



## ***ALO Law Office- IDT Tax / Arbitration / Litigation***

**Date: 23.05.2025**

### **CESTAT Delhi Grants Exemption to Samsung India on Display Assemblies**

The Principal Bench of the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi, ruled in favor of Samsung India Electronics Pvt. Ltd., setting aside customs duty demands raised by the department. The case revolved around whether the imported Mechanical Electrical Assembly (MEA) Front used in high-end smartphones like Galaxy Note 10 qualifies for basic customs duty exemption under Serial No. 6(a)(iv) of Notification No. 57/2017-Cus, which covers “Display Assembly” for mobile phones.

The Tribunal held that Samsung’s imported Assembly Front meets the criteria of “Display Assembly” and therefore qualifies for the exemption, rejecting the department’s interpretation that the inclusion of components like battery or receiver disqualified it from the benefit.

#### **Background of the Case**

- **Appellant:** Samsung India Electronics Pvt. Ltd.
- **Issue:** Rejection of exemption claimed on MEA Front assemblies used in smartphone manufacturing
- **Exemption Notification:** Serial No. 6(a)(iv) of Notification No. 57/2017-Cus (as amended)
- **Goods in Question:** MEA Front containing display, sub-PCBA, non-detachable battery, and waterproofing elements
- **Department’s View:** Product does not qualify as “Display Assembly” since it contains additional sub-parts
- **Total Appeals:** 26 (including Customs Appeal No. 51162/2022 and 25 related matters)

#### **Department’s Contentions**

- Based on a MEITY technical committee report (2019) and PMP guidelines, the department claimed the imported MEA Fronts were composite parts—not pure display assemblies.
- The exemption was denied on the ground that the assembly included non-detachable battery and sub-PCBA, which are not covered under the exemption clause.
- The Ministry of Electronics and IT (MEITY) opined that MEA Fronts cannot be categorized solely as display assemblies as per the Phased Manufacturing Programme (PMP) roadmap.

### **Samsung's Key Arguments**

- The term "Display Assembly" is not defined in the notification; hence, it must be understood in its natural, technical, and trade parlance.
- The main component (OLED display) accounts for over 65–70% of the assembly's value, and the core function of the MEA Front is to enable display and touch.
- Additional components such as waterproofing elements, vibration motor, and sub-PCBA do not alter the fundamental character of the display function.
- Denial of exemption by importing interpretations from MEITY's PMP violates legal principles of statutory interpretation.
- Circulars and MEITY reports cannot override or narrow down a statutory notification, especially when the word "only" does not appear in the exemption clause.

### **CESTAT's Observations and Legal Rationale**

#### **1. Display Assembly Includes MEA Front:**

- Assembly Front meets the functional and physical characteristics of a display assembly.
- Add-on features such as non-detachable battery do not change the primary function of the product.

#### **2. No Restrictive Language in Notification:**

- The Tribunal emphasized that the word "only" is absent in the exemption clause. Thus, the mere presence of additional sub-components does not disqualify the product.

#### **3. MEITY's Role Not Binding:**

- Interpretation of customs law and exemption notifications lies with Customs and judicial authorities, not with MEITY.
- MEITY's opinions, though informative, cannot restrict the plain meaning of a fiscal notification.

#### **4. Reliance on Precedents:**

- CESTAT cited Supreme Court rulings including:
  - *Union of India vs. Intercontinental (India)* – circulars cannot override exemption notifications.
  - *Philips India Ltd.* – additional features do not bar exemption if the product still performs the principal function.
  - *Tata Iron and Steel Co. Ltd.* – exemption cannot be denied merely because goods contain non-exempt parts when "only" or "exclusively" is not stated.

#### **5. Circulars Cannot Add Conditions:**

- CBIC circulars issued later cannot introduce new restrictions absent in the notification.

#### **6. Burden of Proof Not Met by Department:**

- No technical evidence or market trade understanding was provided to establish that MEA Fronts are not display assemblies.

## Final Verdict

- All 26 appeals by Samsung India allowed.
- Commissioner (Appeals) orders dated 23.12.2021 and 31.10.2022 set aside.
- Tribunal held that MEA Front qualifies as a "Display Assembly" under Serial No. 6(a)(iv).
- Exemption from basic customs duty restored, with all consequential relief.

