CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI
PRINCIPAL BENCH, COURT NO. 1

CUSTOMS APPEAL NO. 50558 OF 2022

[Arising out of Order-in-Original No.07/2021/MKS/Pr. Commr./ICD-Import/TKD dated 04.03.2021 passed by the Principal Commissioner of Customs, New Delhi]

M/s. Escorts Ltd **Appellant**

10, Railway Equipment Division,
Plot No.115, Sector No.24,
Faridabad, Haryana-121005

Vs.

**Principal Commissioner, Customs-
New Delhi (ICD TKD)** **Respondent**

Tughlakabad, New Delhi-110020

Appearance:
Present for the Appellant: Shri B.L. Narasimhan, Shri Anurag Kapur and Shri Ashwin Sundaram, Advocates

Present for the Respondent: Shri Ranjan Prakash and Shri N.M. Goyal, Authorised Representative

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

Date of Hearing:15.07.2026
Date of Decision:15.09.2026

Final Order No.51463/2026

HEMAMBIKA R. PRIYA

The present appeal has been filed by M/s. Escorts Ltd[1], against the Order-in-Original No. 07/2021/MKS/Pr. Commr./ICD-Import/TKD dated 04.03.2021 passed by the Principal Commissioner of Customs,

1. **The Appellant**

New Delhi, confirming the demand of Custom duty amounting to Rs.2,04,52,446/-.

2. The brief facts are that the appellant was engaged in supplying Axle Mounted Disc Brake Systems[2] for installation in Alstom-LB (Linke-Hofmann Busch)[3] Design Coaches supplied to Indian Railways. LHB coaches are a new generation of high-speed coaches which require sophisticated braking system to prevent wheel skidding and derailment at high speeds. For manufacturing AMDBS, the Appellant imported Disc Brake Units[4]. The imported goods were classified under CTI 86079990 and the Appellant availed the concessional BCD rate of 7.5% under Sl. No. 521 of Notification No. 50/2017-Cus., claiming that AMDBS components constitute part of "Train Protection and Warning System (TPWS)." Thereafter, post-clearance, audit was conducted by the Customs Audit officers, who raised objections on the availment of the said exemption. Two Pre-Notice Consultative Letters dated 06.01.2020 and 26.05.2020 were issued. Subsequently, a Show Cause Notice dated 18.09.2020 was issued proposing demand of differential customs duty, the impugned order was issued confirming the said demand. The appellant is before this Tribunal in appeal.

3. Learned Counsel submitted that concessional rate of duty in terms of Sl. No. 521 of the customs notification was available to the subject goods imported by the appellant. He further submitted that the above benefit on Train Protector and Warning System[5] was

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2. AMDBS
3. LMB
4. DBU
5. TPWS

introduced in the year 2012, with a sole objective to enhance passenger safety in the railways industry. Learned counsel submitted that during the budget speech, the Finance Minister of India had proposed to reduce the customs duty on equipment required for implementation of TPWS by the Indian Railways, thereby aiding in the achievement of the afore-stated objective. Learned Counsel further submitted that in relation to the above-mentioned exemption, the Joint Secretary vide letter No. 334/3/2012-TRU dated 16.03.2012, had mentioned that Basic Customs Duty was being reduced from 10% to 7.5% on Railway Safety (Train Protection and Warning System) equipment. In addition, he contended that Budget Explanatory Notes and Finance Minister Speech are tools that can be used to interpret notifications, its objectives and purpose. Learned counsel stated that the subject goods perform the function of protection and warning and hence satisfy the description of TPWS and are eligible for the benefit of exemption. In this context, learned Counsel placed reliance on the following decisions:

(i) **Sports & Leisure Apparel Ltd** vs. Commissioner **of Central Excise, Noida**[6]**;**

(ii) **Engee Industrial Services (P) Ltd** vs. **Union of India**[7];

(iii) **Collector of C. Ex.** vs. **Johnson and Johnson Ltd**[8]**.**

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6. 2016(338) E.L.T. 3 (S.C.)
7. 2004(164) E.L.T. 242 (Kar.)
8. 1989(43) E.L.T.699 (Tribunal)

3.1. Learned further counsel contended that as the term TPWS had not been defined under the Customs Notification or the law, hence one has to understand the meaning of the expression "protection" and "warning' from other sources. Learned counsel relied on the following:

(i) The Concise Oxford English Dictionary defines protection as a person or thing that protects someone or something'.

