, circlips, retainers and spacers. These items are used to join, secure, position, fasten or retain components by mechanical means. They function by providing threaded engagement, clamping, spacing, locating or retention at points of assembly and junction. The goods are supplied as individual standardised fastening components and are fitted during assembly to hold parts in place or maintain alignment.	Iron/Steel
17.	Iron or steel clamps, hooks, retaining rings and similar articles (including exhaust clamps, tube clamps, hose clamps, boot clamps, retaining rings, hog rings and hooks) Heading 73.26	The subject goods include iron or steel articles such as clamps, hooks, retaining rings, hog rings and similar items. These goods are used for fastening, securing, holding or retaining pipes, hoses, tubes or components at joints or mounting points. Exhaust clamps and tube or hose clamps are used to maintain alignment and secure adjoining sections, while hooks and retaining rings are used to support or retain components in position. The goods function as fastening, holding or retaining accessories and are supplied as individual components fitted during assembly.	Iron/Steel
18.	Connectors and fittings Heading 74.12	The subject goods are copper in-line connectors used for joining or connecting tubes, pipes or lines. These items are designed to facilitate secure interconnection and continuity of fluid or gas flow between adjoining sections. They function as joining and connecting elements, enabling alignment and leak-tight connections at junctions. The goods are supplied as individual connector components and are fitted during assembly to support interconnection between lines.	Copper/ Copper Alloy
19.	Copper washers, sealing washers, rings, seals and similar articles of copper (including plain washers, sealing washers, copper washers, sealing rings and oil tube gaskets) Heading 74.15	The products under consideration include copper washers, sealing washers, sealing rings, gaskets and similar articles. These items are used at joints, fastener interfaces or connection points to provide sealing, spacing or load distribution and to prevent leakage of fluids or gases. Copper washers and sealing washers function by deforming slightly under compression to create a tight seal, while rings and gaskets provide interface sealing or support between mating surfaces. The goods are supplied as individual components and are installed during assembly to support sealing and fastening functions.	Copper/ Copper Alloy
20.	Articles of nickel (including nickel gaskets) Heading 75.08	The subject goods are gaskets made of nickel. These items are used at joints or interfaces to provide sealing between mating surfaces, prevent leakage of fluids or gases. Nickel gaskets function by forming a tight seal under compression and are suitable for use in environments requiring resistance to heat,	Nickel or Nickel Alloy

		corrosion or pressure. The goods are supplied as individual gasket components and are installed during assembly to support sealing functions.	
21.	Aluminium pipes, tubes and hoses (including air-conditioning pipes, oil-cooler pipes, heater water tubes, auxiliary heater supply tubes and water hoses) Heading 76.08 & 76.09	The subject goods include aluminium pipes, tubes and hose assemblies such as air-conditioning pipes, oil-cooler pipes, heater water tubes, auxiliary heater supply tubes and water hoses. These items are used for the conveyance, circulation or return of fluids such as coolant, oil or water between different points. They function as rigid or semi-rigid conduits that enable fluid flow, cooling or heating circulation, and system interconnection. The goods are supplied as individual components and are fitted during assembly to support fluid transfer functions.	Aluminium
22.	Other articles of aluminium (including roof ladders, bush-type insulators, connectors and mounting washers) Heading 76.16	The subject goods include various articles made of aluminium such as roof ladders, bush-type insulators, connectors and differential mounting washers. Roof ladders are used as access or support structures, bush-type insulators provide isolation, spacing or cushioning between mounted components, and connectors are used for joining or interfacing adjoining parts or lines. Aluminium washers are used at mounting points to distribute load and maintain alignment. These items function as supporting, insulating, joining or spacing articles and are supplied as individual components fitted during assembly or installation.	Aluminium
23.	Articles of zinc (including special nuts) Heading 79.07	The subject goods are special nuts made of zinc. These articles are used as fastening components to secure or retain parts by threaded engagement at points of assembly. They function by providing mechanical fastening and holding between two components. The goods are supplied as individual fastening articles and are installed during assembly to support joining or securing requirements.	Zinc
24.	Hand tools and tool accessories (including fuel restrictors, wrenches and wheel-nut key adaptors) Heading 82.04	<p>The subject goods include hand-operated tools and tool accessories such as fuel restrictors, wrenches, wheel-nut wrenches and wheel-nut key adaptors. Fuel restrictors are used to regulate or control access at fuel inlet points, while wrenches and wheel-nut tools are used for the application or removal of nuts and fasteners by manual operation. Wheel-nut key adaptors function as intermediary tools that enable engagement with specialised nuts. These goods are supplied as individual tools or accessories and are used during servicing, maintenance or handling operations.</p> <p>Fuel restrictor is plastic part which comes along with the tools given with jack, wheel spanner. This tool helps to remove the fuel filler block flap when incorrect nozzle is used to fill fuel in the vehicle at petrol pump. This majorly happens at some petrol pumps as we do not have standard petrol nozzle and diesel nozzle in India which is not the case in Europe countries. The fuel nozzle at the petrol pumps are different for diesel and petrol. If accidentally Diesel nozzle is used in petrol vehicle of the Noticees, there is a fuel flap which deploys and prevents Diesel getting filled in petrol vehicle and vice versa. Fuel restrictors help to release the deployed flap so fuel can be filled again and prevent incorrect fuel and thus saving the fuel injection parts of vehicle.</p>	Base Metal

25.	Base-metal door latches (including front door and rear door latches) Heading 83.01	The subject goods are base-metal door latches used in front and rear doors. These latches function as mechanical fastening and locking devices that enable opening, closing and secure retention of doors in a closed position. They operate through manual engagement and release mechanisms and are fitted at door assemblies to provide controlled access and secure closure. The goods are supplied as individual latch components and are installed during assembly.	Base Metal
26.	Base-metal mountings, fittings and related articles (including pivots, clips, handles, brackets, bezels, caps, catches, grommets, badges and name plates) Heading 83.02	The subject goods are base-metal mountings, fittings and similar articles such as pivots, retaining clips, handles, brackets, bezels, caps, catches, grommets, badges and name plates. These goods are used for mounting, supporting, covering, guiding, retaining or providing finish to components at various locations. Handles facilitate manual operation, brackets and pivots provide mounting or support, clips and catches enable retention or securing, while bezels, caps, and badges serve protective, covering or identification functions. The goods are supplied as individual hardware components and are fitted during assembly.	Base Metal
27.	Belt buckles and buckle assemblies Heading 83.08	The subject goods consist of various types of seat belt buckles and buckle assemblies, designed to function as mechanical fasteners for securing seat belts in position. These components are made of base metal, often with integrated plastic or textile elements, and are engineered to provide locking, release, and adjustment functions within restraint systems. Their primary role is to fasten and hold seat belts securely, ensuring user safety in dynamic environments. These buckles are supplied as finished articles of base metal, and their design and function align with standard metal fasteners and fittings used in safety harnesses, restraint systems, and other fastening applications across various industries.	Base Metal
28.	Pin badge sets and retaining rings Heading 83.09	Badges are the Land Rover, Range ROVER, JAGUAR, Badges installed on various places on the body of the vehicle. These are badges for identification of the vehicle. There are metallic badges installed on front and rear of the vehicle and sometimes side of the vehicle for identification. These do not function as parts of motor vehicle.	-
29.	Actuators (other engines and motors) Heading 84.12	The products under consideration include actuators that convert electrical or pneumatic signals into controlled mechanical movement. These actuators are used to initiate or regulate movement of mechanisms by linear or rotary motion in response to control inputs. They function as power-providing or motion-generating units and are supplied as individual actuator assemblies for installation during assembly.	-
30.	Pumps, pump assemblies and parts (including fuel pumps, water pumps, power-steering pumps, sender-and-pump assemblies, washer	The products under consideration include pumps used for moving or pressurising liquids such as fuel, water or hydraulic fluid, along with related pump assemblies and parts. Fuel pumps and sender-and-pump units deliver fuel, water pumps circulate coolant, and power-steering pumps supply hydraulic pressure. Certain items such as injector refit kits and motor-and-pump assemblies are supplied as parts or accessories used in conjunction with pumps. These goods	-

	pumps and injector refit kits) Heading 84.13	function by mechanical or electromechanical action to move fluids and are supplied as individual units or assemblies.	
31.	Compressors, turbochargers, fans and parts thereof (including air-conditioning compressors, turbochargers, blower motors, cooling fans, and associated tubes and pipes) Heading 84.14	The subject goods include compressors and turbochargers used to compress air or gas, blower motors and fans used for ventilation or cooling, and associated tubes and pipes used to convey fluids or lubricants. Air-conditioning compressors provide pressurised refrigerant flow, turbochargers increase air intake pressure, and motors with fans move air for cooling. Certain items function as parts or accessories supporting these machines.	-
32.	Air-conditioning machines and parts (including condensers, evaporators, hoses, pipes, tubes and sealing kits) Heading 84.15	The subject goods include components of air-conditioning systems such as condensers, evaporators, hoses, pipes, tubes and sealing kits. These items are used for heat exchange, circulation of refrigerant, and sealing of joints within air-conditioning systems. They perform cooling or heat-transfer support functions and are supplied as individual components or kits for installation during assembly or servicing.	-
33.	Refrigerators, coolers and cooling equipment (including cool boxes, cooler/warmer boxes and cooling bags) Heading 84.18	The products under consideration include portable cooling and temperature-maintenance equipment such as cool boxes, cooler/warmer boxes and cooling bags. These goods are designed to maintain reduced or controlled temperatures for storage of food or beverages by insulating or active cooling means. They are supplied as complete units and operate to retain or modify internal temperature relative to the surroundings.	-
34.	Heat-exchange equipment (including fuel coolers and EGR coolers) Heading 84.19	The subject goods include coolers such as fuel coolers and exhaust gas recirculation (EGR) coolers. These goods function as heat-exchange equipment designed to reduce the temperature of fluids or gases by transferring heat to a cooling medium. Fuel coolers regulate fuel temperature, while EGR coolers reduce exhaust gas temperature prior to recirculation. The goods are supplied as individual heat-exchange units and are installed during assembly to perform cooling functions.	-
35.	Filtering and purifying machinery and parts (including air cleaner elements, fuel filters, oil filters, particle and pollen filters) Heading 84.21	The goods include filters and filter elements used for air, fuel and oil filtration, as well as odour, pollen and particle filtration. These goods function by removing contaminants, particulates or impurities from fluids or air streams to protect system components and improve operating efficiency. The goods are supplied as individual filters, elements or filter kits and are installed during assembly or servicing to perform filtration and purification functions.	-

36.	Spraying appliances and parts (including washer jets, reservoirs and related hoses) Heading 84.24	The products under consideration include washer jets, headlamp washer jets, windshield washer reservoirs, screenwash reservoirs and associated hoses. These goods are used to project or distribute cleaning fluid onto windshields or headlamps. They function by directing fluid flow through nozzles or jets supplied from reservoirs. The goods are supplied as individual components and are installed during assembly to support cleaning and spraying functions.	-
37.	Valves, thermostats and regulating devices (including EGR valves, expansion valves, thermostats and solenoids) Heading 84.81	The subject goods include valves, thermostats, thermostat housings, solenoids and control blocks used to regulate, direct or control the flow of fluids or gases. Thermostats regulate temperature by controlling fluid flow, while valves and solenoids control pressure, direction or flow rate.	-
38.	Ball or roller bearings (including wheel hub bearings and bearing hubs) Heading 84.82	The subject goods include wheel hub bearings and bearing hub assemblies. These bearings function to reduce friction and support rotational movement between moving parts, particularly wheel assemblies. They enable smooth rotation while supporting radial and axial loads. The goods are supplied as individual bearing units or hub assemblies and are installed during assembly to facilitate rotational motion.	-
39.	Mechanical transmission elements (including bearing hubs, pulleys, idlers, sprockets, tensioners and trigger wheels) Heading 84.83	The subject goods include bearing hubs, idler pulleys, tension pulleys, crankshaft pulleys, camshaft sprockets, drive-belt tensioners, chain idlers and trigger wheels. These goods are used to transmit rotational motion, guide belts or chains, maintain tension, reduce friction, or provide timing reference signals within mechanical drive systems. Bearing hubs support rotational movement, pulleys and idlers guide or tension belts, sprockets engage chains, and trigger wheels enable timing or position detection. These articles are internal parts of the engine system of vehicles.	-
40.	Gaskets, seals and jointing material (including exhaust, turbocharger, EGR, timing cover and throttle seals) Heading 84.84	The subject goods include gaskets, seals and jointing components used at interfaces between machine parts. These items function to provide sealing, prevent leakage of gases or fluids, and maintain pressure integrity at joints such as exhaust manifolds, turbochargers, EGR connections, timing covers, exhaust pipes and throttle assemblies. Certain items also function as sealing or filtering elements associated with cooling or exhaust systems. These goods are supplied as individual gaskets or seals and are installed during assembly or servicing to ensure proper sealing and joint integrity.	-
41.	Electric motors and actuators (including drive motors, stepper motors, mirror motors, door-latch actuators and wiper motors) Heading 85.01	The products under consideration include small electric motors and actuators used to convert electrical energy into mechanical motion. These goods perform functions such as driving mechanisms, actuating locks or latches, operating mirrors, moving wiper linkages, or controlling heating and ventilation components. Stepper motors provide controlled incremental motion, while actuators transmit motion through mechanical linkage or cables. The goods are supplied as individual motors or motor-actuator assemblies.	-

42.	Electrical converters and parts thereof Heading 85.04	The subject goods include electrical converters used to convert electrical input into an appropriate output voltage or current required for downstream circuits or devices. These goods function by electronic conversion and regulation and are supplied as individual converter units or parts for installation within electrical systems.	-
43.	Magnets and magnetic articles (including magnetic plugs) Heading 85.05	The subject goods include permanent magnets and magnetic-type plugs. These goods function by generating a magnetic field and are used for applications such as attracting or retaining metallic particles or enabling magnetic interaction within assemblies.	-
44.	Electrical terminals Heading 85.07	These are the electrical terminals used to repair wiring in case of terminals having loose connections between the male and female connectors. Each pin that has loose connection in a connector can be replaced with the specific pin/terminal of that number. This reduces unnecessary replacement of large wiring harnesses and the wiring harness can be repaired with these electrical terminals. The procedure to carry out the replacement of terminals is given in workshop manual which reduces time for repairs and ensure the vehicle is on road in very less time and low cost.	-
45.	Electrical lighting, signalling, audible and visual equipment (including headlamps, fog lamps, lamps, wiper blades and horns) Heading 85.12	The subject goods include lighting and signalling equipment such as headlamps, flasher units, fog lamps, lamp clusters, interior lamps and rear lamps, along with wiper blades and horns. These goods function by emitting light, providing audible warnings, or enabling wiping of windshields for visibility. They are supplied as individual units and are installed during assembly to support lighting, signalling, wiping and warning functions.	-
46.	Parts of electric heating or ventilating equipment (including heater cores, blowers, seal kits, housings and wiring covers) Heading 85.16	The products under consideration include heater cores, heater blowers, sealing kits, housings and wiring covers used as parts of heating and ventilation systems. These goods support the circulation of heated air, sealing of heater assemblies and protection or routing of wiring.	-
47.	Audio equipment and parts (including speakers, loudspeakers, audio amplifiers and speaker grilles) Heading 85.18	The subject goods include loudspeakers, speakers, audio amplifiers and associated parts such as speaker grilles. Speakers and loudspeakers convert electrical audio signals into sound, while amplifiers increase signal strength to drive speakers. Speaker grilles function as protective and aesthetic covers for loudspeaker units.	-
48.	Cameras and image capturing apparatus (including parking cameras)	The products under consideration include cameras used for capturing visual images, such as parking and surround-view cameras. These cameras function by converting optical images into electronic signals for display or processing. They are supplied as individual imaging units and are installed at	-

	Heading 85.25	designated locations to enable visual monitoring and assistance functions.	
49.	Radio navigation and display apparatus (including navigation computers and displays) Heading 85.26	The subject goods are navigation computers and navigation displays. These goods function by receiving, processing and displaying navigation-related information to assist with route guidance and location determination. They are supplied as individual electronic units, either with or without display screens, and are installed during assembly to support navigation functions.	-
50.	Information and reception modules (including audio and information system modules) Heading 85.27	The subject goods are information modules used to receive, process or manage audio, radio or vehicle information signals. These modules function as electronic control or processing units within infotainment or information systems. They are supplied as individual electronic modules and are installed during assembly to enable reception and processing of information signals.	-
51.	Monitors, display units and audio-visual control apparatus (including touch displays and control units) Heading 85.28	The subject goods include audio-visual control units, touch display screens and television tuner units. These goods function by receiving, processing and displaying audio-visual information or enabling user interaction through control interfaces. They are supplied as individual electronic units and are installed during assembly to support audio-visual display and control functions.	-
52.	Aerials, antennas and related supports (including roof mounted aerials) Heading 85.29	The products under consideration include roof-mounted aerials, antennas and support structures. These goods function to receive or transmit radio frequency signals for communication, navigation or entertainment systems. They are supplied as individual antenna units or supports and are installed at designated locations to enable signal reception or transmission.	-
53.	Fixed electrical capacitors Heading 85.32	The subject goods include electrical capacitors used to store and release electrical energy, smooth voltage fluctuations or filter electrical signals in circuits. These goods function as passive electrical components and are supplied as individual capacitors for installation into electronic assemblies.	-
54.	Electrical resistors (including heater blower motor resistors) Heading 85.33	The products under consideration include electrical resistors used to regulate or limit current in electrical circuits. Heater blower motor resistors control fan speed by varying electrical resistance. These goods function as passive electrical components.	-
55.	Switches, fuse boxes, connectors and electrical connection apparatus Heading 85.36	The subject goods are electrical switches, fuse boxes, connectors, sockets and wiring splice kits. These goods function to control, protect or connect electrical circuits by enabling switching, current interruption, or secure electrical connections. They are supplied as individual electrical components and are installed during assembly to facilitate electrical distribution and control.	-