## Legal Significance

This ruling is a watershed moment for electronics and mobile manufacturers, clarifying that:

- Technical advancements and additional components do not negate exemption benefits if the product meets the primary description.
- Intent of exemption must be derived from the notification text, not external policy guidelines.
- Judicial clarity overrides departmental interpretations, reinforcing a pro-trade and pro-manufacturing approach under Indian customs law.

*This Article has been written by Shri Ravi Shekhar Jha, Advocate Delhi High Court based on his interpretation of the law. He can be reached at his email id [intelconsul@gmail.com](mailto:intelconsul@gmail.com) or on his Mobile +91-9999005379.*

**Source: CESTAT Delhi**

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

**NEW DELHI**

PRINCIPAL BENCH- COURT NO. I

**CUSTOMS APPEAL NO. 51162 OF 2022**

(Arising out of Order-in-Appeal No. CC(A) CUS/D-I/IMPORT/NCH/3914/2021-22 dated 23.12.2021 passed by the Commissioner of Customs, (Appeals), New Delhi.)

**Samsung India Electronics Pvt. Ltd.**

**....Appellant**

B-1, Sector 81, Phase-II,  
Noida, Uttar Pradesh-201305

Versus

**Deputy Commissioner of Customs,  
Appraising Group-VA,**

**....Respondent**

New Customs House, Near IGI Airport,  
New Delhi-110037

**WITH**

<b>C/51763/2023</b>	<b>C/51764/2023</b>	<b>C/51765/2023</b>	<b>C/51766/2023</b>
<b>C/51767/2023</b>	<b>C/51768/2023</b>	<b>C/51769/2023</b>	<b>C/51770/2023</b>
<b>C/51771/2023</b>	<b>C/51772/2023</b>	<b>C/51773/2023</b>	<b>C/51774/2023</b>
<b>C/51775/2023</b>	<b>C/51776/2023</b>	<b>C/51777/2023</b>	<b>C/51778/2023</b>
<b>C/51779/2023</b>	<b>C/51780/2023</b>	<b>C/51781/2023</b>	<b>C/51782/2023</b>
<b>C/51783/2023</b>	<b>C/51784/2023</b>	<b>C/51785/2023</b>	<b>C/51786/2023</b>
<b>C/51787/2023</b>			

**APPEARANCE:**

Shri B.L. Narasimhan, Ms. Nupur Maheshwari and Shri Siddhant Indrajit,  
Advocates for the Appellant  
Shri Mihir Ranjan, Special Counsel of the Department

**CORAM:**

**HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT**  
**HON'BLE MS. HEMAMBIKA R. PRIYA, MEMBER (TECHNICAL)**

**DATE OF HEARING: 06.03.2025**  
**DATE OF DECISION: 19.05.2025**

**FINAL ORDER NO's. 50705-50730/2025**

**JUSTICE DILIP GUPTA:**

**Customs Appeal No. 51162 of 2022** has been filed by Samsung India Electronics Pvt. Ltd<sup>1</sup> for setting aside the order dated 23.12.2021 passed by the Commissioner of Customs (Appeals)<sup>2</sup>. The said order rejects the appeal filed by the appellant and confirms the order dated

- 
- 1. the appellant**
  - 2. the Commissioner (Appeals)**

20.02.2020 passed by the Deputy Commissioner of Customs Group-VA<sup>3</sup>. The Deputy Commissioner held that Mechanical Electrical Assembly<sup>4</sup> Front imported by the appellant cannot be considered as "Display Assembly" and, therefore, would not be entitled for exemption under Customs Notification No. 57/2017 dated 30.06.2017<sup>5</sup>, as amended from time to time. The Deputy Commissioner, accordingly, finalized the provisionally assessed Bills of Entry by disallowing the benefit of the aforesaid Exemption Notification and ordered for payment of differential duty.

2. The remaining 25 Customs Appeals have been filed by the appellant for setting aside the order dated 31.10.2022 passed by the Commissioner (Appeals) rejecting the 25 appeals filed by the appellant against the assessment of the Bills of Entry. The said order follows the earlier order dated 23.12.2021 (date wrongly referred to as 10.12.2021) passed by the Commissioner (Appeals) and denies the benefit of the Exemption Notification to the Assembly Front imported by the appellant.

