

	<p style="text-align: center;"> <b>सीमा शुल्क आयुक्त का कार्यालय</b>  <b>OFFICE OF THE COMMISSIONER OF CUSTOMS</b>  <b>केंद्रीय अधिनिर्णय प्रकोष्ठ, एन एस-V</b>  <b>CENTRAL ADJUDICATION CELL, NS-V</b>  <b>जवाहरलाल नेहरू कस्टम हाउस, न्हावा-शेवा,</b>  <b>JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA-SHEVA,</b>  <b>ताल-ऊरण, डिस्ट-राइगड़, महाराष्ट्र-४०० ७०७.</b>  <b>TAL. URAN, DIST. RAIGAD, MAHARASHTRA - 400 707.</b> </p>
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DIN : 20251278NX00001631F1

Date of Order: 01/12/2025

F.No. S/10-729/2024-25/ADC/Gr. VA/CAC/JNCH

Date of issue: 01/12/2025

SCN No.: 1435/2024-25/ADC/Gr. VA/CAC/JNCH

SCN Date: 03/12/2024

Passed By: **Shri Mazid Khan**  
**Joint Commissioner of Customs, CAC, NS-V, JNCH**

Order-In-Original No. : 1248/2025-26/JC/GR. VA/NS-V/CAC/JNCH

Name of Party/Noticee :- **M/s. CANBARA INDUSTRIES PVT. LTD. (IEC: 309052718)**

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मूल आदेश

- यह प्रति जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निःशुल्क दी जाती है।
- इस आदेश के विरुद्ध अपील सीमाशुल्क अधिनियम 1962 की धारा 128 (1) के तहत इस आदेश की संसूचना की तारीख से साठ दिनों के भीतर सीमाशुल्क आयुक्त (अपील), जवाहरलाल नेहरू सीमाशुल्क भवन, शेवा, ता. उरण, जिला - रायगढ़, महाराष्ट्र -400707 को की जा सकती है। अपील दो प्रतियों में होनी चाहिए और सीमाशुल्क (अपील) नियमावली, 1982 के अनुसार फॉर्म सी.ए. 1 संलग्नक में की जानी चाहिए। अपील पर न्यायालय फीस के रूप में 2.00 रुपये मात्र का स्टॉप लगाया जायेगा और साथ में यह आदेश या इसकी एक प्रति लगायी जायेगी। यदि इस आदेश की प्रति संलग्न की जाती है तो इस पर न्यायालय फीस के रूप में 2.00 रुपये का स्टॉप भी लगाया जायेगा जैसा कि न्यायालय फीस अधिनियम 1970 की अनुसूची 1, मद 6 के अंतर्गत निर्धारित किया गया है।
- इस निर्णय या आदेश के विरुद्ध अपील करनेवाला व्यक्ति अपील अनिर्णीत रहने तक, शुल्क या शास्ति के संबंध में विवाद होने पर माँगे गये शुल्क के 7.5% का, अथवा केवल शास्ति के संबंध में विवाद होने पर शास्ति का भुगतान करेगा।

### **ORDER-IN-ORIGINAL**

- This copy is granted free of charge for the use of the person to whom it is issued.
- An appeal against this order lies with the Commissioner of Customs (Appeal), Jawaharlal Nehru Custom House, Nhava Sheva, Tal : Uran, Dist : Raigad, Maharashtra – 400707 under section 128(1) of the Customs Act, 1962 within sixty days from the date of communication of this order. The appeal should be in duplicate and should be filed in Form CA-1 Annexure on the Customs (Appeal) Rules, 1982. The Appeal should bear a Court Fee stamp of Rs.2.00 only and should be accompanied by this order or a copy thereof. If a copy of this order is enclosed, it should also bear a Court Fee Stamp of Rs. 2.00 only as prescribed under Schedule 1, items 6 of the Court Fee Act, 1970.
- Any person desirous of appealing against this decision or order shall, pending the appeal, make payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.





**BRIEF FACTS OF THE CASE**

While analyzing the data, it was observed that M/s. CANBARA INDUSTRIES PRIVATE LIMITED (IEC: 309052718) having address at SSAS COMPLEX, LEKHRAJ DEVRAJ INDL EST, KHERANI RD, SAKINAKA ANDHERI E MUMBAI 400072 have imported goods having description such as LCD DISPLAY under CTH 85312000 (as detailed mentioned in TABLE-A) and importer has availed BCD exemption vide Notification no. 24/2005-customs dated 01.03.2005. However, on scrutiny it appears that the impugned goods imported were the parts for electrical sound or visual signalling and not Complete Apparatus which falls under CTH 85319000 and attracts 10% duty.

