

**Customs, Excise & Service Tax Appellate Tribunal
West Zonal Bench At Ahmedabad**

REGIONAL BENCH- COURT NO.1

Customs Appeal No. 10426 of 2015-SM

(Arising out of impugned Order No. AHM-CUSTOM-000-APP-303-305-14-15 dated 01.10.2014 passed by Commissioner of Customs (Appeals) -Ahmedabad)

Larsen & Turbo Limited

...Appellant

4th Floor, North Block-ii, Gate No.01,
Powai Campus, Saki Vihar Road,
North Block-II, 3rd Floor, Powai, W.
Maharashtra-400072

VERSUS

Commissioner of Customs-Ahmedabad

...Respondent

Custom House, Near All India Radio
Navrangpura, Ahmedabad-Gujarat-380009

Customs Appeal No. 10590 of 2015-SM

(Arising out of impugned Order No. AHM-CUSTOM-000-APP-304-14-15 dated 01.10.2014 passed by Commissioner of Customs (Appeals) -Ahmedabad)

Ishwarlal Nimba Raghuvanshi

...Appellant

Larsen & Turbo Limited
4th Floor, North Block-ii, Gate No.01,
Powai Campus, Saki Vihar Road,
North Block-II, 3rd Floor, Powai, W.
Maharashtra-400072

VERSUS

Commissioner of Customs-Ahmedabad

...Respondent

Custom House, Near All India Radio
Navrangpura, Ahmedabad-Gujarat-380009

Customs Appeal No. 10591 of 2015-SM

(Arising out of impugned Order No. AHM-CUSTOM-000-APP-305-14-15 dated 01.10.2014 passed by Commissioner of Customs (Appeals) -Ahmedabad)

Rajiv Newaskar

...Appellant

Former Head Marine Logistics, M/s L&T Limited
D-612, Sungrace, Raheja Vihar, Chandivali
Andheri (East), Mumbai-400072

VERSUS

Commissioner of Customs-Ahmedabad

...Respondent

Custom House, Near All India Radio
Navrangpura, Ahmedabad-Gujarat-380009

APPEARANCE:

Shri Mihir Mehta with Mohit Raval (Advocates) appeared for the Appellant
Ms. Sunita Menon, Superintendent (AR) appeared for the Respondent

CORAM: HON'BLE MEMBER (JUDICIAL), MR. SOMESH ARORA

FINAL ORDER NO. 10079-10081 /2026

DATE OF HEARING: 12.02.2026

DATE OF DECISION:12.02.2026

SOMESH ARORA

In the instant case, the duty demand was raised and penalty was imposed by the department on the ground that the materials brought on the shore had not suffered the duty and therefore, they had not discharged duty of customs, as per the department and the same having been concealed, the party is also liable to penalty there upon. Comments were sought from the department as the party had claimed that these materials were nothing but left over at the Bombay High and therefore, the same were not in any way fresh materials imported into India, but were either the materials which have discharged duty at the time of importation or were indigenous materials which had paid excise duty and were used for various purposes at Bombay High. Thus the materials, were nothing but left over of such material which had suffered duties. Comments were sought vide letter dated 07.08.2025. Comments have been provided, the following paragraphs has been pointed out by the Learned Advocate to indicate that the department has assessed the position that the material had duly discharged the duty and were in the nature of either indigenous materials or duty paid imported materials, which were used for various purposes at Bombay High. The following para of the letter has been relied upon by the Advocate:

“M/s L&T have claimed that these fastening material were infact the left pieces i.e. scarp generated during the course of fabricating/ manufacturing of various platform structures at the yard; that such scrapped material is generated out of both imported as well as indigenous steel plates/ pips that the appropriate duty is discharged at their yard ie Customs Duty on scrap generated from imported raw materials during in-bond manufacturing in terms Section 65 of the Customs Act. 1962 and excise duty on the scrap generated from indigenous materials and therefore they use much material for sea fastening the modules for safe transportation. Joint Manager of M/s L&T stated that reason for paying duty on Scrap is because they used imported as well as indigenous materials in the manufacturing activities and they are not in a position to ascertain the nature of scrap generated and therefore are paying the Customs Duty on the scrap generated.”

2. The comments obtained do not indicate as to why above explanation is not acceptable to the department. The matter has been considered and it is clear that the department has not been able to indicate in any manner as to why this material should not be treated as already having discharged the duty and the same was being used at the Bombay High by L&T in performance of their contract and the left over were eventually brought to the shore. Non-filing of I.G.M. can be an irregularity only when goods are freshly imported. If that be so, there is no element of duty which remains unpaid, as is emanating from the

facts and from the evidences, which the department is relying upon. There is nothing that impresses this court to consider that the materials were not left over at Bombay High and therefore were not already duty paid. In view of the foregoing, this court is not inclined to sustain the demand and also the penalty cannot be sustained in view of nothing of malice having been shown by the department. Appeal is allowed with consequential relief. As there is no duty there cannot be any redemption fine also on the appellant. Appellant No. 2 (Ishwarlal Nimba Raghuvanshi) and Appellant No. 3 (Rajiv Newaskar) have suffered penalty because of the charge which is levied against L&T. In view of the duty having not been sustained, this court finds that no penalty against the appellants mentioned above as not sustainable. Their appeals are allowed accordingly.

(Dictated & Pronounced in the open court)

(SOMESH ARORA)
MEMBER (JUDICIAL)

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