3. As the benefit of the Exemption Notification has been denied to the appellant, it would be appropriate to refer to the relevant portion of the Exemption Notification. It is reproduced below:

**GENERAL EXEMPTION NO. 188**

**Exemption to specified goods used in manufacture of mobile phones** – In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), **the Central Government**, on being satisfied that it is necessary in the public interest so to do, hereby **exempts the goods of the description as specified in column (3) of the Table below**, as the case may be, and falling within the Chapter, heading, sub-heading or tariff-item of the First

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3. **the Deputy Commissioner**  
4. **the Assembly**  
5. **the Exemption Notification**



5. The appellant is engaged in manufacture and sale of mobile phones and tablet computers. For this purpose, the appellant imports the Assembly Front. The appellant availed exemption from payment of basic customs duty under Serial No. 6(a)(iv) of the Exemption Notification, which covers "Display Assembly" used in the manufacture of cellular mobile phones.

6. The common issue involved in all these appeals is whether the Assembly Front imported by the appellant and used in the manufacture of mobile phones would be eligible for exemption under the Exemption Notification. Serial No. 6(a)(iv) of the Exemption Notification, inter alia, grants exemption to "Display Assembly" subject to the condition that the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017<sup>6</sup>. There is no dispute that the appellant followed the procedure set out in the said 2017 Rules and used the Assembly Front in the manufacture of mobiles phones. The dispute is as to whether the Assembly Front imported by the appellant is a "Display Assembly" referred to at Serial No. 6(a)(iv) of the Exemption Notification.

7. The Assembly Front has been described by the appellant to be an assembly of various components which constitute the display unit of a mobile phone. It is used in high-end flagship models such as Galaxy Note 10 and consists of various components which, inter alia include main display, metal body, sub-printed board assembly<sup>7</sup>, vibration motor, non-detachable battery and waterproof tapes. According to the appellant, all the aforesaid parts and components, when assembled, make a water and dust resistant display unit.

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**6. the 2017 Rules**  
**7. Sub-PBA**

8. The appellant has also described the functions of each of the components in the following manner:

- (i) **Main Display:** This is the Active-Matrix OLED<sup>8</sup> display. It consists of an OLED screen, and contains emissive layers and conducting layers sandwiched between an anode and cathode. The OLED screen is supported by a substrate along with a microscopically thin film transistor backplane to make an AMOLED display;
- (ii) **Metal Body:** It helps in grounding the display unit to the main handset;
- (iii) **Waterproof tapes:** The tapes are used to avoid water seepage and protects the display units from water;
- (iv) **Sub-PBA:** The Sub-PBA is populated with charging port and ringer. It is bonded with the Main Display using adhesives, waterproof tapes and mechanical pressure. This ensures resistance from water and dust; and
- (v) **Non-detachable battery:** It is an irreplaceable part of the display unit and helps in constant functioning of the display unit.

9. The appellant has further explained the cost bifurcation. In terms of the value of the aforementioned components, 'Main Display' constitutes 65-70% of the cost of the Assembly Front. The major element of the Assembly Front is the screen and the touch element directly contributing to display function. The other components are merely integrated into Assembly Front to improve image quality, reduce device thickness and have a water-proof display screen.

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8. **AMOLED**

10. Post the importation of the Assembly Front, various manufacturing and assembly processes are undertaken by the appellant in India. Broadly, these processes include the manufacturing of populated printed circuit board from scratch, i.e. from bare printed circuit board, and the assembly of Printed Board Assembly, Assembly Front and the rear assembly to manufacture the finished mobile phone. The processes undertaken in India account for roughly 70% of the cost of the mobile phone. According to the appellant, the Assembly Front merely constitutes 1.3% of the total number of components used in mobile phone - Galaxy Note 10.

11. On 12.04.2018, a Bill of Entry was filed on First Check basis. The Deputy Commissioner raised an objection against the claim of exemption benefit under Serial No. 6(a)(iv) of the Exemption Notification. Accordingly, this Bill of Entry was released on provisional assessment. April 2018 onwards, all subsequent Bills of Entry of Assembly Front were assessed provisionally subject to execution of Provisional Duty Bond. By a letter dated 21.10.2019, the Deputy Commissioner informed the appellant that the Assembly Front does not satisfy the scope of "Display Assembly" and accordingly would be ineligible to claim exemption under Serial No. 6(a)(iv) of the Exemption Notification. By a letter dated 07.11.2019, the appellant explained the nature and functioning of the Assembly Front and, accordingly, submitted that it is eligible to claim exemption under the Exemption Notification.