2. The relevant extract of CTH 8531 of the Custom Tariff is reproduced herein below:

8531 ELECTRIC SOUND OR VISUAL SIGNALLING APPARATUS (FOR EXAMPLE, BELLS, SIRENS, INDICATOR PANELS, BURGLAR OR FIRE ALARMS), OTHER THAN THOSE OF HEADING 8512 OR 8530

853110 - Burglar or fire alarms and similar apparatus:

85311010 --- Burglar alarm ..... u 10%

85311020 --- Fire alarm ..... u 10%

85311090 --- Other ..... u 10%

85312000 --- Indicator panels incorporating liquid crystal  
devices (LCD) or light-emitting diodes (LED) .... u ... Free

8531 8000 --- Other apparatus ..... u 10%

8531 9000 --- Parts ..... kg 10%

2.1. Relevant Explanatory Notes to the Harmonized System of nomenclature reads as below:

"With the exception of signalling apparatus used on cycles or motor vehicles (heading 85.12) and that for traffic control on roads, railways, etc. (heading 85.30), this heading covers all electrical apparatus used for signalling purposes, whether using sound for the transmission of the signal (bells, buzzers, hooters, etc.) or using visual indication (lamps, laps, illuminated numbers, etc.),

Static signs, even if lit electrically (e.g., lamps, lanterns, illuminated panels, etc.) are not regarded as signalling apparatus. They are therefore not covered by this heading but are classified in their own appropriate headings (headings 83.10, 94.05, etc.). Indicator panels and the like. These are used (e.g., in offices, hotels and factories) for calling personnel, indicating where a certain person or service is required, indicating whether a room is free or not

They include:

(1) Room indicators. These are large panels with numbers corresponding to a number of rooms. When a button is pressed in the room concerned the corresponding number is either lit up or exposed by the falling away of a shutter or flap.

(2) Number indicators. The signals appear as illuminated figures on the face of a small box; in some apparatus of this kind the calling mechanism is operated by



the dial of a telephone. Also clock type indicators in which the numbers are indicated by a hand moving round a dial.

(3) Office indicators, for example, those used to indicate whether the occupant of a particular office is free or not. Some types are merely a simple "come in" or "engaged" sign illuminant at will by the occupant of the office.

(4) Lift indicators. These indicate, on an illuminated board, where the lift is and whether it is going up or down.

(5) Engine room telegraph apparatus for ships.

(6) Station indicating panels for showing the times and platforms of trains.

(7) Indicators for racecourses, football stadiums, bowling alleys, etc. The heading also excludes:

a. Switches and switch panels, whether or not incorporating simple indicating lights (heading 85.36 or 85.37).

b. Fire alarms incorporating smoke detectors containing a radioactive substance (heading 90.22).

c. LCD displays are only classified under this heading when they do not meet the criteria for a monitor (heading 84.71), video monitor (heading 85.28) or a television receiver (heading 85.28)"

**2.2.** On conjoint reading of the above notes, it appears that only the complete apparatus used for electrical sound or visual signalling are to be classified under CTH 8531. Parts of these apparatuses are covered under CTI 85319000. Those signalling apparatus incorporating LCD/LED displays merits classification under CTH 85312000 with the BCD exemption to the said goods. Other Parts, other apparatus, Monitors/displays used as inputs for further processing are to be classified in their respective headings.

**2.3.** In the instant case, the importer has availed BCD exemption vide Notification no. 24/2005-customs dated 01.03.2005 by claiming the goods under CTH 85312000 which is for the complete apparatus used for electrical sound or visual signalling. However, it appears that the goods imported were the parts for electrical sound or visual signalling and not Complete Apparatus are covered under CTH 85319000 which attracts 10% duty. From the above, it appears that the said exemption Notification is applicable to Complete apparatus used for electrical sound or visual signalling, whereas the goods imported were the parts of electrical sound or visual signalling. Therefore, they were ineligible of benefit of Notification No. 24/2005-customs dated 01.03.2005.

**3.** In view of the above, Consultative letter No 2043 dated 2/1/2023 was issued for the Bills of Entry (detailed mentioned in TABLE-A) of valued of ₹6,44,743/- to the Importer advising for payment of the same along with applicable interest and penalty. However, no reply or submission is given by importer in this regard.

Table-A

IEC Name	BE Number	BE Date	Item no.	Full Description	Assessable Value Amount	Total Duty Amount	Duty applicable @ 30.98	Differential duty
CANBARA INDUSTRIES P (0309052718)	5943379 Gr VA	04-12-2019	27	DISPLAY (COMMON ANODE)	542808.51	97705.5	168162.08	70456.576



