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

REGIONAL BENCH- COURT NO. 02

Customs Appeal No. 10076 of 2026

(Arising out of OIO No. MUN-CUSTM-000-COM-33-25-26 dated 07.11.2025 passed by Commissioner - Mundra)

Jitender Kumar .....**Appellant**
Shri Balaji Logistics, 501, 5th Floor 55,
Madhuban Building, Nehru Place, Delhi - 110034

VERSUS

Commissioner of Customs-Mundra .....**Respondent**
Office of Pr. Comm. Of Customs,
Custom House Mundra, Kutch, Mundra Port
and Special Economic Zone, Kachchh, Gujarat-370421

APPEARANCE:
Shri. Vikas Mehta, Consultant for the Appellant
Shri. P Ganesan, Superintendent (AR) for the Respondent

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

Final Order No.__10106/2026___

DATE OF HEARING:17.02.2026
DATE OF DECISION:17.02.2026

SOMESH ARORA

In the instant case, a penalty has been imposed on the CHA on the ground that despite having a certain notion about the classification of the goods in a particular manner. He did not guide his client.

2. Learned AR for this purpose relies on the statement reproduced of Shri Jitender Kumar on Page 107 which, inter alia, though not showing knowledge otherwise and indicating that the documents were filed as were given by his client, indicates that with composition of Nickel less than 1% and Chromium approx 12-14%, the appropriate classification cannot be CTH 72209022 and should fall under others category and therefore should not be eligible for SAFTA benefit.

3. Learned Adjudicating authority has made this as the basis for imposing the penalty that despite having such inclusive knowledge of the composition

and its classification, he still went on with classification as sought by his clients.

4. Learned advocate states that in the matter involving classification with composition and other factors of a scientific nature involved, it cannot be stated that the personal knowledge of the CHA will matter to dispute the classification of his client. He further state that as of date, the knowledge exhibited by the CHA stands unsustainable in law as seen in the light of decision of M/s. Shah Foils Ltd. Vs. C.C, Mundra as reported in 2024 (5) TMI 336-CESTAT AHMEDABAD wherein Double Bench of this Tribunal has held that 1% Nickel cannot disallow the product to become ineligible for the benefit of SAFTA. The decision, inter alia, also indicates that it is not mandatory to have Nickel content of 4.5% to 12% or otherwise. It was hiscontention that whatever was stated by the CHA and held against him has also been disproved in the aforesaid decision which has held that even 1% Nickel content can still justify the classification as claimed by the appellant's client. If that be so, no knowledge of any wrong doing as now is available on record seen in the light of aforesaid decision, it cannot be inferred that the CHA while doing his duty as such in any manner did anything to attract the provisions of 112(b) of Customs Act, 1962 and therefore the penalty as has been imposed cannot sustain.

5. Matter is accordingly decided and penalty imposed 112(b) is set aside with consequential relief.

6. Appeal allowed.

(Dictated & Pronounced in the open court)

(SOMESH ARORA)
MEMBER (JUDICIAL)

Prachi