56.	Electrical control units and modules (including infotainment, transmission and body control modules) Heading 85.37	The products under consideration include electronic control modules and control panels used to manage, regulate or monitor various electrical and electronic systems. These modules receive inputs, process signals and output control commands for system operation. They are supplied as individual electronic units and are installed during assembly to enable system control functions.	-
57.	Parts of electrical apparatus (including covers and actuators) Heading 85.38	The subject goods include electrical apparatus parts such as wiring covers and pull-unlock actuators. These goods function as protective, supporting or actuating components used in conjunction with electrical equipment. They are supplied as individual parts for installation during assembly or servicing.	-
58.	Electric bulbs and lamps (including headlamp and warning bulbs) Heading 85.39	The subject goods are headlamp and bulbs used for illumination or signalling. These goods function by converting electrical energy into light and are supplied as individual bulbs for installation into lighting fixtures.	-
59.	Remote control units, transmitters and related parts Heading 85.43	The subject goods include remote control systems, transmitters, parking aid modules and key fob covers. These goods function by transmitting or processing radio-frequency signals for remote operation or access control. They are supplied as individual electronic units or accessories and are installed to support remote control and communication functions.	-
60.	Insulated electrical wiring, cables, leads and harnesses (including wiring harnesses, pre-terminated leads and vehicle wiring assemblies) Heading 85.44	The subject goods include insulated electrical wires, cables, leads and wiring harnesses such as bumper wiring, seat wiring, starter motor wiring, trailer connection wiring, air-suspension wiring, side-step harnesses and pre-terminated leads. These goods are used to transmit electrical power or signals between electrical or electronic components. They function by providing insulated conductive paths and organised electrical connections within assemblies. The goods are supplied as individual wiring sets, harnesses or leads and are installed during assembly to support electrical distribution and connectivity.	-
61.	Electrical insulating articles (including insulators and insulation components) Heading 85.46	The subject goods include electrical insulators and insulation components, such as insulators and bonnet insulation parts. These goods are used to provide electrical insulation, thermal separation or protective barriers to prevent electrical conduction, heat transfer or vibration. They function by isolating conductive components and protecting assemblies from environmental or operational effects.	-
62.	Temperature-measuring sensors and thermometric devices (including air temperature sensors, exhaust gas temperature sensors, heater temperature	The sensors are used to detect and monitor temperature at various locations such as air intake systems, exhaust gas flow paths, heater systems, engine components and cabin environments. These sensors operate by sensing variations in temperature and converting such changes into corresponding signals for indication, monitoring or control purposes.	-

	sensors and cylinder head temperature sensors) Heading 90.25		
63.	Instruments and apparatus for measuring or checking pressure, level or flow (including fluid-level sensors, oil dipsticks, tyre pressure monitoring sensors, compressors, valves and related measuring devices) Heading 90.26	The subject goods include measuring and checking instruments such as oil dipsticks, oil-level indicator tubes, fluid-level sensors, tyre pressure monitoring sensors, pressure sensors, valves, compressors, switches and related apparatus. These items are used to measure, detect or monitor parameters such as fluid level, oil level, tyre pressure, air or exhaust gas pressure, vacuum or flow conditions. They function by sensing variations in pressure or level and converting such changes into indications or signals for monitoring or control purposes.	-
64.	Oxygen Sensors Heading 90.27	Oxygen Sensors are used for measuring the oxygen content in gas streams. These sensors function by detecting oxygen concentration in exhaust or process gases and converting such measurements into corresponding electrical signals for monitoring or control purposes. They are supplied as individual sensing devices and are fitted at designated locations to enable gas analysis.	-
65.	Speed measuring and distance measuring sensors (including wheel speed sensors, ABS sensors and trip-minder sensors) Heading 90.29	The subject goods include wheel speed sensors, ABS sensors and trip-minder sensors used for measuring rotational speed, vehicle speed or distance travelled. These sensors function by detecting the rotational movement of wheels or related components and converting such movement into electrical signals for indication, monitoring or control purposes, including speed measurement and braking system monitoring.	-
66.	Measuring or checking instruments and parts (including monitoring modules, converters, senders, sensors) Heading 90.31	The subject goods include measuring or checking instruments, monitoring modules and related components such as battery monitoring modules, converters, fuel tank senders, parking aid system modules, and a wide range of sensors used for detecting, monitoring or checking parameters including position, speed, pressure, flow, temperature, level and system status. These instruments and sensors function by sensing changes in physical or operating conditions and converting such inputs into electrical signals for indication, monitoring or control purposes.	-
67.	Automatic regulating or controlling instruments and parts (including thermostats, thermostat housings, battery monitoring modules, window	The subject goods include automatic regulating or controlling instruments and their parts such as thermostats, thermostat housings, battery monitoring modules, window regulators and associated hoses or components. Thermostats and thermostat assemblies regulate temperature by controlling the flow of fluids based on predefined temperature thresholds. Battery monitoring modules are used to monitor electrical parameters of battery systems, while window regulators enable controlled movement of window mechanisms. Certain items function as	-

	regulators and related components) Heading 90.32	parts or accessories used in conjunction with such regulating or controlling instruments. These goods operate by sensing operating conditions and enabling regulation, control or monitoring functions.	
--	---	---	--

2.2.2 The Noticee submitted that based on the technical understanding of the subject goods, they are placing on record a list of items which are in the nature of parts of general use (i.e., components / parts of general application). Such items merit classification under their respective specific headings and not under Heading 87.08 merely on account of their end-use in motor vehicles.

2.2.3 The Noticee submitted that the aforesaid list of general items has been prepared on the basis of the technical nature and description of the subject goods, keeping in view the statutory scheme of Heading 87.08 read with Note 2 to Section XVII and the relevant HSN Explanatory Notes. While the subject goods may be used in connection with the manufacture and/or development of motor vehicles, they do not satisfy the statutory requirements for classification as “parts and accessories” of motor vehicles under Heading 87.08, and also do not meet the judicially settled tests for classification as such parts or accessories. Reliance was placed on the decision of the CESTAT, New Delhi in *Hanon Climate Systems India Vs. CC – 2026 (1) TMI 1180*.

2.2.4 The Noticee submitted that in the present case as well, the items listed in the Annexure, in their as-imported condition, are standard goods / articles of general application, classifiable under their respective specific headings, and are not identifiable as motor vehicle parts. Further, the said items are capable of use across a range of applications and are not suitable for use solely or principally with motor vehicles. Accordingly, applying the principles laid down in *Hanon Climate Systems India supra* and the statutory scheme of Section XVII (including Note 2 thereto), the proposed classification of such goods under Heading 87.08 is not sustainable.

2.3 Imports by the Noticee:

2.3.1 In the regular course of business, the Noticee vide Bill(s) of Entry filed during the period from 20.05.2020 till 30.01.2025 imported the subject goods as detailed in Table above. Copy of illustrative Bill(s) of Entry along with invoice, packing list, bill of lading, etc. were enclosed.

2.3.2 During the assessment, all the above documents were duly placed on record and based on the same, necessary declarations were made by the Noticee in connection with the imports in question. The imported goods were correctly described in the Bill(s) of Entry as per the corresponding invoice, and other documents. There is no dispute as to the description, value, or quantity of the imported goods.

2.3.3 The subject goods imported by a few Bill(s) of Entry were also subjected to regular assessment procedure wherein the customs department after due verification, physical examination, and satisfaction to the declaration made, granted Out-of-Charge to the imported goods. Illustrative ICEGATE Status report in respect of 5 Bill(s) of Entry and illustrative examination order(s) in dispute were enclosed.

2.3.4 The Noticee requested to provide the examination order / examination report in respect of all the Bill(s) of Entry covered by the present SCN, which were duly examined by the customs department.

2.3.5 As mentioned above, the present dispute pertains to classification of the subject goods under their respective headings. The Noticee discharged correct Basic Customs Duty (BCD) @ 0%, 5%, 7.5%, 10%, 15% and IGST @18%. Whereas, as per the customs department, the subject goods are classifiable under Heading 87.08, attracting BCD @15% and IGST @28%.

2.4 Preliminary Submissions.

2.4.1 The Noticee submitted that the present SCN is *ex-facie* erroneous, perverse, illegal, and bad on facts and hence, on this ground itself the present SCN is liable to be dropped.

2.4.2 The SCN has failed to give any reason or evidence to support its allegations that the imported goods are correctly classifiable under Heading 87.08 as opposed to their respective headings. The SCN has not even given 8-digit tariff item within Heading 87.08 while proposing reclassification. No reason / basis has been given imported item wise, while proposing reclassification. The SCN simply extracted HSN Explanatory Notes to Heading 87.08 and proposed to reject the classification adopted by the Noticee, and has not produced any further literature to prove that the imported goods are not classifiable under their respective headings which are more specific to the goods. In other words, without discussing the nature of individual item imported, a mechanical SCN has been issued proposing reclassification under Heading 87.08. Thus, on this ground itself, the present SCN is liable to be dropped.

2.4.3 The present SCN is vague, cryptic and unsubstantiated. The present SCN has totally ignored the nature and characteristics of the imported items. The disputed imports cover 626 Bill(s) of Entry and more than 4000 unique line items. However, no discussion has been made about individual items in dispute. The entire SCN has just made bald allegations and has proposed duty demand and penalty based on assumptions and presumptions. Thus, the SCN lacks logic, reason and basis. On this ground alone, the SCN is liable to be dropped.

2.4.4 In the present case, the SCN dated 31.05.2024 proposes demand and recovery of differential duty on the basis of disbelief and assumptions. Someone's disbelief and assumptions cannot be a ground for proposing differential duty demand or imposition of penalty on the Noticee, especially in the absence of any evidence. Reliance placed on (i) *Elektronik Lab Vs. CC - 2005 (187) ELT 362*; and (ii) *Govind Laskar Vs. CCE - 1991 (52) ELT 529*.

2.4.5 The SCN fails to provide specific allegations / reasoning on why the subject goods are not classifiable under their specific headings and shall be reclassified under heading 8708. In view of the same, the SCN is liable to be dropped.

2.4.5.1 The fundamental flaw in the present SCN is the complete lack of specific, item-wise reasoning and blanket allegation for re-classification under Heading 87.08.

2.4.5.2 The SCN simply covers various goods imported and classified by the Noticee under multiple Chapters (32, 39, 40, 70, 73, 74, 75, 76, 79, 82, 83, 84, 85 & 90) but does not explain / lead evidence as to why each item cannot be classified under its declared heading and should instead fall under Heading 87.08. Instead, it relies on generic references to HSN Notes and end-use, without any technical analysis or investigation.

2.4.5.3 The SCN fails to provide any form of explanation for why subject goods are liable to be reclassified. The SCN ignores technical specifications, functional characteristics, and material composition. This approach shows a complete failure on the part of the customs department to provide any factual or legal basis for reclassification. The absence of specific allegations and technical reasoning is a fatal defect that makes the SCN liable to be dropped in its entirety. Reliance placed on *Navbharat Enterprises Vs. CC - 2019 (365) ELT 818 (Tri - Mumbai)*.

2.4.5.4 Furthermore, it is well-established law that when the customs department proposes a change in classification from that declared by the importer, the burden of proof lies squarely upon the department to establish that the assessee's classification is incorrect and that the proposed alternative classification is the legally sound one.

2.4.5.5 The SCN has not provided a single piece of technical or documentary evidence to show why the subject goods cannot be classified under their specific headings. There is no comparative analysis, no specifications, no design drawings presented with the SCN. Instead, the SCN simply assumes that because the goods “will be used” in vehicles, and therefore, the same must be classified under Heading 87.08. This is contrary to Note 2 and Note 3 to Section XVII and the three-condition test in the HSN Explanatory Notes which are discussed in detail in the forthcoming submissions. Reliance placed on *CC Vs. Auto Ignition Ltd - 2008 (226) ELT 14 (SC)*.

2.4.5.6 In the absence of proof, the demand is unsustainable in law. Presumptions cannot replace evidence, and classification cannot be based on end-use alone. Without technical reasoning or documentation, the SCN fails to discharge the burden cast upon the department and is liable to be dropped in its entirety.

2.4.6 Demand in respect of Bill(s) of Entry filed from the period 20.05.2020 till 08.03.2021 is barred even by extended period of limitation. Therefore, the demand in respect of those 340 Bill(s) of Entry is liable to be dropped.

2.4.6.1 The Customs department has issued the present SCN by invoking extended period of limitation in terms of Section 28(4) of the Customs Act, 1962 for the imports for the period 20.05.2020 till 30.01.2025 on the ground that the Noticee has allegedly mis-classified the imported goods with an intent to evade higher BCD.

2.4.6.2 The Noticee submitted that going by the date of service of complete SCN (09.03.2026), a part of the demand [in respect of Bill(s) of Entry filed before 09.03.2021 i.e., 5 (years) in the past from date of service of the SCN] is even barred by extended period of limitation under Section 28 of the Customs Act, 1962. Section 28 provides for demand of duty for past imports covering *a maximum period of five years* from the date of service. If the maximum period permissible under the Customs Act, 1962 is taken, then the demand in respect of Bill(s) of Entry filed from the period 20.05.2020 till 08.03.2021 is time barred and impermissible in law. The Hon’ble Bombay High Court has ruled that any demand beyond 5 years within the Customs Act, 1962 for whatsoever reason is illegal and unsustainable in law. Reliance is placed on the (i) *Dharampal Lalchand Chug Vs. CCEx – 2015 (323) ELT 753 (Bom.)*; and (ii) *C.J. Shah & Co. Vs. UOI – 2018 (359) ELT 22 (Bom.)*.

2.4.6.3 In view of the aforesaid, any demand raised in respect of Bill(s) of Entry filed prior to 09.03.2021 is ex-facie barred by limitation, even assuming without admitting that the extended period under Section 28(4) of the Customs Act, 1962 is invocable. The Customs Act does not permit recovery of duties beyond a maximum period of five years from the date of service of the SCN, and any demand falling outside such statutory time limit is without authority of law. Accordingly, the demand proposed in the present SCN in respect of such time-barred Bill(s) of Entry is liable to be dropped in its entirety, without going into the merits of the classification dispute.

2.5 Imported goods are not classifiable under heading 87.08 as it is a residuary entry. It is settled principle that specific entry prevails over a general entry.

2.5.1 In the present case, the SCN proposes to reclassify the subject goods under Heading 87.08 covering ‘Parts and accessories of the motor vehicles of Headings 87.01 to 87.05’ based on the end use of the subject goods.

2.5.2 Chapter 87 covers ‘Vehicles other than railway or tramway rolling stock, and parts and accessories thereof’ under Section XVII of the Customs Tariff which covers ‘Vehicles, Aircrafts, Vessels and Associated Transport Equipment.’ Section XVII (Chapter 86 to 89) of the Tariff covers ‘*Vehicles, aircraft, vessels and associated transport equipment*’. The relevant extract from

HSN Explanatory Notes to Section XVII of the Tariff covering goods covered under Chapter 87 of the Tariff is as follows:

“GENERAL

(III) PARTS AND ACCESSORIES

It should be noted that Chapter 89 makes no provision for parts (other than hulls) or accessories of ships, boats or floating structures. Such parts and accessories, even if identifiable as being for ships etc., are therefore classified in other Chapters in their respective headings. The other Chapters of this Section each provide for the classification of parts and accessories of the vehicles, aircraft or equipment concerned.

It should, however, be noted that these headings apply only to those parts or accessories which comply with all three of the following conditions:

- (a) They must not be excluded by the terms of Note 2 to this Section and*
- (b) They must be suitable for use solely or principally with the articles of Chapter 86 to 88 and*
- (c) They must not be more specifically included elsewhere in the Nomenclature.”*

2.5.3 From a perusal of the above, it is evident that all three conditions have to be satisfied for the imported goods to fall under the ambit of parts or accessories under Heading 8708. It is a well-established principle that all the conditions have to be satisfied to merit classification under Heading 8708. Reliance placed on *Suzuki Motors Gujarat Vs. CC - 2022 (6) TMI 1089*.

2.5.4 In the present case, none of the items under consideration satisfy all three conditions required for classification under Chapter Heading 87.08:

Condition (a)

With respect to condition (a), i.e. the imported goods must not be excluded by the terms of Note 2 to Section XVII, in the present case the subject goods are specifically excluded from the ambit of Section XVII by virtue of Note 2. Note 2 to Section XVII is extracted below:

“2. The expressions “parts” and “parts and accessories” do not apply to the following articles, whether or not they are identifiable as for the goods of this Section:

- (a) joints, washers or the like of any material (classified according to their constituent material or in heading 8484) or other articles of vulcanised rubber other than hard rubber (heading 4016);*
- (b) parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of plastics (Chapter 39);*
- (c) articles of Chapter 82 (tools);*
- (d) articles of heading 8306;*
- (e) machines and apparatus of headings 8401 to 8479, or parts thereof, other than the radiators for the articles of this Section, articles of heading 8481 or 8482 or, provided they constitute integral parts of engines and motors, articles of heading 8483.]*
- (f) electrical machinery or equipment (Chapter 85);*
- (g) articles of Chapter 90;*
- (h) articles of Chapter 91;*
- (ij) arms (Chapter 93);*
- (k) luminaires and lighting fittings and parts thereof of heading 9405; or*
- (l) brushes of a kind used as parts of vehicles (heading 9603).”*

2.5.5 From the perusal of the above, it is evident that electrical machinery or equipment or parts of Chapter 39, 82, 84, 85, and 90, general use parts of base metal, other articles of vulcanized rubber do not fall under the ambit of 'parts' under Heading 87.08. In the present case, various subject goods are specifically excluded by virtue of Note 2(b), 2(c), 2(e), 2(f), 2(g) to Section XVII, as the said goods are more appropriately classifiable under their specific headings.

2.5.6 Thus, the above condition (a), in order to merit classification of the imported goods under Heading 87.08, is not satisfied.