				41MMX16MM P=6M				
CANBARA INDUSTRIES P	8997609 Gr VA	29-09-2020	27	DISPLAY (COMMON ANODE) 41X16MM P=6MM (	434225.6	78160.6	134523.09	56362.491
CANBARA INDUSTRIES P	6679619 GR V	14-12-2021	31	DISP RED 4D B 40L X 16W 4D-4 ANODE (ELECTRO	124677.89	22442	38625.21	16183.21
CANBARA INDUSTRIES P	7121225 Gr 5M	18-01-2022	26	DISPLAY (COMMON ANODE) 41mmx16mm pitch	628563.34	113141.4	194728.92	81587.523
CANBARA INDUSTRIES P	7606856 Gr 5M	23-02-2022	26	Display (common anode) 41mm X16mm pitch 6m	637938.6	114829	197633.38	82804.378
CANBARA INDUSTRIES P	7907464 Gr 5M	17-03-2022	26	Display (common anode) 41mm X16mm pitch 6m	626518.15	112773.3	194095.32	81322.023
CANBARA INDUSTRIES P	9553773 Gr 5M	14-07-2022	28	Display common Cathode) 2 Digit, 7 Segment - C	163394.14	29411	50619.505	21208.505
CANBARA INDUSTRIES P	9553773	14-07-2022	27	Display (common anode) 41mm X16mm pitch 6m	122327.17	22018.9	37896.957	15878.057
CANBARA INDUSTRIES P	2048940 Gr 5M	17-08-2022	28	Display Common Cathode) 2 Digit, 7 Segment - C	250674.85	45121.5	77659.069	32537.569
CANBARA INDUSTRIES P	2048940	17-08-2022	27	Display (common anode) 41mm X16mm pitch 6m	212693.81	38284.9	65892.542	27607.642
CANBARA INDUSTRIES P	2581862 GR 5M	23-09-2022	27	Display (common anode) 41mm X16mm pitch 6m	254075.67	45733.6	78712.643	32979.043
CANBARA INDUSTRIES P	2581862	23-09-2022	28	Display common Cathode) 2 Digit, 7 Segment - C	239557.06	43120.3	74214.777	31094.477
CANBARA INDUSTRIES P	3201004 Gr 5M	07-11-2022	28	Display (Common Anode) 41mm X16mm pitch 6m	651053.47	117189.6	201696.37	84506.765
CANBARA INDUSTRIES P	3201004	07-11-2022	29	Display (Common Cathode) "2 Digit, 7 Segment -	78698.77	14165.8	24380.879	10215.079
				<b>Total</b>	<b>4967207.03</b>	<b>894097.4</b>	<b>1538840.7</b>	<b>644743</b>

4. The total assessable value of the BE items so imported is ₹49,67,207 /- and it appears that a short levy of BCD amounting to ₹6,44,743 /- (as detailed mentioned in TABLE 'A') is recoverable from the Importer along with applicable interest and penalty.

5. Relevant legal provisions for recovery of duty that appears to be evaded are reproduced here for the sake of brevity which are applicable in this instant case:

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 amount has not been paid correctly. Section 17 (Assessment of duty), subsection (1) reads as:

‘An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.’

**5.1.** Section 28 (Recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded) reads as:

‘(4) Where any duty has not been levied or not paid or has been short-levied or short-paid or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of -

- (a) collusion; or
- (b) any willful mis-statement; or
- (c) suppression of facts,

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or not paid or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

(5) Where any duty has not been levied or not paid or has been short-levied or short paid or the interest has not been charged or has been part-paid or the duty or interest has been erroneously refunded by reason of collusion or any willful mis-statement or suppression of facts by the importer or the exporter or the agent or the employee of the importer or the exporter, to whom a notice has been served under sub- section (4) by the proper officer, such person may pay the duty in full or in part, as may be accepted by him, and the interest payable thereon under section 28AA and the penalty equal to fifteen per cent of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing.

**5.2.** Section 46 (Entry of goods on importation), subsection (4) reads as:

‘(4) The importer while presenting a bill of entry 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.’

**5.3.** Section 111 (Confiscation of improperly imported goods etc.) reads as:

The following goods brought from a place outside India shall be liable to confiscation:

- (o) any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which the condition is not observed unless the non-observance of the condition was sanctioned by the proper officer;’

**5.4.** Section 112 (Penalty for improper importation of goods etc.) reads as:

‘Any person,-



(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, haroring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111, shall be liable,-

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding the value of the goods or five thousand rupees, whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher.'

**5.5. Section 114A (Penalty for short-levy or non-levy of duty in certain cases):-**

'Where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any willful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (8) of section 28 shall also be liable to pay a penalty equal to the duty or interest so determined.'

**6.** Whereas, consequent upon amendment to the Section 17 of the Customs Act, 1962 vide Finance Act, 2011, 'Self-assessment' has been introduced in customs clearance. Section 17 of the Customs Act, effective from 08.04.2011 [CBEC's (now CBIC) Circular No 17/2011 dated 08.04.2011] provides for self-assessment of duty on imported goods by the Importer himself by filing a bill of entry, in the electronic form. Section 46 of the Customs Act, 1962 makes it mandatory for the Importer to make entry for the imported goods by presenting a bill of entry electronically to the proper officer. As per Regulation 4 of the Bill of Entry (Electronic Declaration) Regulation, 2011 (issued under Section 157 read with Section 46 of the Customs Act, 1962), the bill of entry shall be deemed to have been filed and self-assessment of duty completed when, after entry of the electronic declaration (which is defined as particulars relating to the imported goods that are entered in the Indian Customs Electronic Data Interchange System) in the Indian Customs Electronic Data Interchange System either through ICEGATE or by way of data entry through the service center, a bill of entry number is generated by the Indian Customs Electronic Data Interchange System for the said declaration. Thus, under self-assessment, it is the Importer who has to ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the bill of entry. Thus, with the introduction of self-assessment by amendments to Section 17, since 08.04.2011, it is the added and enhanced responsibility of the Importer to declare the correct description, value, notification, etc. and to correctly classify, determine and pay the duty applicable in respect of the imported goods