(ii) The Collins English Dictionary defines the expression protection as prevent people or things from being harmed or damaged by it’.

(iii) The Cambridge English Dictionary defines the expression protection as 'the act of protecting or state of being protected'.

(iv) The Concise Oxford English Dictionary defines warning as ‘a statement or event that warns of something or that serves as a cautionary example’.

3.1.1 Learned counsel stated that the above definitions reveal that the term 'protection' refers to 'preventing or protecting someone or something from anticipated harm or damage’. ‘Warning' refers to something which tells or indicates of possible danger or problem'. Applying the above definitions to the facts in hand, it was clear that any equipment which is capable of sensing possible danger or problem and then prevents or protects the train from anticipated harm or danger would qualify as TPWS, especially keeping in mind the objective of passenger safety in Indian Railways. When a train is in motion, the wheels are in constant friction with the railway tracks. Due to various reasons, the amount of friction applied on each wheel varies and due to varied friction, the wheels rotate at different speeds and

can cause derailing of trains and accidents. Learned counsel stated that the subject goods by working in cohesion, continuously monitored the speed of each wheel and took action by pressing/ releasing the brake pads against the discs resulting in slowing/ freeing the wheels for their uniform and safe rotation. The speeds of wheels were sensed and informed by the Pole Wheel /Wheel Slide Protection, which are in the nature of warning and the function of applying/ releasing brake by the DBU are in the nature of protection. If the subject goods were absent, there was a high probability of high-speed trains getting derailed and causing serious damage to life and property, which is against the objective of the Central Government and Indian Railways.

3.2 Learned counsel further submitted that classification and exemption was not static exercise but has to be dynamic, keeping pace with the technological advancement. Further, he submitted that it was unreasonable to give a static interpretation to words used in a Tariff Schedule, ignoring the rapid march of technology. He contended that progress cannot be stifled by an over-rigid interpretation of Import Policy or Customs Tariff. He further stated that each must be read as they stand on the date of importation. In support of the above averments, learned counsel placed reliance on the following judicial precedents:

(i) **Cepheid India Pvt Ltd** vs. **The Principal Commissioner of Customs, NCH New Delhi,** Final Order No. 50929/2025 dated 25.06.2025.

(ii) **Hewlett Packard India Sales Pvt Ltd** vs. **Commr. Of Cus (Import), Nhava Sheva**[9].

(iii) **Collector of Customs & Central Ex** vs. **Lekhraj Jessumal & Sons**[10].

3.3 Learned counsel also stated that terms of an exemption notification cannot be given a restricted meaning by adding the word 'only' when the notification does not contain such a restriction. He relied on the decision of the Tribunal, New Delhi in Samsung India Electronics Pvt Ltd. vs. Deputy Commissioner of Customs, NCH, New Delhi, Final Order Nos. 50705-50730/2025 dated 19.05.2025. Learned counsel also submitted that as the present matter was technical in nature, the appellant had obtained technical expert opinions from Mr. Pradeep Gupta, Executive Director (Retired), Ministry of Railways and Mr. H. R. Sharma & Associates, Chartered Engineer. Both the opinions clarified that AMDBS and its individual components qualify to be TPWS, since they provide protection and warning to trains.

3.4 Learned counsel also stated that it is a settled position of law that technical opinion tendered by a technical person is admissible and a contrary stand cannot be taken, unless such opinions are displaced by cogent evidence and support. He relied on the following decisions:

(i) **Inter-Continental (India)** vs. **Union of India**[11].