Condition (b)

2.5.7 Various imported items are capable of being used in various industries and products and not suitable for use solely or principally with just motor vehicles. They have varied and different usages in the overall industry as well.

2.5.8 The various subject goods in question are used for numerous purposes. Thus, it can be concluded that the imported goods being 'not' used solely or principally in automobiles, cannot be classified under the Heading 87.08 in view of the explicit exclusion under Section Note 3 of Section XVII. Reliance placed on *Hero MotorCorp Vs. CC-2021 (12) TMI 490-CESTAT Mumbai*.

2.5.9 It is evident from the above that the certain goods in question have uses in multiple industries. Proposing classification of the said goods as a part/accessory of automobiles is grossly incorrect. Thus, Heading 87.08 is not applicable as it only covers goods with specific use and the certain subject goods in question are products having general use. Reliance placed on *JTEKT Sona Automotive India Vs. CC – 2019 (11) TMI 257 - CESTAT NEW DELHI*.

2.5.10 Therefore, the above stated condition (b), that the goods should be solely and principally used with the article, is not satisfied and the subject goods will not merit classification under Heading 87.08.

Condition (c)

2.5.11 With respect to Condition (c), i.e. the imported goods must not be more specifically included elsewhere in the Nomenclature, the Noticee submitted that various goods in question are specifically covered under their specific headings.

2.5.12 Rule 3(a) of the General Rules of Interpretation ('GIR') of the First Schedule of the Import Tariff has laid down that the more specific description will be preferred to a generic one. The Heading 87.08 is general entry for parts of vehicles, whereas classification has been adopted under specific entries squarely covering the subject goods. Reliance placed on (i) *Shiroki Auto Components Vs. CCE & ST - 2020 (374) ELT 433 (Tri. - Ahmd.)*; and (ii) *CC Vs. Shiroki Auto Components India - 2021 (378) ELT A145 (SC)*.

2.5.13 The condition (c) i.e., subject goods shall not be included elsewhere included in the nomenclature is also not satisfied. Thus, the subject goods do not merit classification under the Heading 87.08.

2.5.14 The classification of goods under Heading 87.08 was recently analysed by the Hon'ble Supreme Court in the case of *CCE Vs. Uniproducts - 2020 (372) ELT 465 (SC)*. The Hon'ble Supreme Court in this case has affirmed the primacy of the three-layer test given in Notes 2 and 3 of Section XVII.

2.5.15 In the present case, SCN has failed to establish as to how the conditions (a), (b) and (c) are being satisfied to merit classification of the subject goods under Heading 87.08. Thus, the subject

goods cannot be classified under Heading 87.08 as all three essential conditions of part III to the Section XVII have not been satisfied.

Classification of goods cannot be determined on the basis of their end use

2.5.16 It is a settled law that the goods are to be classified in the state in which the importation has taken place. The subsequent use of the goods cannot be a determinative factor for classification.

2.5.17 There is no requirement under law, i.e., either under any section note or chapter note, to classify the impugned goods as per their end use. In the absence of any such requirement in the tariff itself, such a condition cannot be introduced by the customs department. Wherever legislature intended to grant benefit based upon the actual end use, proper guidelines stand prescribed. The fact that these goods will be used further in the manufacture of automobiles cannot be a determinative factor for the classification of goods in question. The subject goods qualify to be articles in itself and are more specifically covered under description provided under Headings suggested by the Noticee. Reliance placed on (i) *Towa Ribbons Ltd. Vs. Collector of Customs - 1993 (66) ELT 320*; (ii) *Dunlop India Ltd. Vs. UOI - 1983 (13) ELT 1566 (SC)*; (iii) *Pololight Industries Limited Vs. CCE - 2011 (270) ELT 235 (Tri. -Ahmd)*; and (iv) *Eminence Equipments Vs. CCE - 2015 (330) ELT 344 (Tri-Mum)*.

2.5.18 If the contention of customs department is considered as correct, without accepting the same, that the subject goods merit classification under Heading 87.08 based on its end use, the same will make the entire purpose of HSN redundant, giving rise to a situation where same product is classified under different headings based on their end use. The purpose of adopting the WCO Convention on Harmonized Commodity Description and Coding System was to bring in uniformity and if the customs department's contention is accepted, the same will defeat the very said purpose.

2.5.19 Without prejudice, the Noticee further submitted that it is a settled law that if the classification proposed by customs department is incorrect, the entire case of the customs department is not sustainable, irrespective of whether the classification claimed by the assessee is correct or not. Reliance placed on (i) *Sunrise Traders Vs. CC - 2022-VIL-34-CESTAT-AHM*; (ii) *CC Vs. Sunrise Traders - 2022-VIL-65-SC-CU*; (iii) *Pepsico Holdings Vs. CCE, Pune - 2019(25) GSTL 271 (Tri.-Mum)*; (iv) *Rajkamal Industrial Vs. C.C. - 2021 (9) TMI 1267 - CESTAT Ahmedabad*; (v) *Pk Exim Vs C.C. - 2021 (9) TMI 142 - CESTAT Ahmedabad*; and (vi) *Warner Hindustan Limited Vs. CCE - (1999) 6 SCC 762*.

2.5.20 Thus, placing reliance on GRI, Section Notes, and the HSN explanatory notes, it is clear that parts which are specifically classified under certain Headings, will be classifiable under its respective headings and not as parts of motor vehicle. In light of this, classifying the subject goods under Heading 87.08 is contrary to the rules of interpretation on classification and the same merits classification under their respective headings and the SCN is liable to be dropped on this ground itself.

Issue of classification of parts and accessories of motor vehicles stands settled vide the Hon'ble Supreme Court judgment in CCE Vs. Uni Products.

2.5.21 The Hon'ble Supreme Court in the case of *Uni Products supra* had analyzed the issue of classification of car matting and whether the same will be classified under Chapter 57 or Chapter 87 of the First Schedule to Central Excise Tariff Act, 1985.

2.5.22 The Court relied upon to Rule 3(a) of GRI which states that specific heading has to be preferred over headings providing general description. Further, the Court also observed that

according to HSN for an item to be classified under Heading 87.08, all the three conditions mentioned in Explanatory Notes to Chapter 87 must be fulfilled.

2.5.23 After analysing the aforesaid Rule of interpretation and provisions of HSN, the Court ruled that the car mats are rightly classified under Heading 57.03, even if they are specifically and principally used for cars, and not as the parts of motor vehicle. The Court ruled that the car mats are more specifically described under Heading 57.03 and thus, classifiable under that Heading even if they are solely and principally designed for motor vehicle.

2.5.24 Even in the present case, the goods imported by the Noticee are specifically provided in their respective Headings. Even if these parts are being imported by the Noticee for being specifically used in the motor vehicle, the same are to be classified in their respective Headings.

2.5.25 Thus, all the aforesaid conditions that are to be satisfied for classifying goods under Heading 87.08 are not satisfied. Hence, even if these goods are specifically designed for motor vehicles, the same will not be classified as parts of motor vehicle. Thus, the subject goods should be rightly classified under the respective Headings. Reliance placed on *CC Vs Welkin Foods - 2026-TIOL-02-SC-CUS, para 96*.

The above issue already stands settled by the Instruction No. 01/2022-Customs dated 05.01.2022 issued by the CBIC.

2.5.26 Reference was made to the Instruction No. 01/2022-Customs dated 05.01.2022 issued by the CBIC given in light of the implications of the judgement of the Hon'ble Supreme Court in the case of *Westinghouse Saxby Vs. CCE - 2021 (3) TMI 291 – Supreme Court* setting out the manner in which classification of automobile parts must be done. The Board Instructions has categorically stated that the '*sole or principal use*' test under Section Note 3 cannot be used to the exclusion of the embargo provided under Note 2.

2.5.27 On perusal of the extract of the above Instruction, it can be observed that the CBIC has also adopted a similar view stating that all the previous decisions of the Supreme Court on the subject, the relevant HSN Explanatory Notes and the section notes are to be holistically kept in mind while undertaking the activity of classification of goods. Further, the CBIC has also advised that the relevant Section Notes, Chapter Notes, HSN Explanatory Notes and decisions of the Hon'ble Supreme Court in *Intel Design Systems Vs. CC and C. Ex. - 2008 (223) ELT 135 (SC)* and *Uni Products supra* etc. must be considered that for assessment of such parts.

2.5.28 Without prejudice, the Noticee submitted that the decision of the Supreme Court in the case of *Westinghouse Saxby supra* is not consistent with the decision of *Uni Products supra* which emphasizes on the three-layer test that has been postulated under Explanatory Notes to Section XVII of the HSN.

2.5.29 It is pertinent to mention that CBIC Instruction No. 25/2022-Customs dated 03.10.2022 clarified that Instruction No. 01/2022 dated 05.01.2022 continues to remain valid even after the Supreme Court dismissed the Revenue's Review Petition in the case of *Westinghouse Saxby Farmer Ltd. case*.

2.5.30 Para 3 of the Board's Instruction observes that the section notes have already been suitably interpreted by the Supreme Court in relation to classification of parts and accessories. In this regard, the Board's Instructions referred to the decisions in *Intel Design supra* and *Uni Products supra* which had concluded that all the 3 conditions derived from the Notes to Section XVII are required to be cumulatively satisfied for classification of goods as 'parts and accessories' under Heading 87.08.

2.5.31 The Noticee submitted that it is well-settled law that Circulars and Instructions issued by the Board in the exercise of its power under various statutes are binding on the customs department. Reliance placed on (i) *CC Vs. Ratan Melting and Wire Industries – 2008 (12) STR 416 (SC)*; (ii) *CTO Vs. Mohan Breweries - 2020 (6) TMI 685 - Supreme Court*, and (iii) *Suzuki Motors Gujarat Private Limited Vs. CC – 2022 (6) TMI 1089 – CESTAT Ahmd.*,

2.5.32 Accordingly, the present SCN, which is in blatant contradiction of the customs department's own Instruction No. 1/2022-Cus i.e., without following the principles of classification, especially the tests for classifying under Heading 87.08, is liable to be dropped.

2.5.33 In light of the above, the Noticee submitted that all the conditions prescribed under Section XVII are required to be cumulatively satisfied, which is not done in the present case. Therefore, the SCN proposing to classify the subject goods under Heading 87.08 only because they are specifically for motor vehicles is incorrect and is liable to be dropped.

2.6 The SCN proposes re-classification under heading 87.08 solely applying trade parlance basis which is incorrect in light of recent judgements of the Hon'ble Supreme Court.

2.6.1 The customs department has relied on the following cases in order to re-classify the imported goods under Heading 87.08:

- a. *Asian Paints India Ltd - 1988 (35) ELT 31 (SC)*;
- b. *GS Auto International Ltd - 2003 (152) ELT 3 (SC)*; and
- c. *Cast Metal Industries - 2015 (325) ELT 471 (SC)*.

2.6.2 The gist of the cases are as follows:

Asian Paints:

2.6.3 The said case relies on the fact that commercial meaning has to be given to the expression in tariff items and where definition has not been given, it has to be referred in its popular sense.

GS Auto International:

2.6.4 The said case pertains to the classification of various goods such as, Sprint Centre Bolts with Nuts, Spring U Bolt with Nuts, Spring Shackle Pin (Spring Pin), Hub Bolt & Nut Dodge etc., wherein the department was of the view that the same are classifiable under Heading 87.08 and not under Heading 73.18 as adopted by the assessee in the said case.

2.6.5 The Hon'ble Supreme Court held that for the purposes of classification under Heading 87.08, the test to be applied is whether the goods are suitable for use solely or primarily with articles of Chapter Heading Nos. 87.01 to 87.05 and if the answer is in the affirmative, the goods will be classifiable under Heading 87.08, such as in the said case.

Cast Metal Industries:

2.6.6 The said case pertains to the classification of door hinges and handles for automobiles, wherein the department was of the view that the same are classifiable under Heading 87.08 and not under Heading 83.02 as adopted by the assessee in the said case.

2.6.7 The Supreme Court held that for the classification of goods, test of commercial identity is relevant and that parts specifically designed for particular use is relevant and thus, held that the goods are classifiable under Heading 87.08.

2.6.8 The Noticee submitted that all of the above cases are inapplicable to the present issue for the following reasons:

- a. The goods in the present case are specifically classifiable under their own headings and are clearly excluded from the purview of Chapter 87 by virtue of Section Note 2 to Section XVII;
- b. In any case, in order to fall under Heading 87.08, all three conditions as prescribed under the General Explanatory Notes to Section, have to be satisfied, i.e. they must not be excluded by Note 2 of Section XVII, they must be suitable for use solely or principally with the articles of Chapter 86 to 88, and they must not be more specifically included elsewhere. In the present case, none of the said conditions are satisfied and therefore, the goods cannot be classified under Heading 87.08. For the same, reliance was placed on *Suzuki Motors Gujarat supra* and *Uniproducs supra*;
- c. There is no requirement under law, i.e., either under any section note or chapter note, to classify the imported goods as per their end use. In the absence of any such requirement in the tariff itself, such a condition cannot be introduced by the Revenue;
- d. As per Rule 3(a) of GRI, specific entry will always prevail over general entry and thus, the imported goods will fall under their specific headings instead of Heading 8708 which is residuary in nature.

2.6.9 Thus, as evident, the courts have ignored the specific aspects when it comes to classification of parts of automobiles and the courts are ought to refer to the relevant Section notes / HSN notes in order to determine the correct classification. Specifically, in *Uni Products supra*, the Hon'ble Supreme Court concluded that all the 3 conditions derived from the Notes to Section XVII are required to be cumulatively satisfied for classification of goods as 'parts and accessories' under Heading 87.08. Reliance placed on *CC Vs. Videocon Industries – 2023 (3) TMI 1338 – SC*.

2.6.10 The subject goods are specifically covered under their respective headings and are excluded from Chapter 87 by virtue of Note 2 of Section XVII. Mere association with automotive manufacture does not permit a *pull-in* to Heading 87.08. Therefore, any proposal to reclassify such goods under Heading 87.08 is contrary to the Section/Chapter Notes of the Customs Tariff and the ratio laid down in *Videocon Industries supra*.

2.6.11 Recently, the Hon'ble Supreme Court in *CC Vs Welkin Foods - 2026-TIOL-02-SC-CUS, para 96* has reiterated that common or trade parlance test (i.e., end-use) can be invoked to determine the meaning and scope of words, only in the absence of statutory guidance. *Unless statutory intention to the contrary is proven, an importer cannot classify goods based on the actual use to which the goods are put.* The Noticee submitted that the present proceeding initiated by the customs department is contradictory to the above principle laid down by the Hon'ble Supreme Court as it has failed to consider imported items wise nature and applicable section note for classification, and has directly applied end-use, which is incorrect and perverse.

2.6.12 Pertinently, the Commissioner of Customs (General), JNCH, Nhava Sheva vide Public Notice No. 72/2019 dated 22.08.2019 stated that "4. *It has also been noticed that automobile parts are declared under CTH 40, 83, 84, 85, 90 under general items where there is no specific CTH for these items as motor vehicle parts, which can be solely used in automobiles. These goods are specifically meant for use as automobile parts and accessories, CTH 8708 specifically covers "Parts and accessories of motor vehicles of headings Nos. 87.01 to 87.05". These items, therefore, appropriately merit classification under 8708.*" However, immediately after, vide Corrigendum dated 09.09.2019 to Public Notice No. 72/2019 dated 22.08.2019, the Commissioner of Customs (General), JNCH, Nhava Sheva clarified that "*the classification of goods under Chapter 87 shall be as per Section Notes and Chapter Notes of the respective Sections and Chapters of the HSN*".

2.6.13 In view of the above corrigendum, it is clear that the classification of goods must be determined strictly in accordance with the Section Notes and Chapter Notes of the HSN, and not merely on the basis of end-use or general observations (*as laid down in GS Auto International and Cast Metal Industries*). The principle laid down by the Hon'ble Supreme Court in earlier cases does not override the statutory framework, which mandates that goods specifically covered under their own headings and excluded by Note 2 to Section XVII cannot be classified under Heading 87.08. Therefore, reliance on those judgments without applying the statutory notes and explanatory rules is misplaced in the present case.

2.6.14 In view of the above, the cases referred by the department in the present SCN are not applicable to the present case.

2.7 Imported goods are rightly classifiable under their specific headings and are excluded from Chapter 87 by virtue of Note 2 to Section XVII.

2.7.1 The Noticee has imported various kinds of goods (as detailed in Annexure-A to the SCN) and the same have been rightly classified by the Noticee under their specific Chapters i.e., 32, 39, 40, 57, 70, 73, 74, 75, 76, 79, 82, 83, 84, 85, and 90. As evident from the above, the imported goods have been classified under their respective specific Headings, as applicable to them.

2.7.2 Heading 87.08 is a residuary heading and is to be considered only if there is no specific entry available for classifying an item. The Noticee submitted that Heading 87.08 will not come into play for the classification of the imported goods, until their specific headings/entries are ruled out completely. Reliance placed on (i) *Mauri Yeast India Vs. State of UP – 2008 (225) ELT 321*; and (ii) *Dunlop India Ltd. & Madras Rubber Factory Vs. UOI – 1983 (13) ELT 1566*

2.7.3 In view of the above, the details of each subject good in question and their appropriate classification under specific heading, are as under:

- (a) Sealent – Adhesive are correctly classifiable under Heading 32.14.
- (b) Hose & Tube Assemblies are correctly classifiable under their specific headings viz. 39.17, 40.09, 73.04 & 73.06.
- (c) Badges, decals, labels and adhesive plastic tapes are correctly classifiable under Heading 39.19 of the Customs Tariff.
- (d) Plastic reservoirs and caps are correctly classifiable under Heading 39.23 of the Customs Tariff.
- (e) Handles Assembly and Other articles of plastics are correctly classifiable under 39.26 of the Customs Tariff.
- (f) Rubber anti-squeak pads and rubber floor mats are correctly classifiable under Heading 40.08 of the Customs Tariff.
- (g) Rubber transmission belts, drive belts and timing belt kits are correctly classifiable under Heading 40.10 of the Customs Tariff.
- (h) Rubber seals, O-rings, gaskets, gasket kits, sealing rings, plugs, insulators, bushes, grommets and similar articles are correctly classifiable under Heading 40.16.
- (i) Safety glass panels are correctly classifiable under Heading 70.07 of the Customs Tariff.
- (j) Glass mirrors and mirror glass are correctly classifiable under Heading 70.09 of the Customs Tariff.
- (k) Iron or steel exhaust clamps are correctly classifiable under Heading 73.07 of the Customs Tariff.
- (l) Iron or steel chains and chain guides are correctly classifiable under Heading 73.15 of the Customs Tariff.
- (m) Bolts, nuts, washers, screws, rivets, and fasteners are correctly classifiable under Heading 73.18 of the Customs Tariff.

