CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL BANGALORE

REGIONAL BENCH - COURT NO. 2

Customs Appeal No. 20255 of 2024

(Arising out of Order-in-Appeal No. COC-CUSTM-APP-111/2023-24 dated 26.12.2023 passed by the Commissioner of Customs (Appeals), Cochin.)

M/s. Dawngate Business Link Pvt Ltd.
36-1446A Elamkulam, Kanayannor,
Ernakulam, Kerala - 682017 **.......Appellant**

VERSUS

Commissioner of Customs, Cochin
C R Building, I S Press Road,
Kochi, Kerala – 682018 **....Respondent**

APPEARANCE:

Mr. M. S. Sajeev Kumar, Advocate for the Appellant
Mr. Maneesh Akhoury, Authorized Representative for the Respondent

CORAM:

HON'BLE MR. P.A. AUGUSTIAN, MEMBER (JUDICIAL)
HON'BLE MR. PULLELA NAGESWARA RAO, MEMBER (TECHNICAL)

Final Order No. 20887 /2026

Date of Hearing: 22.01.2026
Date of Decision: 17.07.2026

Per: Pullela Nageswara Rao

This appeal is filed against Order-in-Appeal No. COC-CUSTM-APP-111/2023-24 dated 26.12.2023 passed by the Commissioner of Customs (Appeals), Cochin.

2. The brief facts are the appellant imported electric scooters in CKD condition Model - Skyhawk without tyre, battery and charger and filed Bill of Entry No. 6925742 on 02.01.2022, for its clearance. The appellant classified the of impugned goods under Customs Tariff Heading (CTH) 8711 6010 with preferential duty benefit under Notification No. 50/2017-Cus dated 30.06.2017, as amended vide

Notification No. 03/2019-Cus dated 29.01.2019. As per Serial No.531A(1)(a) of the said Notification the Basic Customs Duty (BCD) is 15%. In addition to this, Appellant claimed benefit of Notification No.1/2017-IGST at Sl. No. 242A where under IGST is 5%, the benefit of this notification was allowed by the adjudicating authority. Therefore the dispute in this appeal is with regard to benefit of Basic Customs Duty (BCD) at Sl. No. 531A(1)(a) of Notification 50/2017-Cus as amended. The relevant extract of Serial No. 531A of Notification No.50/2017-Cus dated 30.06.2017, amended vide Notification No.03/2019 dated 29.01.2019 is reproduced hereunder:-

(1)	(2)	(3)	(4)	(5)	(6)
531A	8711	Electrically operated motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side cars and side cars, if imported,- (1) As a knocked down kit containing **all the necessary** components, parts or sub-assemblies, for assembling a complete vehicle, with,- (a) Disassembled Battery Pack, Motor, Motor Controller, Charger, Power control Unit, Energy Monitor Contractor, Brake System, Electric Compressor not mounted on chassis; (b) pre-assembled Battery Pack, Motor, Motor Controller, Charger, Power Control Unit, Energy Monitor Contractor, Brake System, Electric compressor not mounted on a chassis or a body assembly (2) in a form other than (1) above.	 10% 15% 50%		

3. During the course of adjudication, after considering the request of the importer, the adjudicating authority found that the impugned goods are classifiable under Customs Tariff Heading (CTH) 8711 6020 and held that the subject goods are 'electric vehicle'. In so far as the eligibility of reduced duty benefit contemplated under Sl. No. 531A of Notification No.03/2019-Cus dated 29.01.2019 is concerned, the adjudicating authority found that the benefit of reduced duty contemplated under Serial No.531A(1) (a) or (b) are available only for consignments imported as knocked down kit, containing **all the necessary** components parts or sub-assemblies, for assembling a complete vehicle. Since the impugned consignment is not inclusive of tyre, battery and charger the same is not eligible for reduced duty benefits contemplated under Serial No. 531A (l)(a) or (b) of Notification No. 03/2019-Cus, however are eligible for concessional rate of duty contemplated under clause 2 of Serial No.531A of notification, ibid. Accordingly, the adjudicating authority passed Order-in-Original and ordered classification of the subject goods under Customs Tariff Heading (CTH) 8711 6020; denied reduced duty benefit under Serial No.531A (1) (a) or (b), allowed concessional duty benefit contemplated under Serial No.531A(2) of Notification No. 50/2017-Cus as amended. The IGST Benefit under Serial No.242A of Schedule-1 to Notification No. 01/2017-1GST, claimed by the importer was allowed. Aggrieved by the Order-in-Original, Appellant preferred an appeal before the Commissioner of Customs (Appeals), Cochin and submitted that Notification No.02/2022 dated 01.02.2022, was issued with an "explanation", under Sl. No.531A which reads as follows ;- *"For the removal of doubts, the exemption contained in the items (l)(a) and (l)(b) of this entry shall be available, even if one or more of the components, parts or sub-assemblies required for assembling a complete vehicle are not imported in the kit, provided that the kit as presented, is classifiable under the heading 8711 of the Customs Tariff Act, 1975 as per the general rules of interpretation*". Even though Notification No.02/2022-Cus was placed before the Appellate Authority and submitted that explanation to this notification, attributing to Serial