**7.** Therefore, in view of the above facts, it appears that the importer has deliberately not paid the duty by willful mis-statement as it was his duty to declare correct CTH in the entry made under Section 46 of the Customs Act, 1962, and thereby has attempted to take undue benefit amounting to ₹644743 /- (Rs. Six Lakh Forty Seven Thousand Forty Three Only) (as detailed mentioned



in TABLE - 'A'). Therefore, 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 at the applicable rate under section 28AA of the Customs Act, 1962 and for their acts of omission/commission.

8. Section 111(o) of Customs Act, 1962 provides for confiscation of the goods if any goods exempted, subject to any condition, from duty or any prohibition in respect of the import thereof under this Act or any other law for the time being in force, in respect of which condition is not observed unless the non-observance of the condition was sanctioned by the proper officer.

9. It appears that the Importer has failed to comply with the conditions mentioned above; therefore, it also appears that the imported goods are liable for confiscation under Section 111(o) of the Customs Act, 1962.

10. It further appears that the Importer for the acts of omission and commissions mentioned above has rendered themselves liable for penal action under section 112(a) and 114A of the Customs Act, 1962.

11. In view of the above, the above Importer was called upon to Show Cause, as to why:

- (i) The imported goods should not be classified under CTH 8531 9000;
- (ii) Differential/short paid Duty amounting to ₹644743 /- (Rs. Six Lakh Forty Four Thousand Seven Hundred Forty Three Only) for the subject goods imported vide Bills of Entry as detailed mentioned above should not be demanded under Section 28(4) of the Custom Act, 1962;
- (iii) In addition to the duty short paid, interest on delayed payment of Custom Duty should not be recovered from the Importer under section 28AA of the Customs Act, 1962;
- (iv) The said subject goods imported vide Bills of Entry as detailed mentioned above having assessable value of ₹49,67,207 /- (Rs. Forty Nine Lakh Sixty Seven Thousand Two Hundred and Seven Only) should not be held liable for confiscation under Section 111(o) of the Customs Act, 1962;
- (v) Penalty should not be imposed on them under Section 112(a) of the Customs Act, 1962 for their acts of omission and commission, in rendering the goods liable for confiscation, as stated above;
- (vi) Penalty should not be imposed under Section 114A of Customs Act, 1962 for short levy of duty.

#### **RECORDS OF PERSONAL HEARING**

12. In order to comply with the principal of natural justice, opportunity of personal hearing in the matter was provided to the Importer vide letter F. No. S/10-729/2024-25/ADC/Gr. VA/NS-V/CAC/JNCH dated 24.07.2025 to appear before the adjudicating authority on 19.08.2025 on virtual mode, for their oral/written submission against the subject show cause notice. However, the importer vide their letter dated 18.08.2025 informed that due to extremely heavy rainfall in their region, their authorised representatives were unable to attend the hearing as planned and requested to reschedule the hearing to any convenient date, which was agreed to by the Adjudicating Authority. Accordingly, another opportunity of personal hearing was granted to the importer on 16.09.2025 vide letter of even no. dated 25.08.2025. The above personal hearing



on 16.09.2025 was virtually attended by Mr. Suresh Jadvani, General Manager, Mr. Bhavin Shah, Senior Manager and Mr. Rohit Moily, Exim In charge of M/s Canbara Industries Pvt. Ltd. They submitted that they had imported goods LED/LCD Display from China under CTH 8531 and had correctly classified the goods under CTH 85312000. They also submitted that the imported goods could not work at their own and were basically parts. They requested to grant a week's time to file their written submission in the matter. The importer vide their letter dated 19.09.2025 requested for an In-person hearing, which was agreed to by the Adjudicating Authority. Accordingly, another opportunity of personal hearing was granted to the importer on 01.10.2025 vide letter of even no. dated 22.09.2025. The above personal hearing on 01.10.2025 was attended by Mr. Bhavin Shah, Senior Manager, Mr. Rohit Moily, Exim Incharge of M/s Canbara Industries Pvt. Ltd. and Ms. Pinky Jhetwani, Sr. Legal Executive in-person. They displayed the impugned goods & submitted that the said goods fall under CTH 85312000 only as an Indicator panel. They had also submitted the copies of their written submissions dated 03.01.2025, 29.09.2025 and 30.09.2025 and reiterated the same.

### **WRITTEN SUBMISSIONS OF THE IMPORTER**

**13.** The noticee/importer submitted their written submission dated 03.01.2025, which inter-alia stated:-

**13.1.** That the Goods imported by M/s Canbara Industries Pvt. Ltd. had been classified under CTH-85312000 in compliance with the provision of the "Chapter 85" of the Customs Tariff Act. The Classification was based on the "76th Edition (2023-24)" of the Customs Tariff of India, which clearly specifies that goods such as Indicator Panels incorporating Liquid Crystal Devices (LCD) or Light Emitting Diodes (LED) fall under CTH-85312000 with a Basic Custom Duty of 0%.

