

CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH- COURT NO. I

Customs Stay Application No. 51309 of 2025
in
Customs Appeal No. 51619 of 2025

(Arising out of Order-in-Appeal No. CC(A)CUS/D-1/ACC Import/NCH/342-352/2025-26 dated 08.05.2025 passed by the Commissioner of Customs (Appeals), New Customs House, New Delhi.)

Principal Commissioner of Customs
(ACC IMPORT)- NEW DELHI
Air Cargo Complex Import,
New Customs House,
Near IGI Airport,
New Delhi-110037

....Appellant

Versus

M/s QIAGEN India Private Limited
Baani Building, Corporate One,
Plot No. 5, District Center,
Jasola, New Delhi-110025

....Respondent

C/STAY/51310/2025 in C/51620/2025	C/STAY/51311/2025 in C/51621/2025	C/STAY/51312/2025 in C/51622/2025
C/STAY/51313/2025 in C/51623/2025	C/STAY/51314/2025 in C/51624/2025	C/STAY/51315/2025 in C/51625/2025
C/STAY/51316/2025 in C/51626/2025	C/STAY/51317/2025 in C/51627/2025	C/STAY/51318/2025 in C/51628/2025
C/STAY/51319/2025 in C/51629/2025		

APPEARANCE:

Mr. Nikhil Mohan Goyal, Authorised Representatives of the Department
Mr. Manish Mishra, Mr. Ankur Mittal and Mr. Shubh Dixit, Advocates for the Respondent

CORAM:

HON'BLE DR. RACHNA GUPTA, OFFICIATING PRESIDENT
HON'BLE MS. HEMAMBIKA R. PRIYA, MEMBER (TECHNICAL)

DATE OF HEARING: 01.07.2026
DATE OF DECISION: 14.07.2026

FINAL ORDER NO's. 51169-51179/2026

DR. RACHNA GUPTA

Present order disposes off 11 appeals filed by the department assailing the common order-in-appeal bearing no. CC(A)CUS/D-1/ACC Import/ NCH/342-352 of 2025-2026 dated 08.05.2025. Each appeal is with respect to a separate Bill of Entry filed by M/s QIAGEN India Pvt. Ltd. during the period from September 2023 to February 2024 as detailed below:

S.No.	Appeal No.	Bill of Entry No.	BOE Date
1.	C/51619/2025	7659065	03.09.2023
2.	C/51620/2025	8120356	03.10.2023
3.	C/51621/2025	8319149	16.10.2023
4.	C/51622/2025	7767856	11.09.2023
5.	C/51623/2025	8440832	23.10.2023
6.	C/51624/2025	8925290	24.11.2023
7.	C/51625/2025	3677605	27.05.2024
8.	C/51626/2025	3465457	13.05.2024
9.	C/51627/2025	4504256	15.07.2024
10.	C/51628/2025	4461031	12.07.2024
11.	C/51629/2025	9974091	04.02.2024

2. Briefly stated, the facts relevant for the purpose of adjudication are that M/s QIAGEN¹ is a wholly owned subsidiary of QIAGEN Germany and is engaged in importation and supply of diagnostic reagents, kits and instruments for medical testing. Vide the impugned Bills of Entry, the appellant imported QFT+Tubes classifying those

1 The appellant

under Custom Tariff Heading 3002 9020 (animal blood prepared for diagnostic uses) availing 5% of concessional basic custom duty² under Serial No. 166(A) of Notification 50/2017-Custom dated 30.06.2017. However, the Customs Authorities reclassified the goods under CTH 3822 1990 (other diagnostic reagents) imposing a 10% BCD, the authorities withheld the clearance. Pursuant thereto, the appellant paid the differential duty and got the imported goods cleared.