- (n) Springs of Iron or Steel are correctly classifiable under Heading 73.20 of the Customs Tariff.
- (o) Iron or steel clamps, hooks, retaining rings and similar articles are correctly classifiable under Heading 73.26 of the Customs Tariff.
- (p) Connectors and fittings are correctly classifiable under Heading 74.12 of the Customs Tariff.
- (q) Copper washers, sealing washers, rings and gaskets are correctly classifiable under Heading 74.15 of the Customs Tariff.
- (r) Articles of nickel (including nickel gaskets) are correctly classifiable under Heading 75.08.
- (s) Aluminium pipes, tubes and hoses are correctly classifiable under Heading 76.08 & 76.09 of the Customs Tariff.
- (t) Other articles of aluminium (including roof ladders, bush-type insulators, connectors and mounting washers) are correctly classifiable under Heading 76.16 of the Customs Tariff.
- (u) Articles of zinc (including special nuts) are correctly classifiable under Heading 79.07 of the Customs Tariff.
- (v) Hand tools and tool accessories (including wrenches, wheel-nut key adaptors, fuel restrictors) are correctly classifiable under Heading 82.04 of the Customs Tariff.
- (w) Base metal door latches (including front door and rear door latches) are correctly classifiable under Heading 83.01 of the Customs Tariff.
- (x) Base metal mountings, fittings and related articles (including pivots, clips, handles, brackets, bezels, caps, catches, grommets, badges and name plates) are correctly classifiable under Heading 83.02 of the Customs Tariff.
- (y) Belt buckles and buckle assemblies are correctly classifiable under Heading 83.08 of the Customs Tariff.
- (z) Pin badge sets and retaining rings badges/seals are correctly classifiable under Heading 83.09 of the Customs Tariff.
- (aa) Goods classified under Chapter 84 have been correctly classified under their specific headings viz. 84.12, 84.13, 84.14, 84.15, 84.18, 84.19, 84.21, 84.24, 84.81, 84.82, 84.83, 84.84.
- (bb) Goods classified under Chapter 85 have been correctly classified under their specific headings viz. 85.01, 85.04, 85.05, 85.07, 85.12, 85.16, 85.18, 85.25, 85.26, 85.27, 85.28, 85.29, 85.32, 85.33, 85.36, 85.37, 85.38, 85.39, 85.43, 85.44 & 85.46.
- (cc) Goods classified under Chapter 90 have been correctly classified under their specific headings, viz. 90.25, 90.26, 90.27, 90.29, 90.31 & 90.32.

2.8 Customs department has not adduced any evidence to prove that the correct classification of the subject goods is heading 87.08.

2.8.1 The Noticee submitted that the customs department has sought to change the classification of the subject goods to Heading 87.08. However, the customs department has not adduced any evidence to prove that the subject goods deserve classification under Heading 87.08.

2.8.2 It is a well settled position of law that when the customs authorities propose a change in classification, the onus is on them to produce evidence to prove their classification. Reliance placed on (i) *Hindustan Ferrodo Ltd. v. CCE, Bombay* [1997 (89) E.L.T. 16 (S.C.); (ii) *CCE Vs. Bata India - 1998 (100) ELT 179 (Tribunal)*; (iii) *Standard Metal Works Vs. CCE - 2004 (167) E.L.T. 297 (Tri. - Mumbai)*; (iv) *M.P. Dyechem Industries Vs. CCE - 2002 (139) E.L.T. 656 (Tri. - Del.)* affirmed by Supreme Court in 2002 (144) E.L.T. A199 (S.C.); (v) *Hindustan lever Vs. CCE - 1985 (19) E.L.T. 562 (Tribunal)*; (vi) *Sindhu Ganesh Bali Vs. CCE - 1985 (22) E.L.T. 242 (Tribunal)*; and (vii) *Bhilai Engineering Corp. Vs. CCE - 2016 (344) E.L.T. 649 (Tri. - Del.)*.

2.8.3 The Noticee submitted that burden of proof lies upon the party, whether plaintiff or defendant, who substantially asserts the affirmative of the issue. This rule, derived from the maxim of Roman Law, *ei qui affirmat, non ei qui negat, incumbit probatio*, is adopted partly because it is

but just that he who invokes the aid of the law should be the first to prove his case; and partly because, in the nature of things, a negative is more difficult to establish than an affirmative.

2.8.4 The phrase ‘burden of proof’ is used in two distinct meanings in the law of evidence, viz., the burden of establishing a case and burden of introducing evidence. The burden of establishing a case remains throughout the trial where it was originally placed; it never shifts. The burden of producing evidence may shift constantly as the evidence is introduced by one side or the other. The burden of producing evidence is also known as ‘onus of proof’. In support of this, the Noticee placed reliance on the decision of *Rajendra Jagannath Parekh and Ajay Shashikant Parekh Vs. CC - 2004 (175) ELT 238 (Tri-Mum.)*.

2.8.5 The Noticee submitted that the parties, on whom ‘onus of proof’ lies must, in order to succeed, establish a prima facie case. On the other hand, the burden of proof should be strictly discharged. In other words, one has to prove the point which he asserts on his own evidence and not by any weakness in the case of the defendant. Further, it is a settled legal position that the burden of proof never shifts. Therefore, in a matter where Revenue has raised demand of duty by alleging short/non-levy, the burden of proof is always on Revenue to prove such allegations / assertions and it never shifts.

2.8.6 Based on the foregoing, the Noticee submitted that the department has failed to discharge the burden of proof with respect to the classification of subject goods under Heading 87.08. Reliance placed on (i) *H.P.L Chemicals Vs. CCE - 2006 (197) ELT 324 (SC)*; and (ii) *UOI Vs. Garware Nylons Limited – 1996 (87) ELT 12 (SC)*.

2.8.7 In view of the above submissions, since the department has not produced any evidence whatsoever to prove that the classification of the subject goods is under Heading 87.08. The SCN is liable to be dropped on this ground alone.

2.9 Present dispute is limited to classification, which is a matter of bona fide belief of the importer. There is no mis-statement or suppression. Accordingly, extended period under Section 28(4) of the Customs Act, 1962 is not invocable in the present case.

2.9.1 At the outset, it is pertinent to note that the present SCN dated 16.05.25 was served upon the Noticee via email dated 09.03.2026. In view of the above, the following table provides details of the Bill(s) of Entry in question against which demand has been made (a) within the normal limitation period i.e., 2 (two) years in the past from the date of service of SCN; (b) beyond the normal limitation period but within the extended period of limitation i.e., 5 (five) years in the past from the date of service of SCN; (c) beyond the extended period of limitation i.e., more than 5 (five) years in the past from the date of service of SCN:

Calculation of period of limitation based on the date of service (i.e. 09.03.2026) of the present SCN	
Bill(s) of Entry Duration	Status
20.05.2020 – 08.03.2021	Beyond extended period of limitation
09.03.2021 – 08.03.2024	Within Extended period of limitation
09.03.2024 – 09.03.2026	Within Normal period of limitation

2.9.2 Since the demand in respect of Bill(s) of Entry filed during the period 20.05.2020 – 08.03.2021 is even beyond the extended period of limitation, the said demand is ex-facie time-barred, illegal and unsustainable in law, and is therefore, liable to be dropped in its entirety.

2.9.3 Without prejudice, the Noticee submitted that the customs department has issued the present SCN by invoking extended period of limitation in terms of Section 28(4) of the Customs Act, 1962 for the imports for the period 20.05.2020 till 30.01.2025 on the ground that the Noticee

has misclassified the subject goods under respective specific headings and the subject goods are correctly classifiable under Heading 87.08 (*Parts and accessories of the motor vehicles of headings 87.01 to 87.05*). The SCN alleges that the misclassification has been done by the Noticee to evade higher payment of duty.

2.9.4 The Noticee submitted that it is a settled law that claim to a particular classification is a matter of bona-fide belief and in such cases, extended period of limitation is not invocable as held by the Hon'ble Supreme Court in *Northern Plastic Vs. CC – 1998 (101) ELT 549 (SC)*. This principle has consistently been applied and followed even in self-assessment regime.

2.9.5 The Noticee submitted that the extended period is not invocable in the present case since no mis-declaration can be / has been alleged against the Noticee. In the present case, the dispute is limited to the correct claim of the classification of the subject goods which is a matter of bona fide belief. Therefore, whether the Noticee was entitled to the classify the subject goods under their specific headings or not is a matter of belief of the Noticee and not a matter of 'any other particular' with respect to the goods. Thus, claiming a particular classification, which is not correct as per the customs department cannot be a case of mis-declaration. As far as allegation of mis-declaration is concerned, the same is in respect of claim to a particular classification. The Noticee submitted that claiming a different classification than what the customs department feels does not amount to mis-declaration.

2.9.6 It is significant to note that (a) classification of auto parts is an Industry-wide issue raised for all OEMs, (b) the Noticee through Association have also represented the customs department during pre-consultative stage, (c) Post the Hon'ble Supreme Court judgement in Uni Products case, and Westinghouse case, CBIC issued multiple instruction / clarification on classification of auto-parts, (d) basis the same, customs houses including ACC, JNCH, have also issued Public Notice and Standing Notices, and (e) the Noticee have been importing auto-parts for many years with complete description which also stated auto parts for manufacture. Within all facts, allegation of mis-declaration or suppression is completely perverse and incorrect. In fact, all the above show complete knowledge of the customs department about the imported goods and classification adopted.

2.9.7 With respect to the consignments in dispute, the goods for which duty is demanded, were assessed by officers as well as under the RMS and cleared for home consumption. The goods were correctly described and accordingly, appropriate customs duty was paid. The invoices and other imports documents submitted along with the bills of entry clearly declare the true and correct information regarding nature of these goods. In fact, few of the consignments were subjected to regular assessment procedure of examination and verification by the customs officers before grant of out-of-charge.

2.9.8 Basis the above assessment and verification, other similar consignments were cleared without examination. This shows that the customs department was satisfied and agreed with the clarifications and declarations of the Noticee. Thus, the present proceeding is nothing but a change of opinion. Reliance placed on *CC Vs. G.C. Jain – 2011 (269) ELT 307 (SC)*.

2.9.9 The Noticee submitted that for the following reasons, the extended period cannot be invoked in the present case:

- (a) Extended period cannot be invoked as there was no mis-declaration / suppression of facts.
- (b) Extended period cannot be invoked as the Customs Department was always aware regarding the practices of the Noticee.
- (c) Extended period of limitation is not invocable in case of disclosure of primary facts. In present case, information has been correctly declared at the time of import, and therefore, there is no mis-declaration.

- (d) Noticee have not mis-declared facts with intent to evade payment of duty and were under bona-fide belief.
- (e) Extended period is not invocable as the issue involves an interpretation of the law.

2.10 Interest under Section 28AA of the Customs Act not recoverable as duty demand itself is not sustainable.

2.10.1 As the demand of duty is not sustainable, therefore, the question of levy of any interest under Section 28AA on such duty would not arise.

2.11 The entire exercise of demanding IGST now is revenue neutral.

2.11.1 Due to addition of the proposed BCD, the present SCN also demands differential IGST amounting to Rs. 12,92,08,677.88/-. As submitted in the foregoing paragraphs that since the demand of BCD against the Noticee is not sustainable, the question of differential IGST would not arise.

2.11.2 In any case, the proposal to demand of differential IGST is incorrect as the Noticee are entitled to avail credit of the IGST paid and the same would result in a revenue neutral situation. Reliance placed on (i) *Himadri Speciality Chemical Vs. CC – 2024 (4) TMI 383*; (ii) *CCE & C (Appeals) Vs. Narayan Polyplast – 2005 (179) ELT 20 (SC)*; (iii) *CCE Vs. Narmada Chematur Pharmaceuticals – 2005 (179) ELT276 (SC)*; (iv) *CCE Vs. Textile Corporation – 2008 (231) ELT 195 (SC)*; (v) *CCE Vs. Jamshedpur Beverages – 2007 (214) ELT321 (SC)*; (vi) *CCE Vs. Coca Cola India – 2007 (213) ELT 490 (SC)*; (vii) *CCE Vs. Textile Corporation – 2008 (231) ELT 195 (SC)*; (viii) *Accurate Chemicals Industries Vs. CCE – 2014 (300) ELT 451 (Tri. - Del.)*; and (ix) *Suntex Mercantiles Vs. CCE – 2014 (313) ELT 809 (Tri. - Mumbai)*.

2.12 Section 3(12) of the Tariff Act does not borrow interest and penalty provision from Customs Act. In absence of any machinery provision, interest cannot be recovered and penalty cannot be imposed on the Noticee in respect of the IGST demand.

2.12.1 Section 3(12) of the Customs Tariff Act, which is the borrowing provision with regard to IGST, does not borrow provision for demand of IGST with interest or penalty from the Customs Act. Therefore, the Noticee submitted that demand of IGST along with interest has been incorrectly proposed to be recovered. Also, penalty has been incorrectly proposed to be imposed on the Noticee so far as the IGST component of the demand is concerned and no interest can be recovered.

2.13 The subject goods are not liable for confiscation under Section 111(m) of the Customs Act.

2.13.1 The Noticee submitted that confiscation provisions under Sections 111 of the Customs Act can be pressed into service only in cases where the assessee has acted with a *mala fide* intention, and it is proved beyond doubt that there was *mens rea* on part of the assessee. *Bona fide* conduct on part of the assessee does not entail the goods liable for confiscation. As established in the preceding paragraphs, the SCN has not established any *mala fides* on part of the Noticee. The SCN does not dispute any description or declaration made by the Noticee. Therefore, the subject goods are not liable for confiscation.

2.13.2 Without prejudice to the above, the Noticee submitted that Section 111 of the Customs Act provides for liability for confiscation of the improperly imported goods. Therefore, the Noticee submitted that only imported goods can be confiscated under Section 111 of the Customs Act.

2.13.3 The imported goods, which have already been cleared for home consumption, are not liable to confiscation under the provisions of Section 111 of the Customs Act and consequently, redemption fine is also not imposable under Section 125 of the Customs Act, 1962.

2.13.4 In view of the above submission, the present SCN is liable to be dropped.

2.14 No penalty is imposable under Section 112(a) of the Customs Act in the present case.

2.14.1 The Noticee submitted that in the present case, imposition of penalty in terms of Section 112(a) of the Customs Act is untenable. In the present case, none of the act or omission by the Noticee rendered the imported goods liable for confiscation.

2.14.2 The Noticee further submitted that the penalty under this sub-Section is linked to the liability of the goods to confiscation. The Noticee have neither done nor omitted to do any act which act, or omission has rendered the goods liable to confiscation nor has the Noticee abetted the doing or omissions of such an act. Hence, application of Section 112 is itself legally unsustainable. Therefore, no penalty under this sub-Section ought to be imposed on the Noticee.

2.15 No penalty is imposable under Section 114A of the Customs Act in the present case.

2.15.1 The Noticee submitted that penalty cannot be imposed under Section 114A when no *mala fides* on the part of the assessee has been established. In the present case, the Noticee has declared all particulars fully and truly in the subject Bill(s) of Entry. The Noticee is of the *bona fide* belief that the subject goods merit classification under specific headings.

2.15.2 The Noticee submitted that it is now a well settled law that the burden of proving a classification is on the department, as also explained *supra* in detail. The Noticee have made true and full description of the subject goods. Consequently, at most, the present dispute can be one of interpretation of the Customs Tariff entries and the Noticee has every right to believe that the classification sought by it is correct.

2.15.3 The Noticee submitted that, it is clear that the demand is not sustainable in the present case and that there has been no suppression or mis-statement of facts as the Noticee are under *bona fide* belief that the goods were rightly classifiable under the specific headings.

2.16 No penalty is imposable under Section 114AA in the present case.

2.16.1 The Noticee submitted that penalty under Section 114AA of the Customs Act, 1962 is not sustainable as the Noticee has not made any declaration, statement or document which is false or incorrect in any material particular. The Noticee had sufficient grounds to believe that they have rightly declared the subject goods. Hence, the Noticee correctly declared the subject goods under a bona fide belief that the same is correct.

2.16.2 Without prejudice, the Noticee submitted that penalty under Section 114AA is imposable only in those situations where exports benefits are claimed without exporting the goods and by presenting forged documents.

2.16.3 Section 114AA was inserted to penalize in circumstances where export benefits are availed without exporting any goods. According to the legislature, Section 114AA of the Customs Act, 1962 provided penalty for improper exportation of goods and it was not covering situations of import of goods. Therefore, penalty under Section 114AA is imposable only in those circumstances where export benefits are availed without exporting any goods.

2.16.4 Even if, by any stretch of imagination, Section 114AA is held to cover imports as well, this Section would only apply to those grave and fraudulent misdemeanours where deliberate offences are committed by the importers with a view to evade customs duty. In the present case, the Noticee was bona fide, and all proper declarations were made by them. The Noticee were not involved in any manipulation or fraudulent activities nor have raised any false invoices or forged mill test certificates or made any willful mis-statement. Therefore, Section 114AA of the Customs Act, 1962, cannot be invoked.

