CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE

REGIONAL BENCH - COURT NO. 1

Customs Appeal No. 20215 of 2020

(Arising out of Order-in-Original No.BLR-CUSTM-AIR-856/2019 dated 27.12.2019 passed by the Principal Commissioner of Customs, Bangalore.)

M/s. Lighting Technologies India Private Limited
Registered Office & Factory:
No.40, Jigani Industrial Area,
First Stage, Sy. No.592 & 124,
Jigani Village & Hoblie, Anekal Taluk,
Bengaluru – 560 105.

Appellant(s)

VERSUS

The Principal Commissioner of Customs
Airport & Air Cargo Complex,
Air India SATS Freight Terminal,
KIAL, Devanahalli,
Bengaluru – 560 300.

Respondent(s)

APPEARANCE:

Shri R. Rangaswamy, Consultant for the Appellant

Shri Vikalp Jain, Superintendent (AR) for the Respondent

CORAM: HON'BLE DR. D.M. MISRA, MEMBER (JUDICIAL)
HON'BLE MRS. R. BHAGYA DEVI, MEMBER (TECHNICAL)

FINAL ORDER NO. 20682 / 2026

DATE OF HEARING: 13.04.2026
DATE OF DECISION: 13.04.2026

PER: R. BHAGYA DEVI

Briefly the facts are the appellant M/s. Lighting Technologies India Pvt. Ltd. filed Bills of Entry for clearance of lighting fittings under CTH 9405 4090 and claimed the benefit of

Notification No.01/2017 dated 28.06.2017. The goods were assessed and cleared for home consumption, however, during the post clearance audit the authorities found that the appellant was not eligible for the benefit of the notification and accordingly show-cause notice dated 06.07.2019 was issued denying the benefit of the said Notification. The Commissioner in the impugned order after analyzing the details of the imports and the said Notification partially drops the demand and confirms the demand of duty of Rs. 25,76,235/- along with interest for the products imported under Annexure I & II of the show-cause notice and also imposes penalty of Rs.50,000/- under Section 117 of the Customs Act, 1962. Aggrieved by this order, the appellant is in appeal before us.

2. The Learned Consultant submits that the appellant had submitted detailed write-up and photographs of the products in question vide their letter dated 04.03.2019 which was not acknowledged by the Commissioner in the impugned order. He further submits that the appellant is eligible for the benefit of Notification No.1/2017 (Sl. No. 226) dated 28.06.2017 wherein it is mentioned that LED lights or fixtures including LED lamps; however, the Commissioner wants to read it as LED lights or fixtures fitted with or containing LED lamps, which is inappropriate since he cannot add words to the Notification. It is his submission that the Notification if strictly read, they will be eligible for the benefit of the same.

3. The learned Authorized Representative on behalf of the Revenue reiterated the findings of the Commissioner and submits that the appellant is not eligible for the benefit of the Notification; hence, it has been rightly denied by Commissioner in the impugned order.

4. Heard both sides. The appellant has imported lighting fixtures and lighting fittings classifying them under CTH 9405. The only dispute in this appeal is whether the appellant is eligible for the benefit of the Notification No.01/2017 Integrated Tax (Rate)(sl.No.226) dated 28.06.2017. The Commissioner in the impugned order observes as follows:

> “18. The importer has contented that the expression used in the sl. No. 226 of the schedule II of notification No. 1/2017, ibid is "LED lights or fixtures including LED lamps" and not LED lights or fixtures fitted with or containing LED lamps; that it means not only LED lights / fixtures but also LED lamps are classifiable under said Sl no.226. I find that this contention is not tenable for the reason that the plane reading of it suggest that it is LED Lights or fixtures including LED lamps only are falling under the said SL no.226. Moreover, Light-emitting diode (LED) lamps are specificically classifiable under Customs Tariff Heading (CTH) 85395000 and under IGST SI no. 205 of the schedule II of notification No. 1/2017, ibid The relevant tariff item description and IGST Schedule SL no. are as given below:
>
> CTH 8539500.