12. A show cause notice dated 14.01.2020 was issued to the appellant to show cause as to why the benefit claimed by the appellant for the Assembly Front under the Exemption Notification should not be rejected and the provisionally assessed Bills of Entry should not be finalized by dis-

allowing the benefit of the Exemption Notification under section 18(2) of the Customs Act, 1962<sup>9</sup>. The show cause notice also seeks to recover the differential duty arising out of finalization of provisional assessment and also demands interest.

13. The appellant filed a detailed reply to the show cause notice and denied the allegations made and emphasized that the appellant had correctly availed the benefit of the Exemption Notification.

14. The Deputy Commissioner, in the order dated 20.02.2020, denied the benefit of the Exemption Notification based on the Ministry of Electronics and Information Technology<sup>10</sup> Notification dated 28.04.2017 and the Report dated 17.12.2019 submitted by MEITY. The observations made in the order are as follows:

**“23. I also find that the importer has rightly pointed out that the phrase ‘Display Assembly’ has neither been defined under the impugned notification nor under the Customs Tariff read with HSN Explanatory Notes.**

**24. In order to ascertain as to whether the MEA Front (the impugned goods) can be construed as ‘Display Assembly’ as described in sr. no. 6(a) in table appended to notification No. 57/2017-Customs (as amended) so as to be exempt from payment of BCD, I find it necessary to also ascertain the intent of the legislature while formulating the impugned exemption notification. In this context, I refer to Ministry of Electronics and Information Technology (in short MEITY) notification dated 28.04.2017 issued from their File No. 4(8)/2016-IPHW on the subject of Phased Manufacturing Programme (in short PMP). \*\*\*\*\***

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**9. the Customs Act**  
**10. MEITY**

**28. It is evident from the above chart, that vide the aforesaid PMP notification dated 28.04.2017, the Government of India had devised a phased roadmap for indigenous manufacturing of cellular mobile phones through appropriate fiscal and financial incentives, which has been implemented through CBIC by issuing exemption notification no 57/2017 (as amended from time to time) in accordance with PMP plan. Hence, I find that Customs notification no 57/2017, as amended from time to time is nothing but a visible face of PMP notification. Thus, it is clear that the Legislative intent has throughout been to promote domestic manufacturing of cellular Mobile Handsets, its sub-assemblies and parts/sub-parts/ inputs of the sub-assemblies thereof as per the notified PMP. \*\*\*\*\***

**29. Therefore, the phrase 'display assembly', in absence of its specific definition in the statute, has to be construed accordingly. Further, the intent behind the subject notification can be better understood in terms of response dated 17.12.2019 from MEITY (the principal agency behind Phased Manufacturing Programme) which read as:**

"..... After detailed deliberations, the committee was of opinion that the representative sealed sample provided by O/o the Principal Commissioner of Customs (Import) is an assembly, inter-alia, containing aforementioned parts/sub-assemblies of mobile phones and cannot be considered a 'Display Assembly' only as covered under the PMP notified by MEITY....."

**From MEITY's response, I find that the impugned goods i.e. MEA Front cannot be construed as 'display assembly' so as to be covered under item 6(a) of table and be eligible for exemption of subject notification.**

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**41. I also find that when all the components involved in MEA front (for e.g.**

**Battery, Motor, display, and receiver) are mentioned at different serial nos. of the subject exemption notification, then benefit to these parts is to be provided as per different serial nos. The notification has to be read in-toto.**