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9. 2023(383) E.LT. 241 (S.C.)
10. 1996(82) ELT 162 (Supreme Court)

11. 2003(154) ELT 0037 (Guj)

(ii) **Shree Ram Urban Infrastructures Ltd**. vs **Commissioner of Customs (Imports)**[12].

(iii) **Wipro GE Medical System Ltd**. vs. **CC**[13].

3.5 Learned counsel further stated that the impugned order had confirmed demand of duty under normal period of limitation as per Section 28(1) of the Customs Act based on proposals made in Show Cause Notice dated 18.09.2020. Accordingly, differential duty, if any, can be demanded only for a period of two years prior to the date of the show cause notice i.e., up to 19.09.2018.Thus, demand pertaining to a period prior to this date was not legally sustainable and is liable to be set aside. In the present case, demand had been raised for a period prior to 19.09.2018 in respect of Bill of Entry Nos. 7199995 dated 13.07.2018, 7528898 dated 06.08.2018 and 7954018 dated 07.09.2018. He also stated that such demand was liable to be set aside as they are barred by limitation.

4. At the outset, learned authorized representative reiterated the discussions and findings given in the impugned appeal. Learned authorized representative, further submitted that AMDBS was introduced alongside Railway Safety Regulations of 1999/2023. He stated that the Show Cause Notice and the Order-in-Original state that AMDBS is used only for LHB coaches and Double Decker Coaches introduced since 2018. TPWS, on the other hand, was introduced as part of Railway Safety Regulations, which came into force from

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12. 2009 (246) ELT 718 (Tri. - Mumbai)
13. 2006 (206) ELT 400 (Tri.- Bang.)

1999/2003. Learned authorized representative contended that there was difference in the timing between the introduction of TPWS (a safety regulation concept from 1999) and AMDBS (introduced with LHB coaches from 2018). It was on this basis, that the department had held that there was no correlation between AMDBS and TPWS, and hence AMDBS cannot be said to constitute TPWS.

4.1 Learned authorized representative further submitted that AMDBS is similar to Conventional Air Brake System, and not TPWS. He stated that the Show Cause Notice had relied on a website viz., http://trainguard.in/disc-brake-system to contend that the basic principle of AMDBS was similar to the conventional air brake system - the only difference being that breaking occurs on discs, instead of wheel treads. Consequently, the department had characterized AMDBS merely as a variant of braking system, and not a protection/warning system like TPWS. He further contended that the Packing lists accompanying the imported goods described the goods as "Dise Brake Sets/Parts for use in Indian Railways' Disc Brake Set Unit for AC/Non-AC and Power Cars," indicating these are pure braking components and not TPWS equipment.

4.2 Learned authorized representative also stated that TPWS included On-Track and On-Cab Signal Equipment, and does not include Train Braking. He stated that the impugned order has relied on the North Central Railway website (https://ncr.indianrailways.gov.in), while holding that TPWS consists of On-track equipment:- Overspeed Sensor System (OSS) and Train Stop System (TSS) placed adjacent to

signals. The TPWS Panel and Isolation Switch are installed in the train cab. Hence, learned authorized representative stated that the imported goods viz., DBU and Pole Wheel/WSP, were neither on-track nor on-cab TPWS equipment, and thus did not fall within the ambit of TPWS.

4.3 Learned authorized representative further submitted that during the audit, the department noted that the Appellant themselves had classified DBU under Heading 86079990, but did not avail exemption under Notification No. 50/2017-Cus in respect of Bill of Entry no of 8292687 dated 27.07.2020. Therefore, the department had used this as evidence to establish that the appellant was aware that these goods were not eligible for the TPWS exemption and that the earlier availment of the benefit was wrong.