Tariff Item	Description of goods	Unit	Rate of duty Standard
8539 50 00	Light-emitting diode (LED) lamps	u	20%-

> IGST Schedule II as per the notification No. 1/2017 dated 28.06.2017.

Schedule no	Sl no.	CTH	Description of goods	IGST Rate
II	205	8539	LED lamps	12%

> Hence, undoubtedly it is not the intention of the legislation to include LED lamps' again under said IGST SL no.226. The Hon'ble Supreme Court in the case of Commissioner v. Sunder Steels Ltd. 2005 (181) E.LT. 154 (S.C.), while interpreting entry in the notification granting exemption granted to an integrated steel plant, held that the entry in the notification has to be interpreted on its wording and no words, not used in the Notification, can be added for the purpose of interpreting the same. Similarly, in the case of CCE vs. Rukmini Packwell Traders, 2004(165) ELT 0481(S.C.), the Supreme Court while examining the denial of SSI benefit if brand name of other person is used, held that it is settled law that

> Exemption Notifications have to be strictly construed and they must be interpreted on their own wording. Accordingly, I hold that the goods with description: LED lights or fixtures including LED lamps only are classifiable under sl. No. 226 of the schedule II of notification No. 1/2017, ibid.

Therefore, the only question is whether the benefit of the said Notification is admissible when only the lightings/light fixtures are imported without the LED lamps. The relevant portion of the said Notification at Sl. No. 226 reads as follows:

S. No.	Chapter/Headings/ Subheading/Tariff item	Description of Goods
226	9405	LED lights or fixtures including LED lamps

5. In the case of Hon'ble Supreme Court in the case of Tamil Nadu **Kalyana Mandapam Assn. vs. Union of India: 2004 (167) ELT 3 (S.C.**) at para 49 explaining the phrase 'including' observes as follows:

> **"49.** The phrase "*including*" has also been construed to expand the definition as held by this Court in *Regional Director, Employees' State Insurance Corporation* v. *High Land Coffee Works of P.F.X. Saldanha and Sons & Anr.* (1991) 3 SCC 617 at 618 observed as under :
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> > *"The word "include" in the statutory definition is generally used to enlarge the meaning of the preceding words and it is by way of extension, and not with restriction. The word "include" is very generally used in interpretation clauses in order to enlarge the meaning of words or phrases occurring in the body of the statute; and when it is so used, these words or phrases must be construed as comprehending, not only such things as they signify according to their natural import but also those things which the interpretation clause declares that they shall include."*
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> **50.** Taxable services, therefore, could include the mere providing of premises on a temporary basis for organizing any official, social or business functions, but would also include other facilities supplied in

relation thereto. No distinction from restaurants, hotels etc. which provide limited access to property for specific purpose."

6. Similarly, in the case **of Heinz India Ltd. vs. State of Kerala: 2023 (6) Centax 64 (S.C.)** the Hon'ble Supreme Court held as follows:

"**47.** In all the cases cited, the contest, by and large was whether the product was a cosmetic, or a drug, under Chapters 30 and 33, CETA. The phraseology of the articles grouped together, in one chapter differs from the phraseology of the other chapters, in that statute. Moreover, to avoid ambiguity, General Rules of Interpretation, besides chapter notes have been prescribed. The court went by those rules, and also adopted the common parlance test. A noteworthy feature is that the court had no occasion to consider an entry which was as specific as "medicated Talcum Powder". Undeniably, talcum powder is made from talc [27 https://www.britannica.com/science/talc (last accessed on 02 May 2023 at 9.30 PM], which is a "common silicate material that is distinguished from almost all other minerals by its extreme softness" According to the literature made available to the court, there are medicinal ingredients in Nycil prickly powder, which is also manufactured under a Drug License. Yet, the State Legislature, in Entry 127, thought it fit to include, while dealing with cosmetics, such as shampoos, "talcum Powder including medicated talcum powder." There can be no two opinions that talcum powder *ipso facto* is classifiable as a cosmetic. Yet, the expression "including" used in Entry 127 has the effect of bringing in [or "pulling in"] an entirely different product, which ordinarily may not have been in the same class, *i.e.* medicated powder. To rule out any ambiguity, the legislature specifically referred to a sub class of medicated powders, *i.e.* medicated talcum powder. Such specific entries have not come up for consideration, before this court; as noticed, predominantly, the courts have ruled that in the context of broad descriptions such as cosmetics or medications, if there are medical ingredients, in a product, which is meant as a curative or prophylactic product, it would be classifiable as drugs or medicines. However, the specificity employed by the legislature in this case, rules out that possibility. Besides, "includes" has been construed as broadening the sweep of a provision, and at the same time restricting its amplitude to the meanings ascribed in the statute. This proposition was enunciated in *Hamdard (Wakf) Laboratories* (*supra*), where it was held that:

