CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE

REGIONAL BENCH - COURT NO. 1

Customs Appeal No. 20155 of 2025

(Arising out of Order-in-Appeal No. 403/2024 dated 26.09.2024 passed by the Commissioner of Customs (Appeals), Bengaluru.)

M/s. Xiaomi Technology India Private Limited,
Orchid Block E, Embassy Tech Village,
Devarabeesanahalli, Marathalli,
Outer Ring Road,
Bangalore – 560 103.

Appellant(s)

VERSUS

Commissioner of Customs, Bangalore
C R Building, Queens Road,
P B No. 5400, Bengaluru Urban
Karnataka – 560 001.

Respondent(s)

APPEARANCE:

Ms. Purvi Asati with Ms. Ashwini Nag, Advocates for the Appellant

Mr. M. Sreekanth, Assistant Commissioner (AR) for the Respondent

CORAM: HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT
HON'BLE MRS R. BHAGYA DEVI, MEMBER (TECHNICAL)

Final Order No. 20604 / 2026

DATE OF HEARING: 05.05.2026
DATE OF DECISION: 05.05.2026

PER : JUSTICE DILIP GUPTA

M/s. Xiaomi Technology[1] has filed this appeal to assail the order dated 26.09.2024 passed by the Commissioner (Appeals)

1. **the appellant**

by which the appeal that was filed to challenge the order dated 17.01.2024 passed by the Deputy Commissioner of Customs, has been dismissed.

2. The Deputy Commissioner of Customs by the aforesaid order dated 17.01.2024 ordered for reassessment of the three Bills of Entry submitted by the appellant for the goods declared by the appellant as "Automatic Soap Dispenser" under Customs Tariff Item[2] 9616 10 20 and not under CTI 8424 89 90.

3. The issue, therefore, that arises for consideration in this appeal is as to whether the "Automatic Soap Dispenser" imported by the appellant through three Bills of Entry should be classified under CTI 8424 89 90 as classified by the appellant or under CTI 9616 10 20 as claimed by the Department.

4. The appellant has described the functions and technical specifications of the imported product in the following manner:-

a) It is a sensor-based automatic soap dispenser designed for touchless dispensing of liquid soap in the form of a foam.
b) It is an in-built proximity infrared sensor which detects a hand placed under the outlet and dispenses foam in approximately 0.25 seconds. The sensing plate shares the information vis-à-vis foam output required with a diaphragm pump and motor in the dispenser.
c) A micro high-efficiency motor operates a diaphragm pump inside the soap dispenser. The rubber damping structure in

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the motor enables foaming of the liquid soap with air received from air inlet and liquid soap received from liquid inlet.

d) The diaphragm pump mixes air and soap (foaming is controlled through ratio of 12:1 of gas to liquid) to generate foam which is discharged through the foam outlet.

e) The outlet is connected via a polypropylene tube with a leak-proof device.

5. Ms. Purvi Asati, learned counsel for the appellant assisted by Ms. Ashwini Nag submitted that as the product imported by the appellant is a Soap Dispenser, it would appropriately fall under Customs Heading 8424 and more appropriately under CTI 8424 89 90. Elaborating this submission, learned counsel pointed out that Chapter Heading 8424 includes mechanical appliances for dispersing liquids and the product imported by the appellant actually disperses liquid. Learned counsel submitted that, on the other hand, Chapter Heading 9616 deals with sprays only, which function is not performed by the goods imported by the appellant.

6. Shri M. Sreekanth, learned Authorized Representative appearing for the Department, however, submitted that the product imported by the appellant is a toiletry product and more appropriately covered under Chapter Heading 9616. Learned Authorized Representative, therefore, submitted that when the product imported by the appellant falls under CTI 9616, it stands excluded from Chapter Heading 8424.

7. The submissions advanced by the learned counsel for the appellant and the learned Authorized Representative appearing for the Department have been considered.

8. It is seen that Chapter Heading 8424 deals with mechanical appliances for dispersing liquids. The product imported by the appellant is an automatic dispenser, which has an in-built proximity infrared sensor which detects hand placed under the outlet and disperses foam in approximately 0.25 seconds. The dispenser mixes air and soap to generate foam which is discharged through the foam outlet. There is, therefore, no dispute that the product imported by the appellant disperses soap, which is in the liquid form.

9. Chapter Heading 9616 on the other hand deals with sprays of different kinds, including scent sprays and similar toiletry sprays.

10. The words "dispersing" and "spraying" have both been used in Chapter Heding 8424. It is, therefore, clear that there is a difference between "disperser of liquids" and "spraying of liquids". In such a situation, the product imported by the appellant cannot fall under Chapter Heading 9616 since it does not spray liquids.

11. What is also important to notice is that HSN to Chapter Heading 9616 specifically mentions that this Chapter does not apply to dispersing or spraying in appliances covered under Chapter 8424.

12. There is, therefore, substance in the submission advanced by the learned counsel for the appellant that the "Automatic Soap Dispenser" imported by the appellant through three Bills of Entry will be appropriately covered under CTI 8424 89 90.

13. The Commissioner (Appeals), therefore, committed an error in holding that the said product would fall under CTI 9616 10 20. The order dated 26.09.2024 passed by the Commissioner (Appeals), therefore, deserves to be set aside and it is set aside and the appeal is allowed.

(Order dictated and pronounced in Open Court.)

(JUSTICE DILIP GUPTA)
PRESIDENT

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

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