3. Post clearance the appellant re-examined the applicable classification and agreed to classify their goods under CTH 3822 1990 and contended that despite the said classification the QFT Tubes/ impugned goods qualify for the 5% concessional BCD under the aforementioned Notification 50/2017 as the goods constitute components of ELISA kits and these are eligible for the concessional rates available under the said notification. The department, however, has denied the benefit of said notification to the impugned goods. The denial of exemption benefit was assailed by the appellant Commissioner of Customs (Appeals) vide order-in-appeal, as mentioned above dated 08.05.2025, has allowed the appeal by holding appellant eligible for the benefit of Entry No. 166(A) of Notification 50/2017 dated 30.06.2017 as amended by Notification No. 02/2022-Customs dated 01.02.2022. Being aggrieved of those findings that the said order got reviewed vide Review Order No. 06/2025 dated 12.08.2025 directing the department to file an appeal with CESTAT, New Delhi against the said OIA. Pursuant to those directions that the present appeals have been filed.

2 BCD

4. We have heard Mr. Nikhil Mohan Goyal, learned departmental representative³ appearing for the department/appellant has foremost reiterated the findings in the Review Order No. 06/2025 submitting that the Commissioner (Appeals) has erroneously extended ELISA kit exemption to the individual components thereof. The findings that QFT Tubes are inherently the part of ELISA kit is the wrong observation for extending the benefit of concessional BCD in terms of the said notification. It is submitted that the notifications have to be strictly construed. Decision of Hon'ble Supreme Court in the case of **Collector of Customs vs. Dilip Kumar & Co. reported as (2018) 361 E.L.T. 577 S.C.** is relied upon. The interpretation of notification also cannot be enlarged as was held by Hon'ble Supreme Court in the case of **Hindustan Lever Ltd. vs. Collector of Central Excise (1995) 77 E.L.T. 163.** Learned departmental representative further submitted that it is respondent's/importers own admission that QFT Tubes and ELISA kits were imported under different Bills of Entry at different time. The said admission itself falsifies the applicability of the impugned notification benefit to the impugned imports. The exemption was available to the ELISA kits as such not for any fits component. The functional interdependence in end use has wrongly been substituted for the requirement of importing goods as a composite kit for claiming exemption. The said interpretation has rendered the exemption structure meaningless.

5. Learned DR further submitted that the decision of Hon'ble Supreme Court in **M/s Share Medical Care vs. Union of India**

3 DR

reported as 2007 TIOL 26 S.C. is mentioned to have been wrongly relied upon by Commissioner (Appeals). In the said case, the Hon'ble Court had dealt with the question of whether an applicant can seek benefits under a different exemption category after failing under another. The Supreme Court directed reconsideration under an alternative category. Whereas in the present case, there is no alternative category. The present case is about extending the benefit of the same entry i.e. 166A of Notification 50/2017 to two individual components of the kit each one whereof is clearly outside the scope of that very entry. Learned DR has relied upon the decision in the case of **CCE vs. Rajasthan Spinning Mills reported as (2009) 239 E.L.T. 03 S.C.** wherein it was held that the judicial precedence must be applied to factually similar situation and not to be extended beyond their scope. Learned DR finally has relied upon the recent decision of Hon'ble Supreme Court in the case of **Commissioner of Customs (Import) vs. Welkin Foods reported as 2026 (395) E.L.T. 273 S.C.,** where the role of HSN Explanatory Notes and the correct test for classifying goods as "parts" of a machine or system has been comprehensively explained. The end use or functional interdependence of the imported goods has been overruled to be the criteria for classification. Strict construction of fiscal entries has been impressed upon.

6. With the submissions and impressing upon that the imported goods are merely the blood collection tubes as different from the ELISA kit which is composed of 9 components, it is submitted that the

exemption benefit available to ELISA kit cannot be extended to QFT tubes. With these submissions, The order under challenge is prayed to be set aside and the appeal is prayed to be allowed.

7. While rebutting these submissions, learned counsel for the respondent-importer has submitted that the imported goods/ QFT Tubes are specialized blood collections tubes containing peptide antigens that simulate M. Tuberculosis protein, and are used for the collection of whole blood samples. The collected blood is subjected to an incubation process over a duration of 16 to 24 hours whereafter the plasma is harvested and tested for presence of interferon by ELISA plate. Thus ELISA plate has no meaning without QFT Tubes and vice versa. It is impressed upon that there is a definite functional interdependence between the two due to which QFT Tube has rightly been held to be ELISA kit as mentioned in Entry No. 166A of Notification 50/2017. The duty exemption benefit has rightly been granted to the impugned product by Commissioner (Appeals).