**13.2.** That the Classification under CTH-85312000 was adopted after careful analysis of:

- The nature, description, and technical specifications of the goods, which align with the parameters of CTH-85312000.
- The Harmonised System of Nomenclature (HSN) principles, which emphasise the primary function and independent use of the Goods as indicator panels.
- The Goods are standalone components and not exclusive parts of any machine, as alleged in the said Show Cause Notice.
- The Goods imported by them, specifically Display LEDs - Common Anode and Common Cathode (valued at CNY 0.98/PC and CNY 0.76/PC respectively), matched the description of Indicator Panels incorporating Liquid Crystal Devices (LCD) or Light Emitting Diodes (LED) under CTH-85312000.

**13.3.** That, the classification of identical goods under CTH 85312000 with a duty rate of 0% was consistent and well-recognised industry practice. Notably:

1. MVM INDUSTRIES
2. NOVACARE APPLIANCES PVT. LTD.

The above among others, had imported identical goods under the same classification without any objection or reassessment by the Customs Department. This supports the validity of the adopted classification.



**13.4.** That the classification under CTH 85312000 was made in good faith based on the "Prevailing Tariff Structures" and "Expert Advice and Interpretations". They emphasised that M/s Canbara Industries Pvt. Ltd. had always acted with due diligence and complied with all customs regulations.

**13.5.** That without admitting liability, and solely to demonstrate their bonafides, they were prepared to discharge any differential duty under Section 28(5) of the Customs Act, 1962, subject to quantification and confirmation by the department.

**13.6.** That in adherence to the principles of natural justice, they respectfully requested an opportunity for a personal hearing before any adverse determination was made.

**13.7.** They respectfully prayed that:

- The classification of goods under CTH 85312000 with a duty rate of 0% be upheld, and proceedings initiated under the said Notice be dropped.
- Alternatively, the matter may be resolved under Section 28(5) of the Customs Act, 1962, without imposition of penalties or interest.

**14.** The noticee/importer submitted their written submission dated 30.09.2025, which inter-alia stated:-

**14.1.** That the imported goods were LED Displays, which were classified under the CTH - 85312000. Those Goods were parts that could not function on their own and were integral components of larger systems. Those were specifically designed to work in conjunction with other components to provide Display functionality. They believed that the classification of Imported Goods under CTH 85312000 was correct and in accordance with the Customs Tariff Act, 1975, and the Harmonized System of Nomenclature (HSN).

**14.2.** That the goods in question were Electrical Apparatus for Display purposes and fall within the scope of CTH 85312000. Their classification was based on the nature and characteristics of the goods, which are electrical apparatus for display purposes. They had previously submitted documentation in support of their classification claim, including technical specifications and industry standards that aligned with their classification under CTH 85312000.

**14.3.** They requested for waiver of penalty under Section 28(2) and Section 28(5) of the Customs Act, 1962, as the short payment, if any, was unintentional and fully rectified upon notice. They believed that their actions demonstrate a bonafide intention to comply with the customs regulations.

**14.4.** They requested the Authority to confirm the classification of Imported Goods under CTH 85312000 and resolve the matter by accepting their classification claim. They also requested that the Authority waive the penalty, if any, and grants them any other relief deemed fit and proper in the circumstances of the case.

**14.5.** They requested the Authority to take into consideration the submissions made and the supporting documentation. They believed that their classification was consistent with the applicable customs regulations and they looked forward to a favourable resolution of this matter.



**DISCUSSIONS AND FINDINGS**

**15.** I have gone through the facts of the case, material on record and written & oral submissions of the importer. I find that the show cause notice proposes a recovery of differential/short paid duty amounting to **₹644743 /- (Rs. Six Lakh Forty Four Thousand Seven Hundred Forty Three Only)**, under Section 28(4) of Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962, in respect of the goods imported vide Bills of Entry as detailed in the Table-A above. I also find that the SCN proposes penalty under Section 112 (a) and 114 A of the Customs Act, 1962 and confiscation of impugned goods totally valued at **₹49,67,207 /- (Rs. Forty Nine Lakh Sixty Seven Thousand Two Hundred and Seven Only)** under Section 111(o) of the Customs Act, 1962.

**15.1.** It is alleged in the Show Cause Notice that the importer has imported the impugned goods, as mentioned in Table-A above, under CTH 85312000 by paying BCD@0% and IGST@18% by availing BCD exemption under Notification no. 24/2005-customs dated 01.03.2005, whereas the correct classification appears to be under CTH 85319000 with BCD@10% & IGST@18%.