No.531A, was issued only for "removal of doubts" and since the clarificatory notification suits the imported consignment, the impugned goods deserves to be classified under Serial No. 531A(1)(a) and reduced duty benefit ought to have been extended to the Appellant. Commissioner of Customs (Appeals), after finding that Bill of Entry was filed on 02.01.2022 and that the case was adjudicated on 01.02.2022 and that Notification No. 02/2022-Cus came into force only on 01.02.2022, held that the Appellant is not eligible for reduced duty benefit contemplated under Serial No. 531A (1) (a) of Notification No. 50/2017-Cus as amended vide Notification No.03/2019-Cus. Aggrieved by the said order this appeal is filed before the Tribunal.

4. The learned counsel during the hearing submits that as per Notification No.02/2022-Cus dated 01.02.2022 neither any new duty structure has been introduced, nor any existing duty structure has been obliterated. Notification No.02/2022-Cus, in so far as it applies to Sl. No. 531A, is only explanatory in nature and that too for the purpose of "removing doubts". Therefore, by the said notification, pre-existing "conditions" for the purpose of availment of reduced duty has been explained and hence the Appellant is rightly eligible for reduced duty contemplated under Serial No.531A(1)(a) of Notification No.50/2017-Cus as amended vide Notification No.03/2019-Cus.

5. The learned Authorised Representative (AR) for the Revenue reiterated the findings of Commissioner(Appeals) in the impugned order.

6. Heard both sides and perused the records.

7. The issues involved in this appeal is;

a. whether the impugned goods, Electric scooter in knocked down condition without tyre, battery and charger is eligible for the benefit at Sl. No. 531A(1)(a) of Notification No.50/2017-Cus as amended vide Notification No. 03/2019-Cus dated 29.01.2019.

b. Whether the impugned goods are eligible for the benefit of amended Notification No.02/2022-Cus dated 01.02.2022 when the import was prior to the issue of amendment notification.

8. We find that the benefit of Notification No. 50/2017-Cus at Sl. No 531A(1)(a) was denied on the grounds that the impugned goods are **incomplete** without the tyre, battery and charger and therefore they are not complete vehicle in knocked down condition and the benefit of Notification No. 50/2017-Cus at Sl. No 531A(1)(a) is not available. The pre-amended Notification No. 50/2017-Cus reads as under;

1	2	3	4	5	6
531A	8711	Electrically operated motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side cars and side cars, if imported,- (1) As a knocked down kit containing **all the necessary** components, parts or sub-assemblies, for assembling a complete vehicle, with,- (a) Disassembled Battery Pack, Motor, Motor Controller, Charger, Power control Unit, Energy Monitor Contractor, Brake System, Electric Compressor not mounted on chassis; (b) pre-assembled Battery Pack, Motor, Motor Controller, Charger, Power Control Unit, Energy Monitor Contractor, Brake System, Electric compressor not mounted on a chassis or a body assembly (2) in a form other than (1) above.	 10% 15% 50%		

8.1 We find that Sl. No 531A of Notification No. 50/2017-Cus after amendment vide No.02/2022-Cus dated 01.02.2022 reads as under;