4.4 In addition, learned authorized representative contended that a notification has to be interpreted strictly, and relied on the Supreme Court's ruling in Commissioner of Customs (Import), Mumbai vs. Dilip Kumar and Company[14]. Learned authorized representative further stated that the impugned order had held that exemption notifications are to be interpreted strictly and any ambiguity in an exemption notification should be resolved against the assessee and in favour of the Revenue. The claimant of the exemption bears the burden of proving that the goods squarely fall within the notification. Further, relying on the judgments in Hari Chand Shri Gopal and Novopan India Ltd., the impugned order had held that to be entitled to the exemption

14. 2018 (361) E.L.T. 577 (SC)

or concession, the appellant must establish full compliance with the conditions of the notification, and any doubt, or latitude, must go against the assessee.

4.5 Learned authorized representative stated that in order to counter the Appellant's contention that finalized assessments cannot be re-opened, the impugned order had relied on UOI vs. Jain Shudh Vanaspati[15], which held that a demand under Section 28 of the Customs Act can survive even without a challenge to the original assessment. The department had also relied on Priya Blue Industries Ltd. vs. CCE[16], CCE vs. Flock (India) Pvt. Ltd.[17] and orders of the Tribunal to hold that the Section 28 proceedings were independent of the assessment and could proceed without the department having first appealed the assessment order.

4.6 Learned authorized representative further relied on the article on TPWS in Gyandeep-Annual Technical Magazine published by the Indian Railways Institute of Signal Engineering and Telecommunications (IRISET)"TPWS implementation-way forward", by V.N.M. RAO (IRSSE-1998), Dy. CSTE (Proj/Tele), SCR, wherein TPWS is defined as a Track-Side Signal-Based System, not a Braking System. Learned authorized representative contended that the article had unambiguously describes TPWS (based on ERTMS Level-1) as a system that is connected to wireless track-side Balise devices that employ electromagnetic induction. It transmits signal aspect information of line-side signals to on-board equipment. TPWS comprises on-board

15. 1996(86) ELT 460 (SC)
16. 2004(177) ELT 145 (SC)
17. 2000(120) ELT 285 (SC),

computer consoles/ Driver Machine Interface which warns drivers about obstacles ahead and controls speed in case of emergency. TPWS is designed to primarily addresses SPAD (Signal Passed at Danger) protection

4.7 Learned authorized representative stated that the above functions was precisely what the department's has contended in the impugned order. The order has held that TPWS consists of on-track equipment (OSS, TSS, Balise devices, LEU units) and on-cab equipment (TWS Panel, DMI, Isolation Switch). The article written by an IRSE officer with 20 years experience in Railway Signaling corroborates that this to be the authentic, technical understanding of TPWS within Indian Railways.

5. We have heard the learned counsel for the appellant and the learned authorized representative for the department and perused the records.

6. We find that the main issue for determination in the present case is whether or not the appellant is entitled to the benefit of concessional rate of duty under SI. No. 521 of Notification No. 50/2017-Cus dated 30.06.2017 on the impugned goods imported by them. The relevant entry at Sl. No. 521 of said Notification is reproduced below:

S.No.	Chapter or Heading or sub-heading or tariff item	Description of goods	Standard rate	Integrate Goods and Services Tax	Condition No.
(1)	(2)	(3)	(4)	(5)	(6)
521	86 or any Chapter	Train protection and warning system	7.5%	--	--

7. We now take up the question of benefit of concessional rate of duty under SI. No. 521 of Notification No. 50/2017-Cus dated 30.06.2017. We find that the appellant has imported goods described as Disc Brake Unit and Pole wheels. Thus the issue to be examined is whether the goods Disc Brake Unit and Pole wheels can be termed as Train Protection and Warning System (TPWS) and therefore can these be eligible for benefit under the impugned notification. The learned counsel for the appellant has contended that the term TPWS' has not been defined or explained in the Customs Act, CTA, in the Notification of elsewhere in law. Technology keeps evolving with time and what was considered as train protection years back is not the same today. The learned counsel has submitted that the meaning assigned to this term cannot be restricted and any device capable of sensing possible danger or problem and preventing or protecting the trains from the anticipated harm or danger should qualify as Train Protection and Warning System (TPWS).