**16.** I observe that the importer had cleared the goods under CTH 8531 2000 which is for “Indicator panels incorporating liquid crystal devices (LCD) or light-emitting diodes (LED)”. For ease of reference, CTH 8531 is reproduced below-

**8531 ELECTRIC SOUND OR VISUAL SIGNALLING APPARATUS (FOR EXAMPLE, BELLS, SIRENS, INDICATOR PANELS, BURGLAR OR FIRE ALARMS), OTHER THAN THOSE OF HEADING 8512 OR 8530**

8531	ELECTRIC SOUND OR VISUAL SIGNALLING APPARATUS (FOR EXAMPLE, BELLS, SIRENS, INDICATOR PANELS, BURGLAR OR FIRE ALARMS), OTHER THAN THOSE OF HEADING 8512 OR 8530			
8531 10	- Burglar or fire alarms and similar apparatus :			
8531 10 10	--- Burglar alarm	u	10%	-
8531 10 20	--- Fire alarm	u	10%	-
8531 10 90	--- Other	u	10%	-
8531 20 00	- Indicator panels incorporating liquid crystal devices (LCD) or light-emitting diodes (LED)	u	Free	-
8531 80 00	- Other apparatus	u	10%	-
8531 90 00	- Parts	kg.	10%	-

**16.1.** Relevant Explanatory Notes to the Harmonized System of Nomenclature reads as below:

"With the exception of signalling apparatus used on cycles or motor vehicles (heading 85.12) and that for traffic control on roads, railways, etc. (heading 85.30), this heading covers all electrical apparatus used for signalling purposes, whether using sound for the transmission of the signal (bells, buzzers, hooters. etc.) or using visual indication (lamps, laps, illuminated numbers, etc.),

Static signs, even fi lit electrically (e.g., lamps, lanterns, illuminated panels, etc.) are not regarded as signalling apparatus. They are therefore not covered by this heading but are Classified in their own appropriate headings (headings 83.10, 94.05, etc.). Indicator panels and the like. These are used (e.g., in offices, hotels and factories) for calling personnel, indicating where a certain person or service is required, indicating whether a room is free or not

They include:



(1) Room indicators. These are large panels with numbers corresponding to a number of rooms. When a button is pressed in the room concerned the corresponding number is either lit up or exposed by the falling away of a shutter or flap.

(2) Number indicators. The signals appear as illuminated figures on the face of a small box; in some apparatus of this kind the calling mechanism is operated by the dial of a telephone. Also clock type indicators in which the numbers are indicated by a hand moving round a dial.

(3) Office indicators, for example, those used to indicate whether the occupant of a particular office is free or not. Some types are merely a simple "come in "or "engaged " sign illuminated at will by the occupant of the office

(4) Lift indicators. These indicate, on an illuminated board, where the lift is and whether it is going up or down.

(5) Engine room telegraph apparatus for ships.

(6) Station indicating panels for showing the times and platforms of trains.

(7) Indicators for race courses, football stadiums, bowling alleys, etc.

**17.** On conjoint reading of Para 9 and 10, it is evident that all the indicator panels incorporating liquid crystal device (LCD) or light-emitting diodes (LED) used as signalling apparatus with the exception of signalling apparatus used on cycles or motor vehicles and that for traffic control on roads, railways etc. are classifiable under CTH 8531 2000.

**18.** I observe that as per description of items, as mentioned in Table-A, the impugned goods are 'Display (common anode)' and 'Display (common cathode)'.

**18.1.** I find that the heading 8531 2000 covers all the Indicator Panels incorporating LCD or LED except for signalling apparatus used on cycles or motor vehicles (CTH 8512) and for traffic control on roads, railways (CTH 8530), LCD monitors & Television receivers. However, I find that the description of the goods mentioned in the said Bills of Entry as per Table-A above is Display (common anode), Display (common cathode) etc. and the said description of the impugned goods does not qualify to be considered as indicator panel of CTH 8531.

**18.2.** I find that the importer in their written submission has submitted that the Goods imported by them, specifically Display LEDs - Common Anode and Common Cathode (valued at CNY 0.98/PC and CNY 0.76/PC respectively), matched the description of Indicator Panels incorporating Liquid Crystal Devices (LCD) or Light Emitting Diodes (LED) under CTH-85312000. However, the importer has not submitted any technical literature or any other documentary evidence to find out the end use application of the above impugned goods to support their contention to consider them as indicator panel. Hence, I find that the contention of the importer to consider the above imported goods as indicator panel and complete apparatus, is not sustainable and I hold the same.

**18.3.** I, further, find that the importer in their written submission dated 03.01.2025 has submitted that the Goods are standalone components and not exclusive parts of any machine, as alleged in the said Show Cause Notice. However, the importer in their written submission dated 30.09.2025 has submitted that that the goods in question were Electrical Apparatus for Display purposes and fall within the scope of CTH 85312000. That **the Goods were parts**



that could not function on their own and were integral components of larger systems. Those were specifically designed to work in conjunction with other components to provide Display functionality. The above two submissions are contradictory to each other and establishes that the impugned goods is parts and correctly classifiable under CTI 8531 9000 with BCD @10% at material time.