**42. I further find that the benefit of the exemption notification has been provided to Display Assembly at S. No. 6(a)(iv), but the same notification does not provide exemption to other part- battery (Sr. No. 15). Hence bringing battery attached with display assembly and claiming exemption against S. No. 6(a)(vi) in the name of technical advancement is improper and wrong interpretation of the notification. The goods required for technological advancement can be imported freely, but the exemption notification benefit can be availed only if these are specifically mentioned in the subject notification, which is not the case presently. Nor is there any entry in the subject notification for the products which are technologically more advanced. On the contrary, the real essence behind PMP plan and the subject exemption notification is to deepen the manufacturing eco-system in the country by bringing technological advancement in mobile manufacturing and thus it promotes import of raw material and manufacturing the finished mobiles domestically by using the advanced technology in phased manner. However, the importer instead of bringing the advanced technology to the country is importing finished goods itself by availing the exemption notification.**

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**46. In view of the above discussions as well as settled legal positions in respect of interpretation of the exemption notifications, I find that the impugned goods i.e. MEA Front being imported by the importer, cannot be construed as 'display assembly' so as to be**

**covered under item 6(a) of table and be eligible for exemption of notification No. 057/2017-Customs (as amended) and accordingly, I hold that the claimed exemption is not admissible to 'MEA Front'."**

**(emphasis supplied)**

15. The Commissioners (Appeals) recorded the following findings in the order dated 23.12.2021 that has been impugned in Customs Appeal No. 51162 of 2022:

**"5.4** The Appellant is strongly contending that reference to Phased Manufacturing Programme Notification and opinion of MEITY is misplaced as notification under dispute and the PMP Notification are mutually exclusive and distinct notifications issued by different branches of the Central Government. However, this contention is totally misconceived. **As analysed by the Adjudicating Authority in paragraphs 24 to 28, the impugned customs notification 57/2017-Cus had been issued to implement the Phased Manufacturing Programme and thus the two are closely interlinked. As can be seen from the chart under para 27, various amendments in notification 57/2017-Cus closely follow timelines of PMP Notification. Thus neither can PMP notification nor the MEITY opinion be brushed aside and they need to be read together to arrive at a conclusion in this case.**

**5.4.1** The legislatives intent behind an exemption notification is a crucial factor to interpret the scope of entries in the exemption notification. \*\*\*\*\*

**5.4.2** The intent has been made amply clear by the PMP Notification as well as the opinion of Nodal Ministry i.e. MEITY. Therefore reliance on the same and exclusion of impugned goods from entry S.No. 6(a)(iv) of Notification No. 57/2017-Cus is proper and justified.

**5.5 I also note that since there is no definition of "Display Assembly" [referred to in S.No. 6(a)(iv) of Notification No. 57/2017-Cus], the ambiguous position has arisen and the notification needs to be interpreted so as to arrive at conclusion as to whether "MEA Front" is covered under it or not. As discussed above, the legislative intent is clear that "MEA Front" is not covered. Even otherwise, in such situation, the exemption notification has to be interpreted in favour of Revenue.** This is the law of land as pronounced by the Apex Court in case of Dilip Kumar & Company [2018 (361) ELT 577 (SC)].

**5.6 The contention of the Appellant that MEITY & the Adjudicating Authority are adding additional conditions to the Notification is totally misplaced.** By rule of strict interpretation, the exemption is for "Display Assembly". Any within which is not "Display Assembly" or something more than it can not be extended benefit especially when it defeats the legislative intent. I agree with contention of the Adjudication Authority in Para 41 & 42 that impugned goods are not covered by "Display Assembly" under S. No. 6(a)(iv) of 57/2017-Cus."

**(emphasis supplied)**

16. It would be seen that the Commissioner (Appeals) upheld the order passed by the Deputy Commissioner for the following reasons:

- (i)** Principles governing classification such as principal function, cost component are not relevant for claiming exemption benefit;
- (ii)** Phased Manufacturing Programme<sup>11</sup> Notification and MEITY Notification are means to interpret the Exemption Notification;
- (iii)** Legislative intent does not allow interpretation of 'Display Assembly'; and

- (iv) Exemption Notification must be interpreted in favour of revenue.