8. We find that the term 'Train Protection and warning system" has not been defined under the said Notification or in the Customs Tariff. In absence of the definition of the said term, the meaning or understanding of said term in relevant general parlance has to be seen. There is no dispute that the said term TPWS has relevance to Railways and hence the meaning of the said term needs to be seen in that context. We find that the term Train Protection and Warning System (TPWS) has been described and explained in various websites quoted and referred in the SCN, which includes the website of Indian Railways.

9. We find that Disc Brake System is part of the train's existing mechanical/ pneumatic braking system. The TPWS only interferes with that brake system and command service or emergency brake application when required. As per the Indian Railways TPWS specification viz., Specification of TPWS no. RDSO/SPN/183/2016 issued by Signal Directorate, Ministry of Railways issued by the then Director, Signal, RDSO, we note that this document separately lists the DBU as 'interface to existing brake control system', rather than the brake system as being TPWS component. We reproduce the equipment as specified by the said document which make up TPWS, herein below:

> "4.0 GENERAL REQUIREMENTS
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> 4.1 Unless otherwise specified in this specification, TPWS covered in this specification shall generally conform to latest approved FRS & SRS issued for ETCS/ ERTMS Level-1. The manufacturer should be either a UNISIG member (full or associated) or RDSO Approved Vendor. It shall work on the principle of target distance and target speed. The TPWS shall consist of following:
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> i) Track side system comprising of
>
> a. Balises:
>
> • Switchable balises – This balises are interfaced to signal aspect through LEU. The telegrams/ data transmitted by these balises depend on the aspect of the signal. These are provided at a location near the signal. The Permanent Speed Restriction & track topography related information is also transmitted by these balises within the telegram/data related with signal aspect.
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> • Infill balises – These balises are also interfaced to signal through LEU. The telegrams/ data transmitted by these balises depend on the aspect of the signal. These are provided inadvance of the signal to update the movement authority inadvance. These balises cannot effect change of mode of Onboard system.

- Fixed balises – These balises are provided wherever required. These balises transmit fixed telegrams/ data only. These can be used for enforcing Temporary speed restriction etc.
- Repositioning data balises – These balises are provided wherever required to correct the previously given information.

b. Line side electronic unit (LEU), its power supply & interfacing system with signaling

c. Communication link (data cable) between the LEU & the balise

ii) On board system comprising of

a. On Board Computer (OBC)

b. Data logger for diagnostics (either part of OBC or separate)

c. Driver Machine Interface (DMI), indications & and non-resettable counters.

d. Balise Transmission Module (BTM)

e. Balise antenna fixed to the under frame

f. Speed and distance measurement unit

g. Train Interface Unit (TIU)

h. Interface to existing brake control system which in turn controls application of service/ emergency brakes or interface to existing brake system directly.

i. Power supply arrangement

j. Suitable isolation arrangement for isolating the system.

4.2 The system shall be capable of working satisfactorily up to speeds of 200Kmph. The manufacturer shall mention the maximum speed up to which their system shall work satisfactorily.

4.3 The On-board equipment of TPWS shall work on the DC power supply available in the locomotive.

4.4 The track side system of the TPWS shall work on AC or DC power supply & shall have power backup.

4.5 TPWS shall be universally suitable for all types of sections of Indian Railways e.g. Sections/ Stations equipped with Relay interlocking, Electronic interlocking, Multi-aspect Colour Light Signalling, Automatic Signalling, Intermediate Block Signalling Sections……..”

10. From the above list of components comprising TPWS, we note that the impugned goods are not mentioned anywhere. A Pole wheel may form part of the speed and distance measurement unit/wheel-securing arrangement used by the TPWS equipment. We find that the impugned goods have been imported as component parts of train for Railways, therefore the aforesaid description of Train Protection and Warning System (TPWS) in the referred document is particularly relevant for understanding the scope of the same.