**18.4.** As discussed above, since the impugned goods at Table-A does not qualify to be classifiable under CTI 8531 2000, the impugned goods are rightly classifiable under CTI 8531 9000 as Parts. Hence, I am of the considered view that the contention of the department treating the impugned goods as 'Parts' instead of complete apparatus is sustainable and I hold the same.

**19.** Now, I have to decide the applicable rate of BCD for the impugned goods. The duty structure at the material time of import for CTH 8531 is produced below for ease of understanding:

8531	ELECTRIC SOUND OR VISUAL SIGNALLING APPARATUS (FOR EXAMPLE, BELLS, SIRENS, INDICATOR PANELS, BURGLAR OR FIRE ALARMS), OTHER THAN THOSE OF HEADING 8512 OR 8530			
8531 10	- Burglar or fire alarms and similar apparatus :			
8531 10 10	--- Burglar alarm	u	10%	-
8531 10 20	--- Fire alarm	u	10%	-
8531 10 90	--- Other	u	10%	-
8531 20 00	- Indicator panels incorporating liquid crystal devices (LCD) or light-emitting diodes (LED)	u	Free	-
8531 80 00	- Other apparatus	u	10%	-
8531 90 00	- Parts	kg.	10%	-

**19.1.** Further, the goods falling under CTI 8531 9000 attracts BCD @10% during material time of import. Since, I have already hold in Para 18.4 above that the impugned goods detailed in Table-A are correctly classifiable under CTI 8531 9000, the rate of BCD, applicable on imported goods in Table-A, is @10%.

**20.** Now, coming to the benefit of duty exemption notification, I note that the benefit of Sr. No. 19 of Notification No. 24/2005-Customs dated 01.03.2005 can be availed against all the goods pertaining to CTI 8531 2000. Hence, to avail clearance under this serial number, the goods should fall under the said CTI and its description. As discussed in Para 18.1 and 18.2 above, I hold that the impugned goods, detailed in Table-A above, are not indicator panel and complete apparatus, classifiable under CTI 8531 2000, the benefit of duty exemption under Sr. No. 19 of Notification No. 24/2005-Customs dated 01.03.2005 is not available for the impugned goods and I hold the same.

**21.** Thus, from material facts of the case, it is evident that the said importer, purportedly mis-classified the impugned goods and availed wrong benefit of the notification with the intent to pay lower duty in respect of impugned goods mentioned at Table-A above and thereby caused loss to the govt. exchequer. The said act of the importer is nothing but wilful mis-statement with clear mens rea to pay lower duty i.e. BCD @Nil, where the impugned goods is correctly classifiable under CTI 8531 9000 with BCD @10% at material time. By doing so, the importer evaded a total duty of **₹6,44,743 /- (Rs. Six Lakh Forty Four Thousand Seven Hundred Forty Three Only)**, as detailed in Table-A above. Thus, I hold that the demand of duty under Section 28(4) of the Customs Act, 1962 is sustainable and I hold the same.



**22.** Further, since the demand of duty is sustainable in the instant case, the interest being accessory to the principal, the same is liable to be paid in accordance with Section 28AA of the Customs Act, 1962.

**23.** As I have already hold that the demand of duty for extended period under Section 28(4) of Customs Act, 1962 is sustainable in the case, I observe that the importer is liable for penal action under Section 114A of the Customs Act, 1962 and I hold the same.

**24.** In find that, on the basis of the facts and circumstances mentioned herein above, it appears that the importer has knowingly and deliberately indulged themselves in wilful mis-statement and alleged suppression of facts with regard to notification Sr. No. 19 of Notification No. 24/2005-Customs dated 01.03.2005, with an intent to evade the applicable duty. Thus, I am of considered view that by their aforesaid acts of omission and commission, the impugned goods are liable for confiscation under Section 111 (o) of the Customs Act, 1962 and I hold the same. However, I find the goods imported vide bills of entry as detailed above are not available for confiscation, but I rely upon the order of Hon'ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.) wherein the Hon'ble Madras High Court held in para 23 of the judgment as below:

*"23. The penalty directed against the importer under Section 112 and the fine payable under Section 125 operate in two different fields. The fine under Section 125 is in lieu of confiscation of the goods. The payment of fine followed up by payment of duty and other charges leviable, as per sub-section (2) of Section 125, fetches relief for the goods from getting confiscated. By subjecting the goods to payment of duty and other charges, the improper and irregular importation is sought to be regularized, whereas, by subjecting the goods to payment of fine under sub-section (1) of Section 125, the goods are saved from getting confiscated. Hence, the availability of the goods is not necessary for imposing the redemption fine. The opening words of Section 125, "Whenever confiscation of any goods is authorized by this Act....", brings out the point clearly. The power to impose redemption fine, springs from the authorization of confiscation of goods provided for under Section 111 of the Act. When once power of authorization for confiscation of goods gets traced to the said Section III of the Act, we are of the opinion that the physical availability of goods is not so much relevant. The redemption fine is in fact to avoid such consequences flowing the payment of the redemption fine saves the goods from getting confiscated. Hence, their physical availability does not have any significance for imposition of redemption fine under Section 125 of the Act. We accordingly answer question No. (i)."*