17. Shri B.L. Narasimhan, learned counsel for the appellant assisted by Ms. Nupur Maheshwari and Shri Siddhant Indrajit, made the following submissions:

- (i) The "Display Assembly" was not defined in the Exemption Notification during the relevant period. Hence, exemption benefit must be allowed against goods that perform the primary function of "Display";
- (ii) There is no dispute that condition numbers (i) and (ii) of the Exemption Notification stand satisfied. In relation to condition (iii), and on perusal of the Exemption Notification, the phrase "Display Assembly" would include all forms of goods falling under the category;
- (iii) It is a settled principle of law that benefit under Exemption Notification cannot be denied on the ground that machine can perform additional functions in addition to the primary function. In this connection, reliance has been placed on:
- (a) **Sukeshan Equipment Pvt. Ltd. vs. Collector of Customs, Bombay**<sup>12</sup>;
- (b) **Philips India Ltd. vs. Collector of Central Excise, Pune**<sup>13</sup>;
- (c) **Aveco Technologies Pvt. Ltd. vs. Commissioner of Cus., Hyderabad**<sup>14</sup>;
- (d) **Badra Estate & Industries Ltd. vs. Collector of Customs, Bangalore**<sup>15</sup>;
- (e) **Collector of Customs vs. Blue Star Ltd.**<sup>16</sup>;

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12. 2001 (134) E.L.T. 604

13. 1996 (81) E.L.T. 375

14. 2018 (362) E.L.T. 624

15. 1997 (93) E.L.T. 46

16. 1990 (50) E.L.T. 186 (Tri.)

- (f) **BenQ India Pvt. Ltd. vs. Additional Director General (Adjudication) DRI<sup>17</sup>;**
- (g) **Sanghi Synthetics Pvt. Ltd. vs. Collector of Customs, Bombay<sup>18</sup>;** and
- (h) **Sony India Pvt. Ltd. vs. CC, C.Ex., New Delhi<sup>19</sup>**
- (iv) The first rule of interpretation of a statute demands that the words in the statute must be given literal and strict interpretation. Other aids to interpretation are attracted only when the literal interpretation leads to 'absurdity'. Merely because words in a statute have not been defined, it does not lead to automatic absurdity;
- (v) The term "Display Assembly" must be understood in the terms of the natural meaning of the term. No intendment or external aids of interpretation should be applied;
- (vi) There is no reference to the PMP Notification in the Exemption Notification. Thus, to deny benefit by calling in aid of any supposed intention of the exemption authority in the absence of such reference in the Exemption Notification is impermissible under law;
- (vii) The Commissioner (Appeals) erred in relying on the intent PMP Notification and the opinion of MEITY, to deny the benefit under Serial No. 6(a)(iv) of the Exemption Notification;
- (viii) MEITY Report relied upon in the impugned order was never provided to the appellant; and
- (ix) No interest is chargeable under section 18(3) of the Customs Act.

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17. **Customs Appeal No. 52428 of 2019 decided on 12.09.2022**

18. **1996 (82) E.L.T. 238 (Tri.)**

19. **2019 (370) E.L.T. 1774 (Tri. - Del.)**

18. Shri Mihir Ranjan, learned special counsel appearing for the department, however, supported the impugned order and made the following submissions:

- (i)** The contention of the appellant that the Assembly Front is a 'Display Assembly' is not correct. The MEITY Notification dated 28.04.2017 conveys the intention of the Government to promote PMP indigenous manufacturing of cellular mobile handsets, its sub-assemblies and parts/sub-parts/inputs of the sub-assemblies thereof. The Commissioner (Appeals) has for good reasons recorded a finding that the Assembly Fronts cannot be considered as 'Display Assembly';
- (ii)** The response dated 17.12.2019 of MEITY clarified that the Front Assembly cannot be considered as a 'Display Assembly';
- (iii)** The Exemption Notification has to be strictly interpreted and any ambiguity has to be interpreted in favour of the revenue;
- (iv)** The contention of the appellant that PMP is not relevant for interpreting the Exemption Notification is not correct;
- (v)** The Commissioner (Appeals) has given good reasons for holding that the Front Assembly is not a 'Display Assembly' mentioned at Serial No. 6(a)(iv) of the Exemption Notification;
- (vi)** The approach of the appellant in interpreting the dictionary meanings of two separate words 'Display' and 'Assembly' is not permissible as it disregards the common trade parlance;

- (vii)** The opinion given by MEITY on 17.12.2019 cannot be brushed aside lightly, as MEITY is an expert body and the nodal agency responsible for the PMP; and
- (viii)** The terms 'Display Unit' and 'Display Assembly' have two distinct meanings. 'Display Assembly' is a narrower term that refers to the core display component. 'Display Unit', on the other hand, is a broader and more comprehensive term. Thus, 'Display Assembly' is a sub-set of a 'Display Unit'.