8. Earlier also, i.e. prior September 2023, the impugned goods were being granted the benefit of exemption as ELISA kit under CTH 3002 9020. It is post September 2023 only that the Customs authorities raised concerns regarding the classification and claim of exemption with respect to QFT Tubes classifying them under CTH 3822. It is submitted that despite that the importer has accepted the said classification but the exemption benefit was still permissible to the imports because chapter 38 got covered under entry at Serial No. 100 of the amended Notification No. 45/2025-Customs dated 24.10.2025

seen from that point also the impugned goods are eligible for the exemption benefit.

9. It is further submitted that the settled position of law is that the items which are integral part of the complete goods must be granted the benefit which is available to the complete goods. Reliance is placed on the decision of Hon'ble Supreme Court in the case of **Commissioner of Customs vs. Bhat Balotach India Pvt Ltd reported as 2012 SCC online CESTAT 3445**. The Commissioner (Appeals) is mentioned to have correctly interpreted the exemption notification while allowing the benefit thereof with respect to QFT tubes. The exemption provisions are otherwise to be liberally construed in terms of the object sought to be achieved as it was held by Hon'ble Supreme Court in the case of **Government of Kerala vs. Mother Superior Adoration Convent reported as (2021) 5 SCC 602**. Learned counsel submitted that in light of the said decision, reliance of the department on the case of **Dilip Kumar (Supra)** is misplaced. With these submissions, an impression upon no infirmity in the order of Commissioner (Appeals) that the order is prayed be upheld and the appeal filed by the department is prayed to be dismissed.

10. Having heard both the parties and perusing the records it is observed that the issue is about the eligibility for the benefit of reduced BCD @ 5% under Serial No. 166A of notification 50/2017 dated 30.06.2017 to the goods imported by the respondent i.e. to the

QFT tubes. Foremost, we have perused the said entry, it reads as follows:

S. No.	CTH	Description of Goods	BCD Rate
166 (original)	28, 29 or 30	(A) Drugs, medicines, diagnostic kits or equipment in List 3; (B) Bulk drugs for (A)	5%
166 (after Notfn. 2/2022-Cu, w.e.f. 02.02.2022)	[28,29,30 or 38]	(A) Drugs, medicines, diagnostic kits or equipment in List 3; (B) Bulk drugs for (A)	5%
List 3, Entry 125	-	Enzyme Linked Immune Absorbent Assay Kits [ELISA Kits]	5%

11. The perusal makes it abundantly clear that the exemption benefit is either for the diagnostic kits of chapter 28, 29, 30 or 38 or for the equipments in list 3 i.e. ELISA kit. Apparently, the imported goods/QFT tubes is not listed as an equipment in list 3. Though the respondent/importer has initially classified their product under CTH 3002 9020 and department claimed it to be classifiable under CTH 3822 1990 but the importer, despite accepting the CTH proposed by the department has still claimed the benefit of exemption of BCD.

12. It is observed that the only criteria of said availment as has also been upheld by Commissioner (Appeals) in the impugned order is the functional interdependence of QFT tubes (blood collection tubes) and ELISA kits (plates). Thus, the narrow compass of the present adjudication is to examine. Whether end use can be taking into account while deciding classification vis-à-vis exemption benefits to the imported goods.

13. To adjudicate the same, it is observed as the well established principal that interpreting the meaning of words in a taxing statute, the expectation of a particular word by the trade and its popular

meaning should be relevant. Hon'ble Apex Court in the case of **Indo International Industries vs. Commissioner of Sales Tax U.P. reported as (1981) 2 SCC 528** and later in the case of **Asian Paints India Ltd vs. Collector of Central Excise reported as (1988) SCC 470** has held that the terms used in the statute are based on the understanding of those dealing with the said goods. Thus if a specific scientific meaning had been intended. The statute would have included an explicit definition to that effect.