11. We further understand that TPWS has been installed in Indian Railways to prevent train accidents and has the following main features:

(i) This protection device automatically applies brakes on a train if it approaches a fitted signal at danger too fast or fails to stop at a signal set at danger.

(ii) It also automatically applies the brakes if a train is travelling too fast on the approach to certain speed restrictions and buffer stops.

(iii) A standard TPWS installation consists of an on-track transmitter placed adjacent to a signal

(iv) In a standard installation of TPWS, there are two pairs of loops referred to as "grids" or "toast racks".

(v) The TPWS panel is located in the train cab along with a TPWS temporary isolation switch.

(vi) TPWS is a foolproof system that would prevent train accidents and thus ensure safety of passengers.

12. The importer vide impugned Bills of Entry imported the goods by declaring their description namely. "Disc Brake Unit", "Pole Wheel: (Wheel Slide Protection)" and "Brake Unit" (parts for Indian Railway). The imported Disc brake unit consist of actuators in form of break cylinders, caliper units, integrated slack adjusting arrangements and wheels slide protection device. We note that impugned order has noted that Disc Brake Unit is one of the components of Axel Mounted Disc Brake System. "Disc Brake Unit", "Pole Wheel (Wheel Slide Protection)" and "Brake Unit", which though adds to the safety of High-Speed Trains, form parts for Brake System and it is nowhere indicated that these are integral parts of TPWS. In this context, we draw support from the article relied upon in the impugned order **http://trainguard.in/disc-brake-system/**, which explains the basic principle of axle mounted disc brake system, to be similar to conventional air brake system. The only difference is that the train brake occurs on disc rather than wheel tread as in conventional system. We also note that the impugned order has taken note of the copies of packing list attached to the email dated 20.07.2020, that the Disc Brake Sets/Parts are to be used in India Railways Disc Brake Set Unit for AC/Non AC and Power Car.

13. Consequently, we note that there is no similarity between the impugned goods viz-a-viz., the Indian Railway Specification about TPWS. We find no mention that AMDBS or "Disc Brake Unit and Parts

thereof" being parts or equipments of TPWS. The equipments related to TPWS i.e. On Track Equipments, Location Equipments and On Train Equipments are different from the impugned imported goods. Hence, in view of the authoritative text of Indian Railways, we hold that the impugned imported goods do not form a part of Train Protection and Warning System.

14. We find that the impugned order has noted that during audit of Bill of Entry No. 8292687 dated 27.07.2020, it was noted that the appellant itself classified DBU under Heading 86079990(as TPWS), but did not avail the exemption under Notification No. 50/2017-Cus. This has been relied upon by the Department as evidence that the appellant was aware that these goods were not eligible for the TPWS exemption. We also note that the Ld AR has extensively quoted from the article 'TPWS Implementation- Way Forward' published in the official Railways journal Gyandeep 2017, which was written by a serving 1998 Batch IRSSE officer. The said article provides the description of components for TPWS, and does not include AMDBS or any of its components such as the DBU or Pole Wheels, the impugned goods. The aforesaid article defines the safety features achieved with TPWS (Section 4) as:

- Prevention of SPAD (Signal Passed at Danger)
- Speed restrictions at turnouts, permanent/temporary speed restrictions
- Avoidance of buffer stop collision
- Roll back/roll forward protection
- Continuous speed monitoring

14.1 From the listed safety functions of AMDBS (preventing wheel lock and derailment) and TPWS which is to prevent SPAD and collision, we note that the functions are distinct and serve different purposes. We note that TPWS is an ERTMS Level-1 System of a specific technology and has been introduced by the Indian Railways in the Railway Safety Regulations from 1999/2023, whereas AMDBS is used for LHB coaches since 2018.