19. The submissions advanced by the learned counsel for the appellant and the learned authorized representative appearing for the department have been considered.

20. The issue that arises for consideration in these appeals is whether the appellant is justified in availing exemption from payment of basic customs duty under Serial No. 6(a)(iv) of the Exemption Notification on the Assembly Front imported by the appellant.

21. The Exemption Notification has been issued under section 25 of the Customs Act. It provides exemption from basic customs duty to goods which fulfill the following conditions:

- (i)** Goods of 'Any Chapter'
- (ii)** Goods are used in the manufacture of cellular mobile phones.
- (iii)** Goods are 'Display Assembly'.

22. It is not in dispute that the first two conditions are satisfied. The only issue is as to whether the third condition that the goods are 'Display Assembly' is satisfied.

23. In the present case, the Assembly Front imported by the appellant includes a non-detachable battery. According to the appellant, a non-detachable battery is an irreplaceable part of the 'Display Unit' and helps in constant functioning of the 'Display Unit'. It is, therefore, an important component of the 'Display Unit'. The Deputy Commissioner, in paragraph 41 of the order dated 20.02.2020, found that the benefit of the Exemption Notification has been provided under Serial No. 6(a)(iv) to 'Display Assembly', but Serial No. 15 of the said Notification provides exemption to goods other than battery pack of cellular mobile phones. Thus, the appellant would not be entitled to claim exemption on the Assembly Front imported by it since includes a non-detachable battery in the name of technical advancement. This finding of the Deputy Commissioner has been approved by the Commissioner (Appeals) in paragraph 5.6 of the order. What has, therefore, to be examined is whether the inclusion of a non-detachable battery in the Assembly Front imported by the appellant would have the effect of depriving the appellant from the benefit of the exemption provided at Serial No. 6(a)(iv) of the Exemption Notification.

24. Such an issue was considered by a Division Bench of the Tribunal in **Philips India Ltd. vs. Collector of Central Excise, Pune**<sup>20</sup>. The Tribunal examined whether the benefit of an Exemption Notification granting concessional rate of duty to 'radio sets including transistor sets' could be denied for the reason that the radio sets/transistor sets were also having facilities of sound recording and reproduction. The Tribunal held that merely because radio sets/transistor sets were fitted with sound recording or reproduction facility cannot be made a ground for depriving

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20. 1996 (81) E.L.T. 375 (Tribunal)

the benefit of the Exemption Notification. The relevant paragraphs of the decision are reproduced below:

**"13.** We have considered the submissions of both sides. The point that arises for determination is whether the benefit of Notification No. 57/93 can be extended to the goods manufactured by the appellants in this case. In this regard, it is now seen that the classification of the goods under 8527 is not at all in dispute in this case. The department had already classified the goods under 8527 and the goods of the appellants clearly answer the description in the abovesaid chapter, but for deciding whether the appellants are entitled for the benefit of notification, it is to be seen whether the goods of the appellants answer the description given in Sl. No. 10 of the exemption Notification 56/93-C.E., dated 28-2-1993. **Serail No. 10A mentions the description as follows :**

**"Radio sets including transistor sets".**

**14. There is no doubt that the goods manufactured by the appellants is for the purpose of reception of radio broadcasting. But, at the same time, it is fitted with the equipment which will record sound and is fitted with mechanism of reproducing the same. The question is, merely because of the fact that it is fitted with sound recording or reproducing apparatus can it be taken away from the purview of the Notification 56/93, dated 28-2-1993.** In order to appreciate this contention, what is necessary to be seen is whether the goods manufactured by the appellants is capable of being used as receptive apparatus for radio broadcasting. **As far as this point is concerned, it is admitted fact that the goods manufactured by the appellants, have capacity of reception of the radio broadcasting. Therefore, when the goods manufactured by the appellants are capable of receiving the broadcasting as per the entry at Sl. No. 10A of the notification, the same cannot be taken out of its purview merely because it**

**was also fitted with a sound recording or reproducing apparatus.** In the decision reported in 1990 (50) 180 (supra), which was relied upon by the Id. Advocate for the appellants the Tribunal held as follows :

“The machine imported by the respondents is capable of testing upto 250 kgs. The machine is basically devised to carry out the Vickers hardness test of steels & metals”.