14. The relevant para is as follows:

"It is well-settled that in interpreting items in statutes like the Excise Tax Acts or Sales Tax Acts, whose primary object is to raise revenue and for which purpose they classify diverse products, articles and substances resort should be had not to the scientific and technical meaning of the terms or expression used but to their popular meaning, that is to say, the meaning attached to them by those dealing in them. If any term or expression has been defined in the enactment then it must be understood in the sense in which it is defined but in the absence of any definition being given in the enactment the meaning of the term in common parlance or commercial parlance has to be adopted."

15. In the present case, the statute has extended exemption to ELISA kits. The imported goods admittedly is not the kit but a component thereof. The technical literature provided by importer as well as the department reveals that ELISA kit has eight components and QFT tube is one thereof. Had legislature intended to extend benefit to these components, it would have been specifically mentioned in the said notification.

16. The QFT tubers are admittedly glass tubes meant for collection of blood samples. These being coated with such antigens etc as have customized these tubes for ELISA kit, to our opinion, do not render these glass tubes to become ELISA kit. Otherwise also, the functional interdependence of the component will not fulfill the criteria of strict interpretation of the fiscal statute as has been held by Hon'ble Supreme Court in the case of **Dilip Kumar (Supra)**. It was categorically held by the constitution bench that the exemption notification must be strictly construed. If there is any ambiguity, the benefit of the doubt goes to the Revenue, not to the assessee. Benefits cannot be extended beyond the literal scope. Hon'ble Supreme Court in its earlier decision in the case of **Commissioner of Central Excise vs. M/s Rajasthan State Chemical Works reported as (2007) 216 E.L.T. 97 S.C.** held that individual components cannot claim exemption meant for the complete products/systems.

17. The end use of the product is denied to be the criteria for the purposes of deciding the classification under physical statutes by a recent decision of Hon'ble Supreme Court in the case of **Commissioner of Customs (Import) vs. Welkin Foods (Supra)** while referring to its earlier decision in the case of **Dunlop India Ltd vs. Union of India reported as (1983) 13 E.L.T. 1566 S.C.** In **Welkin Foods (Supra)**, the appellant was classifying the imported aluminum structure as the part of agricultural machinery to claim the nil rate of custom duty benefit mainly relying upon the fact that the imported aluminum structure will be used for mushroom cultivation.

However, the Hon'ble Apex court held that use of an article under customs law is only relevant if the entry referred to the "used or adaptation". If such a reference is absent from the entry, 'use' cannot be regarded as the relevant factor for the purpose of classification. The Hon'ble court also acknowledged that the taxable event occurs when the goods are imported into the country and consequently what matters is the condition of the goods at the time of import. Hon'ble court also held that when statute or tariff is general in nature and does not indicate particular industry or trade circle, common parlance understanding is appropriate – However, when tariff item is specific to particular industry, term must be understood as it is used within that specific trade circle.

18. In the present case, the interdependent use of the blood collection tubes/ QFT Tubes to that of ELISA plate is denied to be the criteria for defining classification. The fact that the ELISA kit is not just QFT tubes/imported goods but a combination of 7 to 8 other components is also relevant to hold that the QFT tubes cannot be held as ELISA kit. It is apparent from the impugned notification, entry no. 166 as recorded above, that the benefit of exemption is given to the import of ELISA Kit. The exemption benefit is extended not to the components but to the ELISA kit as such. As already discussed above that strict interpretation is to be given to the exemption notifications, it is held that Commissioner (Appeals) has wrongly extended the exemption benefit of ELISA kit to QFT tubes. The order-in-appeal no. CC(A)CUS/D-1/ACC Import/ NCH/342-352 of 2025-2026 dated

08.05.2025 is, therefore, set aside. Consequent thereto all these appeals filed by the department are hereby allowed. The stay applications as filed by the department are also pending disposal till date. In view of the above order allowing the appeals, these applications have become infructuous, hence are disposed off accordingly.

(Order pronounced in the Open Court on 14.07.2026)

(RACHNA GUPTA)
OFFICIATING PRESIDENT

(HEMAMBIKA R. PRIYA)
MEMBER TECHNICAL

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