2.17 SCN itself is invalid in absence of an appeal against the out of charge order / bills of entry.

2.17.1 The Noticee submitted that the subject goods imported by the Noticee were cleared for home consumption on the strength of finally assessed Bills of Entry and 'Out of Charge' orders issued by the proper officer under the authority of the provisions of Section 17 and Section 47 of the Customs Act. There is no dispute on this factual position. The Noticee submitted that these orders were passed on the satisfaction of the proper officer that the said goods have been properly assessed before clearance for home consumption. In fact, the goods were properly verified and examined by the proper officer before granting out of charge.

2.17.2 Further, the Noticee submitted that the aforesaid orders (Out of Charge), being quasi-judicial orders, can only be set aside by an order of the competent appellate authority in appellate proceedings. The Noticee submitted that quasi-judicial orders cannot be sought to be set aside by mere issuance of a show cause notice, which has proposed to declare the goods to be liable for confiscation.

3. RECORDING OF PERSONAL HEARINGS

3.1 There is a single Noticee in the subject SCN viz. Jaguar Land Rover India Ltd. In compliance of provisions of Section 28(8) read with Section 122A of the Customs Act, 1962 and in terms of the principle of natural justice, the Noticee was granted opportunity of Personal Hearing (PH). Personal Hearing was scheduled on 15.04.2026 and 04.05.2026 for the Noticee.

3.2 In response to PH notice, Mr. Akhilesh Kangsia, Advocate; Ms. Madhura Khandekar, Advocate and Mr. Nayan Singhal, Advocate, authorised representatives, appeared through virtual mode before the Adjudicating Authority on 15.04.2026 on behalf of the Noticee. During the PH, they submitted that the subject SCN was received by them on 09.03.2026 only; that in the SCN, there are more than 4000 item entries of the goods imported from UK; that to give a proper reply, they need to analyse each of these 4000 items and also need to call for each item's technical report from UK. In view of the above, they requested for grant of time till first week of May, 2026. The same was allowed and the next date of PH was fixed on 04.05.2026.

3.3 In the PH held on 04.05.2026, aforementioned authorised representatives again appeared through virtual mode before the Adjudicating Authority. During the PH, they reiterated the points made in reply to the SCN filed on 15.04.2026 and in additional submissions filed on 04.05.2026, which are detailed as under:

- a) On the basis of technical nature and description of the goods, they have prepared a list of impugned imported items which are in the nature of '*parts of general use*' having a differential duty value of approx. 3.9 Cr. These items merit classification under their respective specific heading and not under CTH 8708.
- b) The subject SCN dtd. 16.05.2025 was received by them only on 09.03.2026. Therefore, demand in respect of Bills of Entry filed before 09.03.2021 i.e. five-year limitation period, is time barred.

- c) The subject SCN is based on Post Clearance Audit (PCA). All the details of the goods were correctly declared in the Bills of Entry. Further, the present issue is industry-wide and the same has been raised for other automobiles OEMs also. The issue was represented by Society of Indian Automobile manufacturers (SIAM) before the Chief Commissioner of Customs, JNCH, Nhava Sheva. Thus, the Customs department was having complete information and knowledge of the classification being declared by the importers. In spite of the same, the present SCN invokes extended period of limitation that too on the ground of alleged misclassification. There is no dispute on description declared with respect to the disputed imports. In the SCN, the only dispute is of alleged misclassification. In such cases, the courts / tribunal have time and again held that extended period of limitation is not invocable, especially in classification disputes, as adopting a particular classification is a matter of bonafide belief, and matter of legal interpretation.
- d) Reference was also made to Standing Order dated 21.05.2019 issued by Custom House, Air Cargo Complex, and JNCH, Nhava Sheva dated 22.08.2019 read with corrigendum dated 09.09.2019. These standing order / public notice have been issued on classification of parts and accessories of motor vehicles. Many of the items in dispute are classifiable under respective headings, and not under Heading 87.08, going by the above Standing Orders. Therefore, the present SCN is also issued contrary to the stand taken by department itself on classification list issued in 2019, and that too by invoking extended period of limitation. On this ground itself, the present SCN is liable to be dropped. Further, in the context of parts of automobiles classification dispute, similar decision has been passed in the case of Suzuki Motors Gujarat – 2023 (5) TMI 618 (Tri-Ahm). Refer: B.48 of reply to the SCN.

3.3.1 In view of the above, they requested that demand in respect of general use items, items covered under aforementioned SO, & items beyond 2-year limitation period, may be dropped and also the charges levelled in the SCN, may be dropped.

4. DISCUSSION AND FINDINGS

4.1 I have carefully gone through the subject Show Cause Notice (SCN) and its enclosures, material on record and facts of the case, as well as oral and written submissions made by the Noticee.

4.2 In compliance to the provisions of Section 28(8) and Section 122A of the Customs Act, 1962 and in terms of the principles of natural justice, opportunity for Personal Hearing (PH) was granted on 15.04.2026 and 04.05.2026 to the Noticee. Availing the said opportunity, the Noticee attended the PH on 15.04.2026 and 04.05.2026. Having complied with the requirement of the principle of natural justice, I proceed to decide the case on merits, bearing in mind the submission / contention made by the Noticee.

4.3 The fact of the matter is that a Show Cause Notice No. 150/2025-26/CC/NS-V/GR-V/CAC/JNCH dated 16.05.2025, was issued to Jaguar Land Rover India Limited (IEC: 313007748), on the basis of Post Clearance Audit of their Bills of Entry. As per the SCN, the importer had imported various parts used in the manufacturing of vehicles on payment of lower rate of BCD @5%, 7.5% and 10% with IGST @18% & 28% under Serial Nos. of Schedule-III & Schedule-IV of the IGST levy Notification No. 01/2017 dated 28.06.2017 by classifying under wrong headings of Chapter 32, 39, 40, 70, 73, 74, 76, 82, 83, 84, 85 & 90, instead of the correct classification in various sub-heads of Chapter 87 which attracts BCD @15% with IGST @ 28% under Sr. No. 170 of Schedule-IV of Notification No. 01/2017 dated 28.06.2017. Thus, the SCN proposes rejection of the declared classification under headings of aforesaid Chapters and re-classification of the imported goods under respective sub-headings of Chapter 87. Further, the SCN proposes demand of differential duty to the tune of Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four

Lakh Eighty Eight Thousand Thirty One Only) in terms of Section 28(4) of the Customs Act, 1962 along with applicable interest in terms of Section 28AA *ibid*; confiscation of the impugned imported goods having assessable value of Rs. 2,23,67,98,642/- (Rupees Two Hundred Twenty Three Crore Sixty Seven Lakh Ninety Eight Thousand Six Hundred and Forty Two Only) under Section 111(m) *ibid*; and imposition of penalty on the importer under Section 112(a) and / or 114A and 114AA, *ibid*.

4.4 Before delving into the substantive allegations made in the SCN, I will discuss and give my findings on the following issues raised by Jaguar Land Rover India Ltd., in their submissions:

4.4.1 The request of the Noticee to provide examination order / examination report in respect of all the Bill(s) of Entry covered by the present SCN.

4.4.1.1 I note that the Noticee has contended that certain Bills of Entry covered under the present proceedings were subjected to regular assessment, examination and verification by the Customs officers and that Out-of-Charge was granted after examination of the goods. On this basis, the Noticee has sought copies of examination reports / examination orders pertaining to all such Bills of Entry.

4.4.1.2 In this regard, I observe that the subject Bills of Entry were filed under the scheme of self-assessment as envisaged under Section 17 of the Customs Act, 1962. Under the post self-assessment regime introduced vide Finance Act, 2011, the primary responsibility to correctly declare the description, nature, classification, valuation and applicable rate of duty squarely rests upon the importer. The role of the assessing officer at the time of clearance is not intended to substitute the statutory obligation cast upon the importer to make true and correct declaration under Section 46 of the Customs Act, 1962. Therefore, mere assessment, examination or grant of Out-of-Charge by the Customs officers cannot ipso facto validate an otherwise incorrect classification adopted by the importer.

4.4.1.3 It is further observed that the examination conducted at the time of import is generally selective and limited in nature, undertaken primarily for verification of quantity, description, markings, valuation related parameters, or for examination based on risk parameters generated by the RMS system. Such examination cannot be construed as a detailed legal determination or approval of the tariff classification adopted by the importer, particularly in cases involving technical and interpretational issues relating to classification. Classification of goods under the Customs Tariff is a matter of legal interpretation based upon the provisions of the Customs Tariff Act, Section Notes, Chapter Notes, HSN Explanatory Notes and judicial pronouncements, and the same cannot be said to attain finality merely because the goods were allowed clearance at the time of import.

4.4.1.4 It is also pertinent to note that acceptance of self-assessment at the time of clearance does not preclude subsequent verification by the Department through audit, investigation or post-clearance scrutiny. The provisions of Section 28 of the Customs Act, 1962 specifically empower the Department to recover duties short levied or not levied even after clearance of goods, where subsequently it is found that duty has escaped assessment by reason of misclassification, suppression or misdeclaration. Therefore, post-clearance audit proceedings initiated in the present case are legally sustainable notwithstanding earlier clearance of the goods.

4.4.1.5 Regarding the request of the Noticee for supply of examination reports / examination orders for all Bills of Entry, it is observed that the basis of the present proceedings is the alleged incorrect classification adopted by the Noticee and not the manner of examination conducted at the time of import. The relevant relied upon documents forming basis of the allegations in the Show Cause Notice have already been supplied to the Noticee. The examination reports, if any, are internal procedural records relating to clearance formalities and are not relied upon documents for

determination of the present dispute. Moreover, the Noticee, being the importer and filer of the Bills of Entry, had full knowledge of the clearance process and examination conducted in respect of their consignments. Hence, non-supply of such documents does not cause any prejudice to the defence of the Noticee.

4.4.1.6 In view of the above discussion, I do not agree with the request of the Noticee to provide the examination order / examination report in respect of all the Bill(s) of Entry covered by the present SCN and therefore, reject the same.

4.4.2 Demand in respect of Bill(s) of Entry filed from the period 20.05.2020 till 08.03.2021 is barred even by extended period of limitation. Therefore, the demand in respect of those 340 Bill(s) of Entry is liable to be dropped.

4.4.2.1 The Noticee has contended that the subject SCN was served upon them / received by them on 09.03.2026 only, therefore, the demand pertaining to Bills of Entry filed during the period from 20.05.2020 to 08.03.2021 is barred by limitation even under the extended period prescribed under Section 28(4) of the Customs Act, 1962 and therefore, liable to be dropped.

4.4.2.2 In this regard, I observe that the present Show Cause Notice has been issued under Section 28(4) of the Customs Act, 1962 on account of alleged wilful misclassification, suppression of material facts and misdeclaration resulting in short-payment of Customs duty. The relevant date for computation of limitation under Section 28 is the date of service / issuance of the Show Cause Notice within the prescribed statutory period. In the instant case, the Show Cause Notice dated 16.05.2025 was duly issued and served upon the Noticee through official e-mail communication on 19.05.2025. Therefore, for the purpose of limitation, the date of issuance and valid service of the SCN i.e. 19.05.2025, is required to be taken into consideration.

4.4.2.3 It is observed that the earliest Bill of Entry involved in the present proceedings is dated 20.05.2020. Accordingly, the Show Cause Notice having been served on 19.05.2025, all the Bs/E covered under the subject SCN falls within the extended limitation period of five years prescribed under Section 28(4) of the Customs Act, 1962. Hence, the contention of the Noticee that the demand pertaining to Bills of Entry filed prior to 08.03.2021 is time barred is factually incorrect and legally unsustainable.

4.4.2.4 Therefore, considering that the Show Cause Notice was duly issued and served on 19.05.2025, i.e., within five years from the earliest Bill of Entry dated 20.05.2020, and further considering the nature of allegations involving wilful misclassification and suppression leading to evasion of duty, the demand raised under Section 28(4) of the Customs Act, 1962 is well within the period of limitation. Accordingly, the contention of the Noticee that the demand in respect of 340 Bills of Entry is barred by limitation is rejected.

4.4.3 The demand of IGST is liable to be dropped as the same is revenue neutral.

4.4.3.1 I have carefully considered the submissions made by the Noticee that the demand of differential IGST is liable to be dropped on the ground of revenue neutrality, on the premise that the IGST paid at the time of import would have been available to them as input tax credit.

4.4.3.2 I note that IGST on imported goods is levied under Section 3(7) of the Customs Tariff Act, 1975 and is collected as a duty of customs in accordance with the provisions of the Customs Act, 1962. The liability to pay such duty arises at the time of importation of goods into India and is determined on the basis of the correct declaration of classification, valuation and other particulars made before the Customs authorities. Where it is found that the goods have been mis-declared or that duty has been short-levied, the differential duty becomes recoverable under Section 28 of the

Customs Act, irrespective of any subsequent credit mechanism that may be available to the importer under another statute.

4.4.3.3 The plea of revenue neutrality does not extinguish a statutory levy of duty. The obligation of the importer is to correctly declare and discharge the duty liability at the time of importation, and the possibility that the duty so paid may subsequently be available as input tax credit under the GST regime does not render the duty demand non-existent or redundant. The scheme of levy and collection of duty under the Customs law operates independently of the downstream credit mechanism provided under the GST framework. Therefore, the contention that no demand can be sustained merely because the importer could have availed credit of the IGST paid is misconceived.

4.4.3.4 I further find that the judicial decisions relied upon by the Noticee, relate primarily to disputes under the Central Excise / CENVAT credit regime, where the issue involved availment of credit within the same manufacturing chain and the entire transaction was demonstrably revenue neutral. The facts and statutory framework governing those cases are clearly distinguishable from the present case involving import of goods and levy of IGST under the Customs Tariff Act, and therefore, the ratio of the said decisions cannot be applied to the present proceedings. The determination of duty liability under customs law must necessarily be based on the correct assessment at the time of importation, and the subsequent availability of credit under the GST regime cannot be a ground to negate the duty liability arising from mis-declaration or short-payment of duty.

4.4.3.5 In view of the foregoing discussion, I hold that the plea of revenue neutrality cannot be accepted as a valid ground for dropping the demand of differential IGST. Accordingly, the contention of the Noticee that the demand of IGST is liable to be set aside on the ground of revenue neutrality is without merit and is therefore, rejected.

4.4.4 The present SCN is invalid in absence of an appeal against the out of charge order / bills of entry.

4.4.4.1 I note that the Noticee had contended that the Out-of-Charge Order is not challenged by filing an appeal and hence, SCN issued under Section 28 of the Customs Act, 1962 is without jurisdiction. In this regard, I find that Section 28 of the Customs Act, 1962 has an exclusive provision covering the aspect pertaining to non-levy, short levy and erroneous refund. There is no provision or requirement under the Customs Act, 1962 of review of an Out-of-Charge Order before raising demand under Section 28 of the Customs Act, 1962. Under Section 129D for review of an order by the department, the limitation is to an extent of a period of three month only, whereas Section 28 provides period of 2 years/5 years for raising demand of short paid or short levied duty. Under Section 129D, any decision or order can be examined and reviewed by the competent authority. But the provisions of Section 28 of the Act are for matters only pertaining to non-levy, short-levy and erroneous refund.

4.4.4.2 The power under Section 28 to recover duty short-levied or not levied operates independently of the assessment having attained finality under Section 47. Self-assessment resulting in out-of-charge clearance does not bar subsequent proceedings under Section 28 where short levy is noticed. The provisions of demand of non-levy, short-levy and for recovery of erroneous refund under Section 28 of the Act are independent provisions. Similarly, the provisions of Section 129D are independent of Section 28 of the Act. Provisions of Section 28 satisfy the principles of natural justice by making it mandatory for issuance of Show Cause Notice and to allow the party to have a full hearing on the charges that would be made against them. The proceedings under Section 28 are of exclusive nature, in as much as, independent proceedings are held by issue of Show Cause Notice by the Department by which it sets out the reason for claiming non-levy, short-levy relying on evidence. The noticee gets full opportunity to know the charges levelled against him as well as the evidence on which the charges are levelled and in turn place his

case with supporting evidence in defence. Thus, Section 28 is to be considered independent of the provisions of Section 129D of the Act. The issue is well settled by the higher judicial fora wherein it is held that Section 28 can be invoked for short-levy or non-levy of customs duty even if Out-of-Charge Order is not appealed under Section 129 of the Act. The Hon'ble High Court of Madras in the case of *M/s. Venus Enterprise V/s. CC, Chennai, reported as 2006 (199) ELT 405 (Mad.)* and affirmed by the Hon'ble Supreme Court [*2007 (209) ELT A61 (S.C.)*], after considering the Apex Court's earlier judgment in the case of *M/s. Priya Blue Ind [2004 (172) E.L.T. 145 (S.C.)]* has held that in case of short levy, there is no lack of jurisdiction on the part of the adjudicating authority to issue Show Cause Notice under Section 28 of the Act after clearance of the goods.

4.4.4.3 I further find that the judgments relied upon by the noticee are distinguishable as they do not pertain to cases involving misdeclaration or suppression of material facts. The power to issue a show cause notice under Section 28 is specifically intended to address such situations where short-levy of duty comes to light subsequent to the clearance of goods. If the contention of the noticee is accepted, it would render the provisions of Section 28 otiose and defeat the very purpose of the recovery mechanism provided under the Customs Act. Accordingly, I hold that the proceedings initiated under Section 28 of the Customs Act, 1962 for recovery of differential duty are legally sustainable, notwithstanding the fact that the Bills of Entry had earlier been assessed and cleared under Section 47 of the Act.

4.4.5 Section 3(12) of Customs Tariff Act, 1975 does not borrow interest and penal provisions from the Customs Act. In absence of machinery provisions, no penalty can be imposed, or interest recovered from the Noticee for the IGST component.

4.4.5.1 I have carefully considered the submissions of the Noticee that interest under Section 28AA and penalty under Section 114A of the Customs Act, 1962 cannot be imposed on the IGST component, on the ground that Section 3(12) of the Customs Tariff Act, 1975 does not specifically borrow the provisions relating to interest and penalty from the Customs Act. I find that the said contention is not legally sustainable.