(1)	(2)	(3)	(4)	(5)	(6)
531A	8711	Electrically operated vehicles, if imported,- **(1) incomplete or unfinished, as a knocked down kit containing necessary components**, parts or sub-assemblies for assembling a complete vehicle, including battery pack, motor, motor controller, charger, power control unit, energy monitor, brake system – -”; whether or not individually pre-assembled, with, –			
		(a) none of the above components, parts or sub- assemblies inter-connected with each other and not mounted on a chassis	15%		
		(b) any of the above components, parts or sub- assemblies inter-connected with each other but not mounted on a chassis	25%		
		(2) in a form other than (1) above.	50%		
		Explanation. – **For the removal of doubts, the exemption contained in the items (1)(a) and (1)(b) of this entry shall be available, even if one or more of the components, parts or subassemblies required for assembling a complete vehicle are not imported in the kit, provided that the kit as presented, is classifiable under the heading 8711 of the Customs Tariff Act, 1975 as per the general rules of interpretation**			

9. We find that the entry at Sl. No. 531A(1)(a) covers, 'electrically operated motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side cars and side cars, if imported,- (1) As a knocked down kit containing **all the** necessary components, parts or sub-assemblies, for assembling a complete vehicle, with,-

(a) Disassembled Battery Pack, Motor, Motor Controller, Charger, Power control Unit, Energy Monitor Contractor, Brake System, Electric Compressor not mounted on chassis; b)---------------

9.1 Therefore the benefit of Notification No. 50/2017-Cus at Sl. No 531A(1)(a) is available only when the imported kit in knocked down condition contains all necessary components, parts or sub-assemblies, for assembling a complete vehicle, we find that the impugned consignment did not contain **all the necessary components, parts or sub-assemblies, for assembling a complete vehicle.** The explanation to Notification No.02/2022 dated 01.02.2022, reads, *"For the removal of doubts, the exemption contained in the items (1)(a) and (1)(b) of this entry shall be available, even if one or more of the components, parts or sub-assemblies required for assembling a complete vehicle are not imported in the kit, provided that the kit as presented, is classifiable under the heading 8711 of the Customs Tariff Act, 1975 as per the general rules of interpretation*". We find that as per the General Rules of Interpretation (GRI) the goods are classifiable under Customs Tariff Heading 8711 even though the imported kit is without certain components, parts for assembling a complete vehicle, the kit is classifiable under Customs Tariff Heading (CTH) 8711 as it has the essential character of a complete vehicle (Electrically operated vehicle). We find that the adjudicating authority and the appellate authority have held that since the Notification No.02/2022-Cus dated 01.02.2022 with explanation to Sl. No 531A was issued with the effect from 01.02.2012 and since the import was prior to this date the benefit of the explanation is not available to the impugned goods. The appellant contends that since the explanation has been issued for removal of doubts the clarification would have retrospective application and not effective only from the date of issue of the Notification No.02/2022-Cus dated 01.02.2022.

9.2 We find that of benefit of Sl. No. 531A(1)(a) of Notification No. 50/2017-Cus dated 30.06.2017 to the impugned goods was rightly denied by the lower authorities since the explanation was in the amended notification which was issued post the import of the impugned goods. The learned counsel had contended that there is no structural change in the amended notification vis-a-vis, the earlier notification. We find that the contention of the appellant is not correct since the description at entry at Sl. No.531A of Notification No. 50/2017-Cus dated 30.06.2017 has been changed in the amended Notification No. 02/2022-Cus dated 01.02.2022. Post amendment the benefit of notification is available even if the Electrically operated vehicles are imported incomplete or unfinished, as a knocked down kit **containing necessary** components, parts or sub-assemblies for assembling a complete vehicle. Therefore, we find that the explanation is applicable only to the imports after 01.02.2022 under the Notification No.02/2022-Cus dated 01.02.2022. However, as per Notification No. 50/2017-Cus dated 30.06.2017 it is required that the motorcycle has to be imported as a knocked down kit containing '**All'** the necessary components, parts or sub-assemblies, for assembling a complete vehicle. Further, in the Notification No.02/2022-Cus dated 01.02.2022, the word **'All'** is not mentioned.

10. In view of the above discussion**,** since the impugned import did not contain '**All'** the necessary components, parts or sub-assemblies, for assembling a complete 'Electrically operated motorcycle' the benefit of Notification No. 50/2017-Cus at Sl. No 531A(1)(a) is not available, therefore, the decisions of the lower authorities are sustainable.

11. In view of the above discussion the impugned order is upheld, and the appeal filed by the appellant is dismissed.

(Order pronounced in open court on 17.07.2026)

(P. A. AUGUSTIAN)
MEMBER (JUDICIAL)

(PULLELA NAGESWARA RAO)
MEMBER (TECHNICAL)

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