

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI**

PRINCIPAL BENCH- COURT NO. I

CUSTOMS APPEAL No. 50141 of 2025

(Arising out of Order-in-Original No. 12/2024-25/DR/Pr.Commr/ACC Import dated 24.10.2024 passed by the Principal Commissioner of Customs (Import), New Delhi)

Samsung India Electronics Pvt. Ltd.

....Appellant

20th to 24th Floor, Two Horizon Centre
Golf Course Road, Sector-43, DLF Phase V,
Gurugram-122002

Versus

Principal Commissioner of Customs (Import)....Respondent

Air Cargo Complex (Import), New Customs House,
Near IGI airport,
New Delhi - 110037

APPEARANCE:

Shri Pramod Bansal and Shri Kumar Vishalaksh, advocates for the appellant
Shri Rajesh Singh and Shiv Shankar, authorised representatives of the department

**CORAM: HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT
HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)**

DATE OF HEARING/DECISION :08.05. 2026

FINAL ORDER NO. 50863/2026

JUSTICE DILIP GUPTA :

This appeal seeks the quashing of the order dated October 24, 2024 passed by the Principal Commissioner of Customs, Air Cargo Complex (Import), New Delhi, adjudicating the show cause notice dated October 20, 2023. The order classifies bluetooth wireless headsets/headphones/earphones/earbuds/neck bands imported by the appellant through Bills of Entry under Customs Tariff Item¹ 8518 30 00 and denies the benefit of Exemption Notification No. 57/2017-Cus dated June 30, 2017. Accordingly, customs duty proposed in the

show cause notice has been confirmed and ordered to be recovered under section 28(4) of the Customs Act, 1962². The order also confiscates the goods under section 111(m) of the Customs Act and imposes penalty under section 114A of the Customs Act.

2. Both, learned counsel appearing for the appellant and the learned authorized representative appearing for the department point out that the issue on classification of the goods involved in this appeal stands decided in favour of the department by a decision of a Division Bench of the Tribunal in **G-Mobile Devices Pvt. Ltd. vs Principal Commissioner of Customs, New Delhi**³ for the normal period of limitation. Learned counsel also pointed out that the Tribunal dropped the demand for the extended period and also set aside the penalty imposed under section 114A of the Customs Act.

3. The relevant portions of the decision of the Tribunal in **G-Mobile** are reproduced below :

"39. **The aforesaid discussion would lead to the inevitable conclusion that the goods imported by the appellant are classifiable under CTI 8518 30 00. The demand would, therefore, have to be confirmed with interest.**

41. The issue is about classification of the goods. According to the appellant, the goods are classifiable under CTI 8517 62 90 of the Customs Tariff Act whereas according to the department, the goods would be classifiable under CTI 8518 30 00. The issue that arises for consideration is as to whether the extended period of limitation can be invoked in a case where the appellant believes that the goods are classifiable under one particular CTI, but the department believes that the goods are classifiable under some other CTI. The case of the appellant is that the presence of Bluetooth connectivity in the earphones/headphones is sufficient to classify them under CTI 8517 62 90 and for this, the appellant placed reliance upon the Circular dated 05.09.2013. The appellant also placed

2 the Customs Act

3 Customs Appeal No. 50651 of 2025 decided on 29.04.2026

reliance upon the judgment of the Delhi High Court in **Amazon Wholesale India** and the decisions of the Tribunal in **Minda D-Ten** and **L.G. Electronics**. It has been repeatedly held that to invoke the extended period of limitation under section 28(4) of the Customs Act suppression of facts is not enough as suppression has to be with an intent to evade payment of duty. **Merely because of a wrong belief about classification of a product, it cannot be alleged that the extended period can be invoked as suppression of facts has to be with an intent to evade payment of duty. Thus, the extended period of limitation contemplated under section 28(4) of the Customs Act could not have been invoked in the facts and circumstances of the case.**

42. However, as the entire demand is not covered by the extended period of limitation, the matter would have to be remitted to the adjudicating authority to determine which portion of demand falls within normal period of limitation contemplated under section 28(1) of the Customs Act and which period of demand falls under the extended period of limitation contemplated under section 28(4) of the Customs Act.

43. **Thus, for all the reasons stated above, it has to be held that the goods imported by the appellant are classifiable under CTI 8518 30 00. However, the demand can be confirmed only for the normal period of limitation contemplated under section 28(1) of the Customs Act. The demand confirmed for the extended period of limitation would have to be set aside.**

44. **The reasons for imposing penalty under section 114A of the Customs Act are the same reasons under which the extended period of limitation can be invoked. As the extended period of limitation could not have been invoked, the imposition of penalty upon the appellant under section 114A of the Customs Act deserves to be set aside.**

45. Customs Appeal is, accordingly, allowed in part. The demand confirmed for the normal period of limitation is upheld but the demand confirmed for the extended period of limitation is set aside. The adjudicating authority shall also determine the amount of interest payable under section 28AA of the Customs Act. The imposition of penalty under section 114A of the Customs Act is set aside.”

[emphasis supplied]

4. It is not in dispute that the products that were imported in **G-Mobile** are the same products that have been imported in the present appeal.

5. This appeal would have, therefore, to be decided in the same terms as was the appeals filed by **G-Mobile**.

6. Accordingly, the demand proposed for the normal period of limitation is confirmed, but the demand confirmed for the extended period of limitation is set aside. The imposition of penalty under section 114A of the Customs Act is also set aside. The matter is remitted to the adjudicating authority to determine the amount of interest payable under section 28AA of the Customs Act on the demand that has been confirmed after determining the amount that is covered by the normal period of limitation and the amount that is covered by the extended period of limitation.

7. The appeal is, accordingly, allowed to the extent indicated above.

(Dictated and pronounced in the open Court)

(JUSTICE DILIP GUPTA)
PRESIDENT

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)