4.4.5.2 IGST on imported goods is levied under Section 3(7) of the Customs Tariff Act, 1975 and is collected as a duty of customs at the time of importation of goods in addition to the duties chargeable under the Customs Act, 1962. Further, Section 3(12) of the Customs Tariff Act clearly stipulates that the provisions of the Customs Act and the rules and regulations made thereunder, including those relating to assessment, non-levy, short-levy, exemption, refund and recovery, shall apply to the duties chargeable under Section 3 as they apply to duties of customs. Therefore, the statutory machinery contained in the Customs Act for determination and recovery of duty necessarily applies to the duties levied under Section 3 of the Customs Tariff Act, including IGST on imported goods.

4.4.5.3 Once the duty liability, including the IGST component, is determined under Section 28 of the Customs Act on account of non-levy or short-levy, the liability to pay interest under Section 28AA follows as a statutory consequence of delayed payment of such duty. Likewise, where such non-levy or short-levy of duty arises by reason of suppression of facts, wilful misstatement or misdeclaration, the provisions of Section 114A of the Customs Act providing for penalty become equally applicable. The levy of interest and imposition of penalty are thus incidental and consequential to the determination of duty under the Customs Act, and the same apply to the IGST component as well, since the duty itself is assessed and recovered through the machinery provisions of the Customs Act.

4.4.5.4 If the interpretation advanced by the Noticee is accepted, it would lead to an anomalous situation wherein duty in the form of IGST could be demanded and recovered under the Customs Act, but no interest or penalty could ever be imposed even in cases involving deliberate mis-

declaration or suppression, which would defeat the very scheme of enforcement under the customs law. Such an interpretation cannot be accepted.

4.4.5.5 I also find that the reliance placed by the Noticee on the case laws is misplaced and distinguishable on facts as well as on the statutory framework applicable in those cases. The ratio of the said decisions relates to situations where the statute did not provide an enabling mechanism for recovery of interest or penalty. In the present case, however, the Customs Act provides a complete machinery for determination, recovery, interest and penal consequences, which applies to duties levied under Section 3 of the Customs Tariff Act.

4.4.5.6 In view of the foregoing, I hold that interest under Section 28AA of the Customs Act, 1962 is recoverable on the IGST component of duty determined under Section 28, and penalty under Section 114A is imposable wherever the conditions stipulated therein are satisfied. Accordingly, the contention of the Noticee that interest and penalty cannot be imposed on the IGST component due to absence of borrowing provisions in Section 3(12) of the Customs Tariff Act is devoid of merit and is therefore, rejected.

4.4.6 Penalty under Section 114AA is imposable only in cases of fraudulent claim of export benefits.

4.4.6.1 I have carefully considered the submissions of the Noticee that penalty under Section 114AA is imposable only in cases where export benefits are claimed without actual export of goods and by presenting forged documents. I find that the said contention is not legally sustainable.

4.4.6.2 Section 114AA of the Customs Act, 1962 provides that any person who knowingly or intentionally makes, signs, or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular in the transaction of any business relating to Customs shall be liable to penalty. The wording of the provision is clear and of wide amplitude and is not confined only to export transactions. The expression "any business relating to Customs" necessarily covers both import and export transactions.

4.4.6.3 Therefore, once it is established that a person has knowingly or intentionally made or used false or incorrect declarations or documents in a customs transaction, the provisions of Section 114AA become applicable irrespective of whether the case relates to import or export. The interpretation sought to be advanced by the Noticee, restricting the scope of the provision only to cases involving fraudulent claim of export benefits, is contrary to the plain language of the statute.

4.4.6.4 The reliance placed by the Noticee on the Twenty Seventh Report of the Standing Committee on Finance and the decision in *International Exim Agency Vs Commissioner of Customs* is misplaced and distinguishable on facts. The said materials cannot be interpreted to curtail the scope of a statutory provision whose language is clear and unambiguous.

4.4.6.5 In view of the foregoing, I hold that Section 114AA is applicable to any customs transaction involving use of false or incorrect declarations or documents, whether relating to import or export. Accordingly, the contention of the Noticee that penalty under Section 114AA is applicable only in cases of fraudulent export benefits is without merit and is rejected.

4.5 After having addressed the above point raised by the Noticee, I now proceed to identify and decide substantive issues involved in the SCN. On a careful perusal of the Show Cause Notice and case records, I find that following main issues are involved in this case which are required to be decided:

- a) Whether the classification of the subject goods claimed under CTI as detailed in Annexure-A to the subject SCN, should be rejected and the same should be re-assessed in various

sub-heads of Chapter 87 which attracts BCD @ 15% with IGST @ 28% under Sr. No. 170 of Schedule-IV of Notification No. 01/2017 dated 28.06.2017.

- b) Whether the imported goods having assessable value of Rs. 2,23,67,98,642/- (Rupees Two Hundred Twenty Three Crore Sixty Seven Lakh Ninety Eight Thousand Six Hundred and Forty Two Only), under Bills of Entry as detailed in Annexure-A to the subject SCN, should be held liable for confiscation under Section 111(m) of the Customs Act, 1962.
- c) Whether the differential duty of Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only) for the goods imported under Bills of Entry as detailed in Annexure-A to the subject SCN, should be demanded under Section 28(4) of the Customs Act, 1962, along with applicable interest thereon under Section 28AA of the Customs Act, 1962.
- d) Whether penalty should be imposed on Jaguar Land Rover India Ltd. under Section 112(a) and / or 114A and 114AA of the Customs Act, 1962.

4.6 After having identified and framed the main issues to be decided, I now proceed to examine each of the issues individually based on the facts and circumstances mentioned in the SCN; provision of the Customs Act, 1962; nuances of various judicial pronouncements, as well as Noticee's oral and written submissions and documents / evidences available on record.

4.7 Whether the classification of the subject goods claimed under CTI as detailed in Annexure-A to the subject SCN, should be rejected and the same should be re-assessed in various sub-heads of Chapter 87 which attracts BCD @ 15% with IGST @ 28% under Sr. No. 170 of Schedule-IV of Notification No. 01/2017 dated 28.06.2017.

4.7.1 I have carefully gone through the allegations made in the Show Cause Notice, the written and oral submissions made by the Noticee, the Bills of Entry and import documents placed on record, the competing tariff entries, the relevant provisions of the Customs Tariff Act, 1975, the Section Notes and Chapter Notes to Section XVII, the Harmonised System of Nomenclature (HSN) Explanatory Notes, and the judicial pronouncements relied upon by both sides.

4.7.2 I note that the principal issue for determination in the present proceedings is whether the goods imported by the Noticee and declared under various tariff headings falling under Chapters 32, 39, 40, 70, 73, 74, 75, 76, 79, 82, 83, 84, 85 and 90 are correctly classifiable under those headings as claimed by the Noticee or whether the same merit classification under Chapter 87, more specifically under Heading 8708 of the First Schedule to the Customs Tariff Act, 1975, as "Parts and accessories of the motor vehicles of headings 8701 to 8705" as proposed in the Show Cause Notice.

4.7.3 I note that Section XVII of the Customs Tariff Act covers vehicles, aircraft, vessels and associated transport equipment. Heading 8708 specifically covers "*Parts and accessories of the motor vehicles of headings 8701 to 8705.*" The HSN Explanatory Notes clarify that goods are classifiable under Heading 8708 if they are identifiable as being suitable for use solely or principally with motor vehicles and are not excluded by Note 2 to Section XVII. Thus, the classification hinges on suitability for principal use, commercial identity and exclusion clauses, and not merely on the material composition or isolated functional attributes of the goods.

4.7.4 Argument that some goods are of General Use - During the course of adjudication, the submissions made by the Noticee were carefully examined. One of the arguments put forth by the Noticee is that certain goods covered under the Show Cause Notice are "goods of general use" and are not classifiable as parts or accessories of motor vehicles under Heading 8708. I find that the Noticee has submitted a list of items and has contended that these imported goods are in the nature of "parts of general use" or general application items and therefore, merit classification under their respective specific headings instead of Heading 8708. The Noticee has further relied upon Note 2

to Section XVII of the Customs Tariff and the decision of the Hon'ble CESTAT, New Delhi in the case of *Hanon Climate Systems India* to contend that these goods are not solely or principally meant for use with motor vehicles.

4.7.4.1 I find that Heading 8708 is for parts and accessories of the motor vehicles and there is no dispute on the fact that the imported goods are used as part of the motor vehicle of heading 8701 to 8705. Even the importer has accepted the fact that the impugned imported goods are for manufacture of automobiles. Therefore, the moot question is that whether by applying General Rules for Interpretation and relevant Section/ Chapter Notes, the impugned goods are parts of general use and excluded from Chapter 87 vide Note 2(b) to Section XVII, or they are parts of vehicles classifiable under Heading 8708.

4.7.4.2 I find that the classification proposed in the subject SCN is not based merely upon the end-use of the imported goods in motor vehicles, but upon the overall nature, design, commercial identity, dedicated usage and technical specificity of the goods imported by the Noticee. The scrutiny of import documents reveal that the imported goods are automobile-specific parts imported against identified part numbers of Jaguar Land Rover vehicles and are intended for use solely and principally in the manufacture/assembly of such motor vehicles. The goods are not imported as generic marketable hardware or universally usable commercial articles, but as dedicated components forming integral part of specific motor vehicle systems and assemblies.

4.7.4.3 It is observed that Note 2 to Section XVII excludes only those "parts of general use" which are commercially recognized as standard articles of general application such as generic nuts, bolts, springs, washers, hinges, mountings, fittings etc. capable of independent and broad industrial usage across multiple sectors without possessing any vehicle-specific identity. However, the exclusion under Note 2 cannot be applied mechanically merely because an article may resemble a generic item in description. Where such goods are specially designed, engineered, dimensionally configured or commercially identified for exclusive or principal use in motor vehicles, the same cease to retain the character of "parts of general use" and merit classification under Chapter 87.

4.7.4.4 I find that I the instant case it is not in dispute that the impugned imported items (i) are specifically designed for use by the importer for the purpose of manufacture of motor vehicle of their own brand; (ii) can only be used in motor vehicle classifiable under CTH 8701 to 8705; (iii) are given specific part number to each of these items by the importer and hence, identifiable as parts of motor vehicle; and (iv) cannot be used anywhere as general item/parts having general commercial identity i.e. identity other than "parts of motor vehicle".

4.7.4.5 In the instant case, the imported goods are not ordinary off-the-shelf articles of general trade. The Bills of Entry, invoices, packing lists and product descriptions clearly indicate that the goods were imported with dedicated OEM part numbers linked to Jaguar Land Rover vehicles. The Noticee themselves imported the goods as automobile components for manufacture/assembly of motor vehicles and not as general industrial goods for open market sale or multi-purpose industrial consumption. The presence of dedicated part numbers, vehicle-specific technical specifications and intended integration into particular vehicle assemblies clearly establishes the commercial identity of the goods as automobile parts and accessories.

4.7.4.6 Further, the Hon'ble Supreme Court in the case of *M/s. G.S. Auto International Ltd.* reported at 2003 (152) ELT 3 (SC) has categorically held that the relevant test for classification is whether the goods are suitable for use solely or principally with motor vehicles of Heading 8701 to 8705 and whether they are commercially recognized as automobile parts. The Hon'ble Court further held that such parts sold with specific part numbers and meant for automobile manufacturers are classifiable under Heading 8708. Similarly, in the case of *Cast Metal Industries Pvt. Ltd.* reported at 2015 (325) ELT 471 (SC), the Hon'ble Supreme Court classified automobile door handles and hinges under Heading 8708 on the ground that they were specifically designed

for use in motor vehicles. Therefore, the judicial position is well settled that vehicle-specific goods do not become “parts of general use” merely because similar articles may exist in generic trade.

4.7.4.7 The reliance placed by the Noticee on the decision in *Hanon Climate Systems India* is misplaced and distinguishable on facts. In the said case, the Tribunal examined goods which retained independent commercial identity and broader functional applicability. Classification disputes are highly product-specific and depend upon the nature, technical characteristics, commercial identity and usage of the imported goods. In the present case, the imported goods are identifiable as dedicated automobile components imported with OEM-specific part numbers for sole and principal use in Jaguar Land Rover vehicles. The Noticee has not produced any cogent technical evidence to establish that the impugned goods are commercially traded as generic multi-purpose industrial goods or that they possess substantial non-automotive applications. Mere theoretical possibility of usage elsewhere cannot displace the principal and sole automotive character of the goods. Therefore, the ratio of *Hanon Climate Systems India* does not apply to the present proceedings.

4.7.4.8 It is also observed that the HSN Explanatory Notes to Section XVII clearly provide that parts and accessories suitable for use solely or principally with motor vehicles are classifiable under Chapter 87 provided they are not more specifically covered elsewhere and are not excluded under Note 2. The phrase “suitable for use solely or principally” has to be understood in commercial and functional context. In the present case, the imported components were designed and imported specifically for use in Jaguar Land Rover vehicles and derive their essential commercial identity from such dedicated automotive application. Therefore, these parts are not the parts of general use and not excludable by virtue of Note 2 to Section XVII. Accordingly, the conditions prescribed in the HSN Explanatory Notes stand satisfied.

4.7.4.9 Therefore, the contention of the Noticee that the imported goods are “parts of general use” not classifiable under Heading 8708 is not supported either by the factual matrix of the case or by the applicable legal provisions and judicial precedents. The impugned goods, being specifically designed, identified and imported for sole/principal use in motor vehicles, are appropriately classifiable under Chapter 87 and not under the alternative headings claimed by the Noticee. Accordingly, the submissions of the Noticee in this regard are rejected.

4.7.5 The submissions of the Noticee regarding appropriate classification of all the goods were examined in detail with reference to the Bills of Entry, product description, functional usage of the goods, relevant tariff entries, applicable Section Notes, Chapter Notes, and the Harmonised System Explanatory Notes (HSEN). Each item was independently evaluated to determine whether it satisfies the essential legal requirement for classification as a “part” or “accessory” of a motor vehicle under Heading 8708.

4.7.6 I find that Heading 8708 specifically covers “Parts and accessories of the motor vehicles of headings 8701 to 8705”. The scope of classification under Heading 8708 is governed not merely by the material composition of the goods or isolated functional characteristics, but by the statutory scheme of Section XVII read with the relevant HSN Explanatory Notes. The HSN Explanatory Notes to Section XVII clarify that parts and accessories are classifiable under Chapter 87 when:

- (i) they are identifiable as being suitable for use solely or principally with motor vehicles of Headings 8701 to 8705;
- (ii) they are not excluded by Note 2 to Section XVII; and
- (iii) they are not more specifically covered elsewhere in the Tariff.

Thus, the determinative test for classification is the commercial identity, dedicated automotive application and principal use of the goods.

4.7.7 I find that the impugned goods imported by the Noticee comprise automobile-specific components imported for use in Jaguar Land Rover motor vehicles. The import documents, invoices, and Bills of Entry clearly reveal that the goods were imported against unique OEM-specific part numbers and were intended for incorporation into specific motor vehicles, as well as sale of the same as parts of the motor vehicles being manufactured by them.

4.7.8 I find that the onus is on the importer to declare and establish that the goods are other than parts and accessories of motor vehicles of CTH 87, however, the importer in present case themselves have accepted in their submissions that the goods are meant for automotive consumption for their particular brands. Hence, it is established that the goods are meant for use in Motor Vehicles. I find that it is an admitted and undisputed fact that the impugned goods were imported exclusively for use in manufacture and assembly of motor vehicles falling under Headings 8701 to 8705. The goods are specially designed, engineered and dimensionally configured for integration into particular vehicle systems and assemblies. These are not ordinary marketable goods having broad industrial or commercial application. Rather, they derive their identity, utility and commercial recognition solely from their dedicated use as automobile parts and accessories. The goods neither possess independent commercial identity nor are capable of general interchangeability outside the automotive environment for which they are specifically manufactured.

4.7.9 In this regard, Note 3 to Section XVII assumes significance. The said Note provides that references in Chapters 86 to 88 to “parts” or “accessories” apply only to those parts and accessories which are suitable for use solely or principally with the articles of those Chapters. In the present case, the evidence on record overwhelmingly establishes that the imported goods are suitable for use solely and principally with motor vehicles manufactured by the Noticee. Therefore, by operation of Note 3 to Section XVII read with Heading 8708, the impugned goods merit classification under Chapter 87.

4.7.10 The contention of the Noticee that the goods merit classification under Chapters 32, 39, 40, 70, 73, 74, 76, 82, 83, 84, 85 and 90 based on constituent material or isolated functionality is not legally sustainable. Classification under the Customs Tariff cannot be determined merely by reference to the material composition of the goods when the goods are identifiable in commercial parlance and in trade as dedicated automobile parts. Acceptance of such contention would render Heading 8708 otiose and defeat the very scheme of Section XVII, which specifically carves out a separate and distinct classification for automobile parts and accessories.

4.7.11 I further find that the reliance placed by the Noticee on Note 2 to Section XVII is misconceived. Note 2 excludes certain specified categories such as parts of general use of Section XV, generic machinery of Chapters 84 and 85, tools, moulds, measuring instruments etc., from the scope of “parts and accessories” of Chapter 87. However, the exclusion applies only where the goods retain an independent commercial identity as general-purpose articles or independent machines and are not specially designed or identifiable as motor vehicle parts.

4.7.12 In the present case, the impugned goods are not generic articles of general application. They are custom-built, vehicle-specific components supplied against dedicated OEM part numbers for use in Jaguar Land Rover vehicles. Their design specifications, dimensions, engineering tolerances and functional integration are unique to the automobile systems for which they are intended. Merely because certain goods contain electrical, electronic, metallic or mechanical elements does not automatically exclude them from Chapter 87 when their sole or principal identity remains that of automobile parts.