15. We are unable to accept the contentions of the learned Counsel that since there is no definition in the law, recourse should be taken to dictionary meanings of "protection" and "warning" to expand the scope of TPWS. Both the documents relied upon as above makes it clear that the term TPWS has a specific, well-recognized technical meaning in the railway engineering domain. A perusal of the said documents clearly evidences that TPWS falls under the domain of Signal & Telecom Department of Indian Railways and has no connection with the Mechanical/Rolling Stock Department, which governs Railways rolling stock including braking systems like AMDBS. This institutional separation strengthens the learned authorized representative's contention that TPWS and braking systems belong to entirely different technical and administrative domains within Indian Railways. They are procured under separate budgets, governed by separate RDSO specifications, and maintained by different departments. In view of the foregoing, we are inclined to agree with the learned authorized representative that the impugned goods are not components of TPWS, therefore, are not eligible for the exemption. The article relied upon by the learned authorized representative and the Specification document

RDSO/SPN/183/2016 are from the official website of the Ministry of Railways, which have to take precedence over the expert opinions relied upon by the learned Counsel for the appellant.

16. In this context, we draw support from the Supreme Court's ruling in Dilip Kumar and Company (supra), which has held that exemption notifications are to be interpreted strictly. Any ambiguity in an exemption notification is to be resolved against the assessee and in favour of the Revenue. The relevant para of the judgment is reproduced hereinafter:-

> **"41.** After thoroughly examining the various precedents some of which were cited before us and after giving our anxious consideration, we would be more than justified to conclude and also compelled to hold that every taxing statute including, charging, computation and exemption clause (at the threshold stage) should be interpreted strictly. Further, in case of ambiguity in a charging provisions, the benefit must necessarily go in favour of subject/assessee, but the same is not true for an exemption notification wherein the benefit of ambiguity must be strictly interpreted in favour of the Revenue/State.
>
> **52.** To sum up, we answer the reference holding as under -
>
> (1) Exemption notification should be interpreted strictly; the burden of proving applicability would be on the assessee to show that his case comes within the parameters of the exemption clause or exemption notification.
>
> (2) When there is ambiguity in exemption notification which is subject to strict interpretation, the benefit of such ambiguity cannot be claimed by the subject/assessee and it must be interpreted in favour of the revenue.
>
> (3) The ratio in Sun Export case (supra) is not correct and all the decisions which took similar view as in Sun Export case (supra) stands overruled."

In view of the above, we hold that the impugned goods are not part or components of TPWS and therefore, not eligible for concessional rate of duty under Notification no. 50/2017-Cus.

17. The learned counsel has submitted that the demand in the instant Show Cause Notice has been raised under Section 28(1) of the Customs Act. Hence, the differential duty can be demanded only for a period of two years prior to the Show Cause Notice dated 18.09.2018. He has contended that the Bills of Entry nos.7199995 dated 13.07.2018, 7528898 dated 06.08.2018 and 7954018 dated 07.09.2018 fall outside the limitation period and hence is liable to be set aside. In this context, we note that the said Show Cause Notice has raised the differential duty demand under Section 28(1) of the Customs Act, 1962. Hence, invoking the period beyond the normal period of present Show Cause Notice is actually an order under section 28 (4) of the Act. It is, therefore, held to be beyond scope of the Show Cause Notice and the same is not permissible. Hence, we agree with the learned counsel's contention and hold that the demand can be upheld only for the Bills of Entry which fall within the normal period of limitation.

18. In view of the above discussions, we hold as follows:

(i). The appellant is not eligible for the concessional rate of duty under Sl. No.521 of Notification No.50/2017-Cus dated 30.06.2017.

(ii). The demand for differential duty on DBU and Pole Wheels is limited to the normal period of limitation.

19. The appeal is allowed to the above extent and the impugned order stands modified accordingly.

(Order pronounced on **15.09.2026**)

(DR. RACHNA GUPTA)
OFFICIATING PRESIDENT

(HEMAMBIKA R. PRIYA)
MEMBER (TECHNICAL)

Archana