# Customs, Excise & Service Tax Appellate Tribunal
# West Zonal Bench At Ahmedabad

REGIONAL BENCH- COURT NO.3

**Customs Appeal No.11574 of 2018**

(Arising out of OIA-AHM-EXCUS-001-APP-191-2017-18 dated 02/12/2017 passed by Commissioner ( Appeals ) Commissioner of Central Excise, Customs and Service Tax-AHMEDABAD)

**C.C.E.-Ahmedabad-i** .........**Appellant**
C. Ex Bhavan, Nr Panjrapole & Polytechnic,
Ambavadi, Ahmedabad, Gujarat-380015

*VERSUS*

**Bossh Technology India Limited** ......**Respondent**
Ul/24, Fairdale House, Near Swastik Cross Road,
Opp. Ladies Hostel, Navrangpura,
Ahmedabad, Gujarat

**APPEARANCE:**
Shri. Shri. H. P. Shrimali, Superintendent (AR) for the Appellant
Shri Paritosh Gupta, Advocate for the Respondent

**CORAM: HON'BLE MEMBER (TECHNICAL), MR. RAJU**
**HON'BLE MEMBER (JUDICIAL), MR. SOMESH ARORA**

**Final Order No. 12478 /2024**

DATE OF HEARING: 24.07.2024
DATE OF DECISION:23.10.2024

**RAJU**

This appeal has been filed by Bossh Technology India Limited by the revenue against order of the Commissioner (Appeals).

2. The facts of the case are that M/s. Bossh Technology India Pvt. Ltd. had filed an application dated 22.09.2017 for import of T.V parts for, manufacturing T.V. In terms of Notification No. 68/2017-Cus. NT dated 30.06.2017. Notification No. 68/2017 notify the Customs (import of goods at concessional rate of duty) Rules, 2017 (CR-17). The said Rules CR-17 was

intended for those importers who wish to avail the benefit of exemption notification, where the benefit of such exemption is dependent upon the use of imported goods for manufacture of any commodities or provision of any output service. The said application filed by the appellant was rejected by an order of Assistant Commissioner dated 09.10.2017. The said rejection was made on the ground that the process indicated by the respondents did not qualify as manufacture as defined in the aforesaid CR-17. The said impugned order recorded as follows:

> *5. After scrutiny of the documents, it is clear that in the instant case LED TV has been imported in semi -knockdown condition. The TV is imported in almost ready condition. The applicants do some superficial assembling to claim duty benefit under the said rules. The activity done by the applicant could have also been done by the foreign supplier of the goods. However, in that case the applicant could not claim duty benefit under the said rules.*
>
> *6. In this regard the definition of manufacture applicable in the instant case for duty benefit, as mention in the said notification is reproduced below:-*
>
> > *manufacture" means the processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly.*
>
> *7. In the instant case, no new product emerges, as the TV was imported almost in ready condition except some superficial assembling by the applicant which could have also been done by the supplier of the goods.*
>
> *8. In view of above, your application is liable to rejection and accordingly the same is rejected.*

2.1 The matter was challenged by respondent before Commissioner (Appeals). The Commissioner (Appeals) observed as follows:

> *5.1 The appellant is registered as manufacturer with the department and avalling the benefit of Customs (Import of Goods at Concessional Rate of Duty for manufacture of excisable goods) Rules 1996, and Notification No.12/2016- Customs dated 01.03.2016. Till date no question regarding process carried out by them does not amount to manufacture had aroused/objected by the department, they were never denled such benefit. Now the Customs (Import of Goods at Concessional Rate of Duty for manufacture of excisable goods) Rules 1996, have been replaced by Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, Notification No.68/2017-Cus (N.T.) dated 30.06.2017. Last bond was*