4.7.13 I find that the Hon’ble Supreme Court in the case of *Asian Paints India Ltd.* reported at 1988 (35) ELT 31 (SC) held that where a tariff expression is not specifically defined, it must be interpreted in its popular or commercial sense, i.e., the sense in which persons conversant with the

trade understand it. Applying this settled principle, the impugned goods are commercially understood, traded and recognised as automobile parts and accessories and not as independent general-purpose goods.

4.7.14 Further, the Hon'ble Supreme Court in *G.S. Auto International Ltd.* reported at 2003 (152) ELT 3 (SC) categorically held that the relevant test for classification is whether the goods are suitable for use solely or principally with motor vehicles and whether they are known in trade parlance as automobile parts. The Hon'ble Court specifically observed that goods supplied against specific part numbers for automobile manufacturers and incapable of general interchangeability are classifiable under Heading 8708 and cannot be treated as "parts of general use." The ratio of the said judgment squarely applies to the facts of the present case.

4.7.15 Similarly, in *Cast Metal Industries Pvt. Ltd.* reported at 2015 (325) ELT 471 (SC), the Hon'ble Supreme Court held that automobile door handles and hinges specially designed for use in motor vehicles are classifiable under Heading 8708 notwithstanding that similar goods may exist elsewhere in general trade. The Hon'ble Court emphasized the principle of dedicated automotive application and commercial identity. The said judgment further reinforces the Department's stand in the present proceedings.

4.7.16 I find that the reliance placed by the Noticee on *CCE Vs. Uniproducts - 2020 (372) ELT 465 (SC)* judgement is misplaced. The said judgment pertained to car mats which were specifically and independently covered under a distinct tariff entry and retained independent commercial identity as floor coverings. In the present case, however, the impugned goods are dedicated automobile components lacking independent market identity and are specifically engineered for integration into Jaguar Land Rover motor vehicles. Therefore, the ratio of *Uni Products* does not advance the case of the Noticee.

4.7.17 I also find that the goods imported by the Noticee are traded within the automobile supply chain, packed and invoiced as vehicle parts, and integrated into vehicle assemblies during manufacture. The manner of procurement, technical documentation, OEM coding, inventory management and end-use establish beyond doubt that the impugned goods are automobile-specific parts and accessories. These goods are not sold in ordinary commercial market as independent general-purpose commodities.

4.7.18 I further find that the classification adopted by the Noticee under various Chapters enabled availment of lower rates of Basic Customs Duty and IGST. Whereas goods falling under Heading 8708 attract BCD @ 15% and IGST @ 28% under Sr. No. 170 of Schedule IV of Notification No. 01/2017-Integrated Tax (Rate) dated 28.06.2017. The Noticee classified the goods under alternate Chapters attracting lower rates of duty. Such classification resulted in substantial short-payment of duty.

4.7.19 In view of the foregoing discussion, the statutory provisions of Section XVII, the HSN Explanatory Notes, the commercial identity and dedicated automotive use of the goods, and the binding judicial pronouncements of the Hon'ble Supreme Court in *Asian Paints India Ltd.*, *G.S. Auto International Ltd.* and *Cast Metal Industries Pvt. Ltd.*, I hold that the impugned goods imported by Jaguar Land Rover India Ltd. are appropriately classifiable under Chapter 87 of the Customs Tariff, meant for the classification of "*Vehicles Other than Railway or Tramway Rolling-Stock and Parts and Accessories thereof*" and specifically under the Customs Tariff Heading No. 8708 of the First Schedule to the Customs Tariff Act, 1975, which is meant for the classification of the "*Parts and accessories of the motor vehicles of headings Nos. 87.01 to 87.05*".

4.7.20 Accordingly, I hold that the classification claimed by the Noticee under various Chapters as detailed in Annexure-A to the Show Cause Notice is liable to be rejected and the goods are required to be re-assessed under appropriate sub-headings of Chapter 87 attracting Basic Customs

Duty @ 15% and IGST @ 28% under Sr. No. 170 of Schedule IV of Notification No. 01/2017-Integrated Tax (Rate) dated 28.06.2017.

4.8 Whether the imported goods having assessable value of Rs. 2,23,67,98,642/- (Rupees Two Hundred Twenty Three Crore Sixty Seven Lakh Ninety Eight Thousand Six Hundred and Forty Two Only), under Bills of Entry as detailed in Annexure-A to the subject SCN, should be held liable for confiscation under Section 111(m) of the Customs Act, 1962.

4.8.1 I have carefully examined the proposal in the Show Cause Notice to hold the goods imported vide the Bills of Entry as detailed in Annexure-A to the SCN, having a declared assessable value of Rs. 2,23,67,98,642/-, liable for confiscation under Section 111(m) of the Customs Act, 1962. The said proposal arises from the allegation that the importer mis-declared the classification of the impugned goods in the Bills of Entry in order to avail lower rate of duty.

4.8.2 From the discussions, it is noted that the importer, Jaguar Land Rover India Ltd., imported motor vehicle parts and accessories as detailed in Annexure-A to the SCN, and declared them under Chapters 32, 39, 40, 70, 73, 74, 75, 76, 79, 82, 83, 84, 85 and 90 of the Customs Tariff Act, 1975. As discussed in the preceding paragraphs of this order, the importer availed lower BCD rates of 5%, 7.5%, and 10% along with IGST @18% and 28% under Schedules III & IV of IGST Notification No. 01/2017, whereas the goods are correctly classifiable under CTH 8708 (Chapter 87) attracting BCD @15% and IGST @28% under Sr. No. 170 of Schedule IV. By suppressing these facts, the importer, contravened the provisions of Section 46 of the Customs Act, 1962. By declaring the goods under an incorrect tariff entry, the importer became eligible for a lower rate of duty, which has been found to be inapplicable to the goods in question.

4.8.3 Section 111(m) of the Customs Act, 1962 provides that any goods which do not correspond in respect of value, quantity or any other particular with the entry made under the Act in the Bill of Entry shall be liable to confiscation. The term "any other particular" has a wide connotation and includes incorrect declaration of classification or description of goods made in the Bill of Entry which has the effect of influencing the duty liability.

4.8.4 In the present case, the importer declared the impugned goods under an incorrect tariff classification and thereby availed lower duty benefit that was not legally admissible. Such misdeclaration of classification in the Bills of Entry constitutes a misdeclaration in a material particular within the meaning of Section 111(m) of the Customs Act, 1962, as the same directly impacted the assessment of duty. The incorrect declaration of tariff classification was not merely interpretational but resulted in wrongful availment of lower duty benefit, thereby affecting duty liability and rendering the goods liable for confiscation under Section 111(m).

4.8.5 As per Section 46 of the Customs Act, 1962, the importer of any goods, while making entry on the Customs automated system to the Proper Officer, shall make and subscribe to a declaration as to the truth of the contents of such Bill of Entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed. He shall ensure the accuracy and completeness of the information given therein and the authenticity and validity of any document supporting it.

4.8.6 I find that the importer while filing the Bills of Entry for the clearance of the subject goods had subscribed to a declaration as to the truthfulness of the contents of the Bill of Entry in terms of Section 46(4) of the Customs Act, 1962 and Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations, 2011 in all their import declarations. Thus, under the scheme of self-assessment, it is the importer who has to diligently ensure that he declares all the particulars of the imported goods correctly e.g., the correct description of the imported goods, its correct classification, the applicable rate of duty, value, benefit of exemption notification claimed, if any, in respect of the imported goods when presenting the Bill of Entry. With the introduction

of self-assessment by amendment to Section 17, w.e.f. 8th April, 2011, the complete onus and responsibility is on the importer to declare the correct description, value, notification, etc. and to correctly classify, determine and claim correct exemption notification and pay the applicable duty in respect of the imported goods.

4.8.7 Prior to 08.04.2011, sub-section (2) of Section 2 of the Customs Act, 1962 read as under:

(2) "assessment" includes provisional assessment, reassessment and any order of assessment in which the duty assessed is nil;

Finance Act, 2011 introduced provision for self-assessment by the importer. Subsequent to substitution by the Finance Act, 2011 (Act 8 of 2011), (w.e.f. 08.04.2011) sub-section (2) of Section 2 *ibid* read as under:

Section 2 - Definitions, Sub-section (2) – assessment:

(2) "assessment" includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is nil;

With effect from 29.03.2018, the term ‘assessment’ in sub-section (2) of Section 2 *ibid* means as follows:

(2) "assessment" means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum so payable, if any, under this Act or under the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act) or under any other law for the time being in force, with reference to-

- a) the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act;*
 - b) the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act;*
 - c) exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefor under this Act or under the Customs Tariff Act or under any other law for the time being in force;*
 - d) the quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods;*
 - e) the origin of such goods determined in accordance with the provisions of the Customs Tariff Act or the rules made thereunder, if the amount of duty, tax, cess or any other sum is affected by the origin of such goods,*
 - f) any other specific factor which affects the duty, tax, cess or any other sum payable on such goods,*
- and includes provisional assessment self-assessment, re-assessment and any assessment in which the duty assessed is nil;*

4.8.8 From a plain reading of the above provisions related to assessment, it is very clear that w.e.f. 08.04.2011, the importer must self-assess the duty under Section 17 read with Section 2(2) of the Customs Act, and since 2018 the scope of assessment has been widened. Under the self-assessment regime, it was statutorily incumbent upon the importer to correctly self-assess the goods in respect of classification, valuation, claimed exemption notification and other particulars. With effect from 29.03.2018, the term ‘assessment’, which includes provisional assessment also, the importer is obligated to not only establish the correct classification but also to ascertain the eligibility of the imported goods for any duty exemptions. From the facts of the case as detailed above, it is evident that Jaguar Land Rover India Ltd., has deliberately failed to discharge this statutory responsibility cast upon them.

4.8.9 In view of the above discussion, I hold that the impugned goods having declared assessable value of Rs. 2,23,67,98,642/- (Rupees Two Hundred Twenty Three Crore Sixty Seven Lakh Ninety Eight Thousand Six Hundred and Forty Two Only) imported under Bills of Entry as detailed in

Annexure-A to the subject SCN, are liable for confiscation under Section 111(m) of the Customs Act, 1962.

4.8.10 As regards applicability of actual confiscation and redemption fine in terms of Section 125 of the Customs Act, 1962, I find that it is a settled position in law that redemption fine under Section 125 of the Customs Act, 1962 can only be imposed where goods are physically available for confiscation and subsequent redemption. This principle has been categorically affirmed by the Bombay High Court in *Commissioner of Customs (Import), Mumbai v. Finesse Creation Inc.*, 2009 (248) E.L.T. 122 (Bom.), wherein the Court held that the concept of redemption fine arises only if the goods are available and can be redeemed. In the absence of the goods, no redemption fine can be imposed. The Bombay High Court distinguished the Supreme Court judgment in *Weston Components Ltd. v. Commissioner of Customs*, 2000 (115) E.L.T. 278 (S.C.), noting that in *Weston*, the goods had been released on bond and were therefore, constructively within the control of the Customs authorities. However, in *Finesse Creation Inc.*, the goods had already been cleared and were not available for seizure, nor had they been released on any bond or undertaking. The Bombay High Court further endorsed the reasoning of the Punjab and Haryana High Court in *Commissioner of Customs, Amritsar v. Raja Impex (P) Ltd.*, 2008 (229) E.L.T. 185 (P&H), which held that where goods are neither available nor covered by any bond, no redemption fine can be levied. This order of the High Court in *Finesse Creation Inc.*, stands accepted by the department, as Special Leave Petition (SLP) filed in the Supreme Court (C.A. No. 66/2009) was dismissed by order dated 12.05.2010. [2010 (255) E.L.T. A120 (S.C.)]

4.8.11 Accordingly, I am of the considered view that, since the goods in the present case have already been cleared and are no longer available for confiscation, the invocation of Section 125 of the Customs Act, 1962, lacks jurisdictional basis and is legally unsustainable. Therefore, I refrain from imposing any Redemption Fine on the impugned goods held liable for confiscation.

4.9 Whether the differential duty of Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only) for the goods imported under Bills of Entry as detailed in Annexure-A to the subject SCN, should be demanded under Section 28(4) of the Customs Act, 1962, along with applicable interest thereon under Section 28AA of the Customs Act, 1962.

4.9.1 After having determined the correct classification of the subject goods, it is imperative to determine whether the demand of differential Customs duty as per the provisions of Section 28(4) of the Customs Act, 1962, in the subject SCN is sustainable or otherwise. I have carefully considered the allegations made in the Show Cause Notice, the submissions made by the Noticee, the import documents placed on record and the findings already recorded hereinabove regarding classification of the impugned goods.

4.9.2 I find that, after the introduction of self-assessment vide Finance Act, 2011, the onus is on the importer to make true and correct declaration in all aspects including calculation of duty. I find that the impugned goods imported by the Noticee under the Bills of Entry detailed in Annexure-A to the Show Cause Notice, were declared and assessed under various tariff headings falling under Chapters 32, 39, 40, 70, 73, 74, 76, 82, 83, 84, 85 and 90 of the First Schedule to the Customs Tariff Act, 1975 and customs duty was discharged accordingly at lower applicable rates of BCD and IGST.

4.9.3 However, as discussed in detail in the foregoing paragraphs, the imported goods are appropriately classifiable under Heading 8708 as "Parts and accessories of the motor vehicles of headings 8701 to 8705" attracting Basic Customs Duty @ 15% and IGST @ 28% under Sr. No. 170 of Schedule IV of Notification No. 01/2017-Integrated Tax (Rate) dated 28.06.2017.

4.9.4 I find that by classifying the automobile-specific components under alternate tariff headings attracting lower rates of duty, the Noticee paid customs duty at rates lower than those legally leviable on the imported goods. Consequently, there has been short-payment of customs duty in respect of the Bills of Entry covered under Annexure-A to the Show Cause Notice.

4.9.5 On verification of the Bills of Entry, assessable values, declared tariff classification, applicable rates of duty and the correctly applicable tariff entry under Heading 8708, the total differential duty short-paid by the Noticee has been correctly quantified at Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only).

4.9.6 I further find that the subject imports were made under the self-assessment regime introduced under Section 17 of the Customs Act, 1962. Under the scheme of self-assessment, the importer is under a statutory obligation to correctly declare the nature, description, classification and applicable rate of duty in respect of imported goods. The entire process of assessment proceeds on the basis of truthfulness and correctness of declarations made by the importer under Section 46 of the Customs Act, 1962.

4.9.7 In the present case, despite being fully aware of the nature, technical specifications, dedicated automotive use and OEM-specific character of the imported goods, the Noticee classified the goods under multiple alternative tariff headings attracting substantially lower rates of BCD and IGST instead of correctly classifying them under Heading 8708.

4.9.8 I find that the imported goods were not ordinary marketable goods of general application but were automobile-specific components imported against dedicated part numbers for use solely and principally in Jaguar Land Rover vehicles. The Noticee, being a reputed automobile manufacturer with full technical knowledge of the imported goods and their intended use, cannot claim ignorance regarding the appropriate tariff classification applicable to such goods.

4.9.9 The incorrect classification adopted by the Noticee resulted in substantial revenue implication running into Rs. 33,74,88,031/-. Such misclassification cannot be treated as a mere clerical or interpretational error. The classification pattern adopted across numerous Bills of Entry and across various tariff chapters clearly indicates a conscious and systematic adoption of lower-duty tariff entries in order to avail ineligible benefit of lower BCD and IGST.

4.9.10 I also find that the actual nature and dedicated automotive character of the imported goods were not properly reflected through the tariff classification adopted by the Noticee at the time of self-assessment. Had the goods been correctly declared and classified under Heading 8708, the applicable rate of duty would have been higher. Therefore, by adopting incorrect tariff classification, the Noticee effectively suppressed the correct duty liability payable on the imported goods.

4.9.11 The contention of the Noticee that the issue involves mere interpretation of classification and therefore, extended period under Section 28(4) is not invocable is not acceptable. In the present case, the Noticee is a specialized automobile manufacturer importing vehicle-specific components against dedicated OEM part numbers. The goods were imported exclusively for use in manufacture of motor vehicles and were commercially known as automobile parts. Despite this, the goods were classified under various alternate chapters attracting lower rates of duty. Such conduct cannot be treated as a bona fide interpretational dispute.

4.9.12 I find that the ingredients necessary for invocation of extended period under Section 28(4) of the Customs Act, 1962 namely wilful misstatement and suppression of material facts with intent to evade payment of duty, stand satisfied in the present case. Therefore, the differential duty has been correctly demanded by invoking the provisions of Section 28(4) of the Customs Act, 1962. I further find that the Show Cause Notice dated 16.05.2025 was duly issued and served upon the

Noticee within the statutory period prescribed under Section 28(4) of the Customs Act, 1962. Hence, the demand is not barred by limitation.

4.9.13 In view of the foregoing, I find that the duty demand against the importer has been correctly proposed under Section 28(4) of the Customs Act, 1962 by invoking the extended period of limitation. In support of my stand of invoking extended period, I rely upon the decision of the Tribunal:

2013(294) E.L.T.222 (Tri.-LB): Union Quality Plastic Ltd. Versus Commissioner of C.E. & S.T., Vapi [Misc. Order Nos. M/12671-12676/2013-WZB/AHD, dated 18.06.2013 in Appeal Nos. E/1762-1765/2004 and E/635- 636/2008]

In case of non-levy or short-levy of duty with intention to evade payment of duty, or any of circumstances enumerated in proviso ibid, where suppression or wilful omission was either admitted or demonstrated, invocation of extended period of limitation was justified

4.9.14 Further, as per Section 28AA of the Customs Act, 1962, 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) of Section 28AA, whether such payment is made voluntarily or after determination of the duty under that section. From the above provisions, it is evident that regarding demand of interest, Section 28AA of the Customs Act, 1962 is unambiguous and mandates that where there is a short payment of duty, the same along with interest shall be recovered from the person who is liable to pay duty. The interest under the Customs Act, 1962 is payable once demand of duty is upheld and such liability arises automatically by operation of law. In an umpteen number of judicial pronouncements, it has been held that payment of interest is a civil liability and interest liability is automatically attracted under Section 28AA of the Customs Act, 1962. Interest is always accessory to the demand of duty as held in case of Pratibha Processors Vs UOI [1996 (88) ELT 12 (SC)].