> *"34. When an interpretation clause uses the word "includes", it is prima facie extensive. When it uses the word "means and includes", it will afford an exhaustive explanation to the meaning which for the purposes of the Act must invariably be attached to the word or expression."*

The court, in Hamdard (Wakf) Laboratories relied on *N.D.P. Namboodripad (Dead) by LRs.* v. *Union of India & Ors.* 2007 (3) SCR 769:

> *"15. The word "includes" has different meanings in different contexts. Standard dictionaries assign more than one meaning to the word "include". Webster's Dictionary defines the word "include" as synonymous with "comprise" or "contain". Illustrated Oxford Dictionary defines the word "include" as: (i) comprise or reckon in as a part of a whole; (ii) treat or regard as so included. Collins Dictionary of English Language defines the word "includes" as: (i) to have as contents or part of the contents; be made up of or contain; (ii) to add as part of something else; put in as part of a set, group or a category; (iii) to contain as a secondary or minor ingredient or element. It is no doubt true that generally when the word "include" is used in a definition clause, it is used as a word of enlargement, that is to make the definition extensive and not restrictive. But the word "includes" is also used to connote a specific meaning, that is, as "means and includes" or "comprises" or "consists of."*

48. The use of the term "includes" after talcum powder, followed by "medicated talcum powder" in this court's opinion can lead to only one inference, which is that the clear legislative intent was that all kinds of talcum powders, which contained medications (irrespective of the proportion, or at any rate, not containing predominant proportions) should necessarily be treated as cosmetics, falling under Entry 127. The pointed phraseology in fact concludes the issue, leaving no scope for the court to interpret the Entry as including any class of goods, other than

such as Nycil prickly heat powder, which is a talcum powder that is also medicated. A salutary rule for fiscal legislation interpretation is that words used in the statute must be given their plain meaning. The court's function is not to give a strained and unnatural meaning to the provision. The intention of the legislature, manifested in plain words, must be accepted. In the decision of *A.V. Fernandez* v. *State of Kerala* 1957 (1) SCR 837, the Constitution Bench stated the principle of strict interpretation in construing a taxing statute, in the following manner:
"[..] In construing fiscal statutes and in determining the liability of a subject to tax one must have regard to the strict letter of the law. If the revenue satisfies the court that the case falls strictly within the provisions of the law, the subject can be taxed. If, on the other hand, the case of not covered within the four corners of the provisions of the taxing statue, no tax can be imposed by inference or by analogy or by trying to probe into the intentions of the Legislature and by considering what was the substance of the matter.[..]"

7. In view of the above, we do not find any justification in restricting the definition of 'includes' as is summarized by the Revenue in the impugned order. The Notification can only be said to allow exemption not only to light and light fixtures but also to those light fixtures including lamps; hence, we find that the appellant is eligible for the benefit of the Notification. Consequently, we set aside the impugned order and the Appeal is allowed, with consequential relief, if any, in accordance with law.

(Operative portion of the order was dictated and pronounced in Open Court.)

(D.M. MISRA)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

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