*accepted by the department on 2.9.2016 valid till 1.9.2017. It is surprising to note that though there is no change in present and erstwhile provisions and notification, the application of the appellant was rejected by assigning the reasons far from truth on assumptions and presumptions without verifying the facts by the jurisdictional authority. Under the above discussed facts and circumstances I hold that the application of the appellant for import of goods at concessional rate of duty, have been wrongly rejected.*

3. Aggrieved by the said order of Commissioner (Appeals), revenue has filed this appeal. The appeal against the order of the Commissioner (Appeals) Learned Authorized Representative reiterates the findings of the Jurisdiction Assistant Commissioner which are reproduced above in para 5, 6, 7. The review order asserts that in the instant case a complete T.V set is being imported in semi-knockdown condition. It holds that no more products emerge when a complete TV is assembled and therefore it cannot be a case of manufacture. The review order further argues that as per Rule 2A of General Rules of Interpretation of Import Tariff, any article imported in semi-knockdown condition is classifiable in the same heading wherein finished article are classified. On the basis of said arguments, it was asserted that no new product emerges.

4. Learned Counsel appearing for the respondent argued that he argued that the goods are imported not in semi -knockdown condition but individual components have been imported. He further pointed out that revenue has not established that all the components have been imported. He pointed out that many components are procured domestically and therefore the entire sets of goods imported is not sufficient to make a completed T.V. He further pointed out that the goods are not imported in semi-knockdown condition but the imported goods are individual components and are not assembled to any extent whatsoever.

4.1 Learned Counsel further argued that even if it is presumed that goods are imported in semi -knockdown condition, he does not imply that the assembling to produce finished goods does not amount to manufacture.

5. We have gone through the rival submissions. We find that the argument of the revenue is that the goods imported by the appellants are in semi-knockdown condition. It holds that assembly from the semi -knockdown condition to full TV does not amount to manufacture. The list of goods imported by the appellant is as follows:

*1. LED Display Panel with back light/open cell & backlight Other part other than LED Panel:-*

*1. Main PCB*

*2. Remote Sensor PCB & Cable*

*3. LVDS Cable to connect Main PCB to Panel*

*4. Keypad PCB& Connector Cable*

*5. Speakers and connecting cable*

*6. Remote control*

*7. Power cable*

*8. Plastic back cover*

*9. Backlight/defuser/reflector*

*10. Plastic parts*

*11. Side terminal plate up side*

*12. Side terminal plate down side*

*13. Metal parts/hardware*

*14. Screws*

*15.Tape/non woven cloth*

*16. 16. Other small parts*

*As per your application manufacturing of LED TV is described as u*

*1. Imported panel*

*2. Assembling of bolts*

*3. Fixing main board & remote sensor PCB with cables*

*4. Android Intellect Board WIFI line*

*5. Fixing light wire*

*6. Fixing LVDS wire*

*7. Fixing binding wire*

*8. Fixing adhesive tape*

*9. Fixing of key/Ir wire*

*10. Fixing side terminal plates*

*11. Fixing wall hanging*

*12. Labeling on back cover*

*13. Fixing of speakers and cable*

*14. Fixing non woven cloth*

*15. Fixing back cover*

*16. Fixing key board*

*17. Fixing screws*

*18. Upgrading software*

*19. Main pcb with LED display/speakers/keyboard/pcb/remote sensor*

*20. Testing*

*21. Packing*

7. It is seen that what is being imported are not goods in semi -knockdown condition. All the goods imported are individual items separately classifiable under different headings. Learned counsel pointed out that they are buying many products from local market. However, even if that is not the case, assembly of Television from individual components to a full T.V is a process of manufacture. In fact, we do not find any evidence whatsoever of any imports under semi-knockdown condition as can be seen from the list declared by the respondents in their applicable.

8. In this background, we do not find any merit in the appeal filed by the revenue, a same is dismissed.

(Pronounced in the open court on 23.10.2024)

**(RAJU)**
**MEMBER (TECHNICAL)**

**(SOESH ARORA)**
**MEMBER (JUDICIAL**

Prachi