4.9.15 Once the duty becomes recoverable under Section 28(4) of the Customs Act, 1962, the liability to pay interest under Section 28AA follows automatically and statutorily. Interest is compensatory in nature and is payable for the period during which the Government was deprived of the legitimate revenue due to short-payment of duty.

4.9.16 I have already held in the above paras that the differential duty amount of Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only) should be demanded and recovered from Jaguar Land Rover India Ltd. under the provisions of Section 28(4) of the Customs Act, 1962 by invoking extended period. Therefore, in terms of the provisions of Section 28AA of the Customs Act, 1962, interest on the aforesaid amount of differential duty is also liable to be recovered from Jaguar Land Rover India Ltd.

4.9.17 In view of the foregoing findings, I hold that the differential customs duty amounting to Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only) in respect of the goods imported under the Bills of Entry detailed in Annexure-A to the subject Show Cause Notice is liable to be demanded and recovered from Jaguar Land Rover India Ltd. under Section 28(4) of the Customs Act, 1962 along with applicable interest thereon under Section 28AA of the Customs Act, 1962.

4.10 Whether penalty should be imposed on Jaguar Land Rover India Ltd. under Section 112(a) and / or 114A and 114AA of the Customs Act, 1962.

4.10.1 Liability to penalty under Section 112(a) of the Customs Act, 1962.

4.10.1.1 I have carefully considered the allegations made in the Show Cause Notice, the submissions made by the Noticee and the findings already recorded hereinabove regarding misclassification of the imported goods, short-payment of customs duty and liability of the goods to confiscation under Section 111(m) of the Customs Act, 1962.

4.10.1.2 I find that the Noticee imported automobile-specific parts and accessories intended solely and principally for use in manufacture of Jaguar Land Rover motor vehicles and filed Bills of Entry by classifying such goods under various tariff headings falling under Chapters 32, 39, 40, 70, 73, 74, 76, 82, 83, 84, 85 and 90 instead of correctly classifying them under Heading 8708 of the First Schedule to the Customs Tariff Act, 1975.

4.10.1.3 As already discussed in detail in the foregoing paragraphs, the impugned goods are correctly classifiable under Heading 8708 attracting Basic Customs Duty @15% and IGST @28%. However, by adopting alternate tariff classifications attracting substantially lower rates of duty, the Noticee short-paid customs duty amounting to Rs. 33,74,88,031/-.

4.10.1.4 I find that the imported goods were assessed under the self-assessment mechanism prescribed under Section 17 of the Customs Act, 1962. Under the scheme of self-assessment, the importer is under statutory obligation to make true, complete and correct declaration regarding the nature, description, classification and applicable rate of duty in respect of imported goods.

4.10.1.5 In the present case, the Noticee, despite possessing full technical knowledge regarding the nature, specifications, dedicated automotive application and OEM-specific identity of the imported goods, adopted incorrect tariff classification resulting in substantial short-payment of duty. The goods were imported against dedicated part numbers and were intended solely for incorporation into motor vehicles manufactured by the Noticee. Therefore, the Noticee was fully aware of the true nature and correct classification of the goods.

4.10.1.6 I further find that the incorrect classification was not confined to isolated consignments but was consistently adopted across a large number of Bills of Entry over an extended period of time. The pattern of classification under multiple alternate chapters attracting lower rates of duty clearly demonstrates conscious and deliberate adoption of incorrect tariff entries to avail ineligible benefit of lower BCD and IGST.

4.10.1.7 By such acts of omission and commission, the Noticee rendered the imported goods liable to confiscation under Section 111(m) of the Customs Act, 1962 for misdeclaration in respect of classification and consequential duty liability. Once the goods become liable for confiscation under Section 111(m), the person concerned with such improper importation becomes liable to penalty under Section 112(a) of the Customs Act, 1962.

4.10.1.8 Section 112(a) of the Customs Act, 1962 provides for imposition of penalty upon any person who, in relation to any goods, does or omits to do any act which act or omission renders such goods liable to confiscation under Section 111, or abets the doing or omission of such act. I find that the Noticee, by filing Bills of Entry with incorrect tariff classification and thereby short-paying applicable customs duty, committed acts and omissions which rendered the imported goods liable to confiscation under Section 111(m) of the Customs Act, 1962. The liability under Section 112(a) therefore, squarely arises in the present case.

4.10.1.9 The contention that the issue pertains merely to interpretation of tariff entries and therefore, no penalty is imposable is not acceptable in the facts of the present case. The Noticee is a large and experienced automobile manufacturer importing highly specialized automobile components against dedicated OEM-specific part numbers. The goods were imported exclusively for use in manufacture of motor vehicles. Therefore, the Noticee cannot claim absence of knowledge regarding the essential character and correct classification of the imported goods.

4.10.1.10 I also find that the magnitude of differential duty involved, the repeated adoption of lower-duty tariff entries across numerous Bills of Entry and the nature of the imported goods clearly negate the plea of bona fide error. The conduct of the Noticee demonstrates deliberate and conscious misclassification with resulting evasion of legitimate customs revenue.

4.10.1.11 In view of the foregoing findings, I hold that Jaguar Land Rover India Ltd., by their acts of omission and commission, rendered the impugned goods liable to confiscation under Section 111(m) of the Customs Act, 1962 and therefore become liable to penalty under Section 112(a) of the Customs Act, 1962. Accordingly, I hold that penalty is imposable upon Jaguar Land Rover India Ltd. under Section 112(a) of the Customs Act, 1962.

4.10.2 Liability to penalty under Section 114A of the Customs Act, 1962.

4.10.2.1 I have carefully considered the allegations contained in the Show Cause Notice, the written and oral submissions made by the Noticee and the findings already recorded hereinabove regarding misclassification of the imported goods, short-payment of customs duty and recovery of differential duty under Section 28(4) of the Customs Act, 1962.

4.10.2.2 I find that the impugned goods imported by the Noticee were declared under various tariff headings falling under Chapters 32, 39, 40, 70, 73, 74, 76, 82, 83, 84, 85 and 90 instead of correctly classifying them under Heading 8708 of the First Schedule to the Customs Tariff Act, 1975. As discussed in detail in the foregoing paragraphs, the imported goods are automobile-specific parts and accessories suitable for use solely and principally with motor vehicles of Headings 8701 to 8705 and are therefore appropriately classifiable under Heading 8708 attracting BCD @15% and IGST @28%.

4.10.2.3 I find that by adopting incorrect tariff classification under alternate headings attracting substantially lower rates of duty, the Noticee short-paid customs duty amounting to Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only). The said differential duty has been held recoverable under Section 28(4) of the Customs Act, 1962.

4.10.2.4 I further find that the provisions of Section 114A of the Customs Act, 1962 become applicable where duty has not been levied or has been short-levied by reason of collusion or any wilful misstatement or suppression of facts. Therefore, once the ingredients necessary for invoking Section 28(4) stand established, the corresponding penal provisions under Section 114A automatically become attracted.

4.10.2.5 In the present case, the imports were made under the self-assessment regime introduced under Section 17 of the Customs Act, 1962, wherein the importer is under statutory obligation to correctly declare the description, classification and applicable duty liability in respect of imported goods. The entire assessment process proceeds on the basis of declarations made by the importer under Section 46 of the Customs Act, 1962.

4.10.2.6 I find that the Noticee is a reputed and experienced automobile manufacturer importing highly specialized automobile components against dedicated OEM-specific part numbers for use solely and principally in Jaguar Land Rover motor vehicles. The Noticee possessed complete technical knowledge regarding the nature, specifications, end-use and automotive identity of the imported goods.

4.10.2.7 Despite such knowledge, the Noticee classified the goods under multiple alternate tariff headings attracting lower rates of BCD and IGST instead of appropriately classifying them under Heading 8708. The pattern of classification adopted by the Noticee across numerous Bills of Entry

and over an extended period clearly demonstrates conscious and systematic adoption of lower-duty tariff entries resulting in substantial short-payment of duty.

4.10.2.8 I also find that the imported goods were declared under tariff headings which concealed their true identity as automobile parts and accessories classifiable under Heading 8708. Had the goods been correctly classified, the applicable rate of duty would have been significantly higher. Therefore, the incorrect classification adopted by the Noticee directly resulted in evasion of legitimate customs revenue.

4.10.2.9 The contention of the Noticee that the dispute pertains merely to interpretation of classification and therefore, penalty under Section 114A is not imposable is not acceptable in the facts of the present case. The issue involved herein is not a simple interpretational dispute arising out of ambiguity in tariff entries. The imported goods were admittedly automobile-specific components imported against dedicated OEM part numbers for use solely in manufacture of motor vehicles. The Noticee, being fully aware of the essential character and dedicated use of the goods, consciously adopted alternate tariff entries attracting lower rates of duty.

4.10.2.10 I find that the acts of the Noticee clearly amount to wilful misstatement and suppression of material facts with intent to evade payment of customs duty. The deliberate adoption of incorrect classification across numerous consignments, resulting in substantial short-payment of duty, cannot be treated as a bona fide or inadvertent error.

4.10.2.11 I further find that the demand of differential duty in the present case has rightly been confirmed under Section 28(4) of the Customs Act, 1962 by invoking the extended period of limitation on account of wilful misstatement and suppression of facts. Consequently, the penal provisions of Section 114A become squarely applicable.

4.10.2.12 Section 114A of the Customs Act, 1962 provides that where duty has not been levied or has been short-levied by reason of collusion or wilful misstatement or suppression of facts, the person liable to pay duty shall also be liable to penalty equal to the duty so determined.

4.10.2.13 In view of the foregoing findings, I hold that Jaguar Land Rover India Ltd. have rendered themselves liable to penalty under Section 114A of the Customs Act, 1962 for wilful misstatement and suppression of facts resulting in short-payment of customs duty amounting to Rs. 33,74,88,031/-. Accordingly, I hold that penalty is imposable upon Jaguar Land Rover India Ltd. under Section 114A of the Customs Act, 1962.

4.10.2.14 Further, I have already held above that by their acts of omission and commission, the importer has rendered the goods liable for confiscation under Section 111(m) of the Customs Act, 1962, making them liable for a penalty under Section 112(a), *ibid*. However, I find that the penalty under Section 114A and Section 112 of the Customs Act, 1962 are mutually exclusive and both cannot be imposed simultaneously. Therefore, in view of fifth proviso to Section 114A, I hold that no penalty is imposable on the importer under Section 112(a), *ibid*.

4.10.3 Liability to penalty under Section 114AA of the Customs Act, 1962.

4.10.3.1 I have carefully considered the allegations made in the Show Cause Notice, the submissions made by the Noticee and the findings already recorded hereinabove regarding misclassification of the imported goods, short-payment of customs duty and the role of the Noticee in filing Bills of Entry containing incorrect declarations.

4.10.3.2 I find that the impugned goods imported by the Noticee were declared under various tariff headings falling under Chapters 32, 39, 40, 70, 73, 74, 76, 82, 83, 84, 85 and 90 of the First

Schedule to the Customs Tariff Act, 1975 instead of correctly classifying them under Heading 8708 as “Parts and accessories of the motor vehicles of headings 8701 to 8705.”

4.10.3.3 As already discussed in detail in the foregoing paragraphs, the imported goods were automobile-specific parts and accessories imported against dedicated OEM-specific part numbers and intended solely and principally for use in Jaguar Land Rover motor vehicles. The Noticee, being the importer as well as manufacturer of such motor vehicles, possessed complete technical and commercial knowledge regarding the nature, specifications, intended use and correct classification of the imported goods.

4.10.3.4 I further find that the Bills of Entry filed by the Noticee under Section 46 of the Customs Act, 1962 contained declarations relating to tariff classification and consequential rate of duty which have now been found to be incorrect and contrary to the actual nature and identity of the imported goods. By declaring the goods under alternate tariff headings attracting substantially lower rates of duty, the Noticee short-paid customs duty amounting to Rs. 33,74,88,031/-.

4.10.3.5 Section 114AA of the Customs Act, 1962 provides for imposition of penalty where a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular in the transaction of any business relating to Customs.

4.10.3.6 I find that the Bills of Entry and import declarations filed by the Noticee constitute statutory documents used in customs transactions and assessment proceedings. The tariff classification declared therein directly determines the applicable rate of customs duty and therefore, constitutes a material particular affecting assessment and revenue liability.

4.10.3.7 In the present case, the Noticee knowingly declared automobile-specific parts under incorrect tariff headings despite possessing full knowledge regarding the dedicated automotive character and intended use of the imported goods. The imported goods were procured against dedicated OEM-specific part numbers and were meant exclusively for incorporation into Jaguar Land Rover vehicles manufactured by the Noticee. Therefore, the Noticee cannot claim absence of knowledge regarding the true nature and proper classification of the goods.

4.10.3.8 I also find that the incorrect declarations were not isolated or accidental instances but formed part of a repeated and systematic pattern adopted across numerous Bills of Entry over an extended period. The declarations made in the Bills of Entry resulted in availment of lower rates of BCD and IGST and consequently caused substantial short-payment of customs duty.

4.10.3.9 The contention of the Noticee that the issue pertains merely to interpretation of classification and therefore, Section 114AA is not invocable is not acceptable in the facts of the present case. The issue herein is not a mere technical disagreement regarding competing tariff entries. The imported goods were admittedly vehicle-specific components intended solely for use in motor vehicles manufactured by the Noticee. Despite possessing complete knowledge regarding such dedicated use and identity, the Noticee declared the goods under alternate headings attracting lower duty liability.

4.10.3.10 I find that the declarations made in the Bills of Entry regarding tariff classification were incorrect in material particulars and were knowingly used by the Noticee in customs transactions for assessment and clearance of imported goods. Such incorrect declarations directly impacted the determination of customs duty and resulted in substantial revenue loss to the Government.

4.10.3.11 I further find that the ingredients necessary for invocation of Section 114AA namely: (i) use of a declaration/document in a customs transaction; (ii) such declaration/document being false

or incorrect in material particulars; and (iii) knowledge or intention on the part of the person using such declaration/document, stand clearly satisfied in the present case.

4.10.3.12 In view of the foregoing findings, I hold that Jaguar Land Rover India Ltd. knowingly used Bills of Entry and import declarations containing incorrect material particulars relating to tariff classification and applicable duty liability and thereby rendered themselves liable to penalty under Section 114AA of the Customs Act, 1962. Accordingly, I hold that penalty is imposable upon Jaguar Land Rover India Ltd. under Section 114AA of the Customs Act, 1962.

5. In view of the above discussion and findings, I pass the following order.

ORDER

(a) I reject the classification of the imported goods claimed under CTI as detailed in Annexure-A to the subject SCN and order to re-assess the same in various sub-heads under Chapter 87 which attracts BCD @ 15% with IGST @ 28% under Sr. No. 170 of Schedule-IV of Notification No. 01/2017 dated 28.06.2017.

(b) I hold the imported goods having assessable value of **Rs. 2,23,67,98,642/- (Rupees Two Hundred Twenty Three Crore Sixty Seven Lakh Ninety Eight Thousand Six Hundred and Forty Two Only)** under Bills of Entry as detailed in Annexure-A to the subject SCN, liable for confiscation under Section 111(m) of the Customs Act, 1962.

However, I do not impose any redemption fine under Section 125(1) of the Customs Act, 1962, for the reasons cited *supra*.

(c) I confirm the demand and order to recover the differential duty amounting to **Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only)** from Jaguar Land Rover India Ltd. in respect of Bills of Entry as detailed in Annexure-A to the subject SCN, under Section 28(4) of the Customs Act, 1962, along with applicable interest as per Section 28AA of the Customs Act, 1962.

(d) I impose penalty equivalent to differential duty amounting to **Rs. 33,74,88,031/- (Rupees Thirty Three Crore Seventy Four Lakh Eighty Eight Thousand Thirty One Only) along with applicable interest** under Section 28AA of the Customs Act, 1962, under Section 114A of the Customs Act, 1962 on Jaguar Land Rover India Limited.

In terms of the first and second proviso to Section 114A *ibid*, if duty and interest is paid within thirty days from the date of the communication of this order, the amount of penalty liable to be paid shall be **twenty-five per cent of the duty and interest**, subject to the condition that the amount of penalty is also paid **within the period of thirty days** of communication of this order.

As penalty is imposed under Section 114A of the Customs Act, 1962, no penalty is imposed on Jaguar Land Rover India Ltd. under Section 112(a) in terms of the fifth proviso to Section 114A *ibid*.

(e) I impose penalty of **Rs. 5,00,00,000/- (Rupees Five Crore Only)**, on Jaguar Land Rover India Ltd. under Section 114AA of the Customs Act, 1962.

6. This order is issued without prejudice to any other action that may be taken in respect of the goods in question and/or against the persons concerned or any other person, if found involved,

under the provisions of the Customs Act, 1962, and/or any other law for the time being in force in the Republic of India.

Anil Ramteke
14/5/26

(अनिल रामटेके / ANIL RAMTEKE)
सीमा शुल्क आयुक्त / Commissioner of Customs,
एनएस-V, जेएनसीएच / NS-V, JNCH

To,

1. **Jaguar Land Rover India Ltd.,
25th Floor, Tower 2, One International Centre,
Senapati Bapat Marg, Prabhadevi, Mumbai – 400 013**

Copy to:

1. Addl. Commissioner of Customs, Group-V, NS-V, JNCH
2. AC/DC, Audit Commissionerate, Circle-B3, JNCH
3. AC/DC, Review Cell, Chief Commissioner's Office, JNCH
4. AC/DC, Centralized Revenue Recovery Cell, JNCH
5. Superintendent (P), CHS Section, JNCH – For display on JNCH Notice Board
6. EDI Section.
7. Office copy.