**25.** I further find that the above view of Hon'ble Madras High Court in case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad), has been cited by Hon'ble Gujarat High Court in case of M/s Synergy Fertichem Pvt. Ltd reported in 2020 (33) G.S.T.L. 513 (Guj.) and the same have not been challenged by any of the parties in operation. Hence, I find that any goods improperly imported as provided in any sub-section of Section 111 of the Customs Act, 1962 are liable to confiscation and merely because the importer was not caught at the time of clearance of the imported goods, can't be given differential treatment. In view of the above, I find that the decision of the Hon'ble Madras High Court in the case of M/s Visteon Automotive Systems India Limited reported in 2018 (9) G.S.T.L. 142 (Mad.), which has been passed after observing



the decision of Hon'ble Bombay High Court in case of M/s Finesse Creations Inc reported vide 2009 (248) ELT 122 (Bom)-upheld by Hon'ble Supreme Court in 2010(255) ELT A.120(SC), is squarely applicable in the present case. Accordingly, I observe that the present case also merits the imposition of a Redemption Fine.

**26.** Now coming to the issue of penalties, I find that the impugned notice proposes a penalty under Section 112(a) and 114A of the Customs Act, 1962 on the notice firm. In this regard, I find that the importer has wrongly evaded legitimate customs duty. I find that, in the self-assessment regime, it is the bounden duty of the Importer to correctly assess the duty on the imported goods. In the instant case wrongly availed the benefits of IGST notification by the importer of such repute having access to all legal aid, tantamount to suppression of material facts and willful mis-classification. The "*mens rea*" can be deciphered only from "*actus-reus*". Thus, providing the suppression of fact and claiming undue benefit by the said Importer taking a chance to clear the goods by misclassifying it, amply points towards their "*mens rea*" to evade the payment of duty. Thus, I find the Importer is liable for a penalty under Section 114A of the Customs Act, 1962.

**27.** In view of the above facts, I pass the following order:

#### **ORDER**

(i) I reject the declared classification under CTI 8531 2000 and the exemption of Customs Notification no. 24/2005 and order to re-asses the subject Bill of Entries mentioned in Table-A above under CTI 8531 9000 without exemption of Customs Notification no. 24/2005.

(ii) I order to confirm the demand of differential duty of **₹6,44,743/- (Rs. Six Lakh Forty Four Thousand Seven Hundred Forty Three Only)**, on the goods imported vide Bills of Entry as detailed in Table-A above, under Section 28(4) of Customs Act, 1962.

(iii) I order to recover applicable interest on the differential/short-paid duty as confirmed in Para 27(ii) above from the importer M/s Canbara Industries Private Limited under Section 28AA of the Customs Act, 1962.

(iv) I order to confiscate the impugned goods having assessable value of **₹49,67,207 /- (Rs. Forty Nine Lakh Sixty Seven Thousand Two Hundred and Seven Only)** under Section 111(o) of the Customs Act, 1962, but since the same are not available as they have already been cleared hence, I impose a redemption fine of ₹4,96,720/- (Rupees Four Lakh Ninety Six Thousand Seven Hundred Twenty only) under Section 125 of the Customs Act, 1962 upon the importer M/s Canbara Industries Private Limited.

(v) I order to impose penalty of **₹6,44,743/- (Rs. Six Lakh Forty Four Thousand Seven Hundred Forty Three Only)** (equivalent to differential duty, as confirmed in para 27(ii) above) plus interest leviable thereon, on the importer M/s Canbara Industries Private Limited, under Section 114A of Customs Act, 1962. If such 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 25% 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.

(vi) I do not impose any penalty under Section 112 (a) of Customs Act, 1962 for reasons deliberated above.



**28.** This order is issued without prejudice to any other action which may be taken in respect of the goods in question and/or against the persons concerned or any other persons, if found involved under the provisions of the Customs Act, 1962 and/or other law for the time being in force.



(माजिद खान / MAZID KHAN)

संयुक्त आयुक्त सीमा शुल्क / JT. COMMISSIONER OF CUSTOMS  
सीएसी, एनएस-5, जेएनसीएच / CAC, NS-V, JNCH

To

1. M/s Canbara Industries Private Limited,  
Ssas Complex, Lekhraj Devraj Indl Est,  
Kherani Rd, Sakinaka,  
Andheri (E), Mumbai-400072.

**Copy to:-**

1. The Dy./Asstt Commissioner of Customs, Review Cell, JNCH.
2. The Dy./Asstt Commissioner of Customs, Recovery Cell, JNCH.
3. The Dy./Asstt. Commissioner of Customs, Group VA, JNCH.
4. The Dy. /Asstt. Commissioner of Customs, AUDIT, Circle-D3, JNCH.
5. The Dy./Astt. Commissioner of Customs, EDI, JNCH, for uploading on website.
6. Notice Board, through the Superintendent (CHS Section), JNCH.
7. Office Copy.