**(emphasis supplied)**

25. It would also be appropriate to refer to the report dated 12.12.2019 submitted by a committee comprising four members constituted by MEITY in response to the letter dated 02.12.2019 sent by the Principal Commissioner of Customs seeking an opinion as to whether the Assembly Front imported by the appellant can be considered as a 'Display Assembly' and whether, it would eligible for the benefit provided under the Exemption Notification. The relevant portion of the letter is reproduced below:

**“3. This office has come across a case of import of goods declared as 'Mechanical Assembly Front (MEA Front)' where the importer has claimed benefit of exemption under S. No. 6(a) of notification No. 57/2017-Cus dated 30.06.2017 claiming that the MEA Front being imported by them is covered under the scope of 'Display Assembly' as mentioned under S. No. 6(a)(iv) of the said Notification.**

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7. **In common trade parlance, a display assembly is basically consisting of a LCD/LED screen and a touch panel. It does not contain any PCBA, Battery, Receiver etc.** As evident from the PMP notification as well as the entries of the impugned exemption notification, display assembly is a sub-assembly of the mobile phone distinct from other sub-assemblies such as Battery, Receiver, PCBA, Vibration Motor etc. However, in the subject

case, the importer has been importing customized assembly containing various sub-assemblies of the mobile phones citing lack of equipment and technical in the subject case, the importer has been importing customized assembly containing know-how in India for its manufacturing. This office is of the view that there is no bar on import of MEA but the same is not eligible for exemption in terms of exemption notification issued to give effect to PMP. **The whole intent of PMP and grant of exemption from customs duty is that various sub-assemblies should get manufactured in India in a phased manner.** Duty free import of MEA that includes various sub- assemblies of 104 parts most of which are otherwise not eligible for exemption (like Battery, Receiver, PCBA, Vibration Motor, etc.) defeats the very intent of PMP.

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**9. This office is of the considered view that the impugned item i.e. MEA Front is not the 'display assembly' as covered under the PMP as well as under the impugned Customs notification and therefore, is appropriately classifiable under CTH 85177090 as a part of the mobile phone and liable for BCD @15%."**

**(emphasis supplied)**

26. The report dated 12.12.2019 submitted by the committee in response to the aforesaid letter sent by the Principal Commissioner is reproduced below:

**"Subject: Report of the committee containing the technical opinion, whether the sample provided by the Office of the Principal Commissioner of Customs (Imports) can be considered as a 'Display Assembly' as covered under the PMP notified by Meity and whether it would be eligible for the benefit of exemption under Notification No.57/2017-Customs dated 30.06.2017, as amended from time to time**

Reference: Letter No.C.No.VIII(12)/Import/Gr-VA/Mise./32/2018 dated 02.12.2019 received from

Shri Upender Gupta, Principal Commissioner of Customs, ACC Imports, Office of the Principal Commissioner of Customs (Imports).

Ministry of Electronics and Information Technology (Meity) was requested vide aforementioned reference to provide technical opinion, whether the sample provided by the Office of the Principal Commissioner of Customs (Imports) can be considered as a 'Display Assembly' as covered under the Phased Manufacturing Programme (PMP) notified by MeitY (copy enclosed) and whether it would be eligible for the benefit of exemption under Notification No.57/2017-Customs dated 30.06.2017, as amended from time to time.

**2. A committee was constituted in Meity to examine and provide the technical opinion in the aforesaid matter.** The meeting of the aforesaid committee was held under the Chairmanship of Shri S.K. Marwaha, Scientist-'G', Meity on 11.12.2019

**3. During the meeting, the committee examined the aforesaid sample** (picture of sample enclosed) and, inter-alia, found the following in the sample:

- **Main display**
- **Meta, Body**
- **Sul-Printed Circuit Board Assembly (Sub-PCBA)**
- **Non-detachable Battery**

4. After detailed deliberations, the committee was of the opinion that the representative sample provided by the Office of the Principal Commissioner of Customs (Imports) is an assembly, *inter alia*, containing aforementioned parts/ sub-assemblies of mobile phones and **cannot be considered a 'Display Assembly' only** as covered under the PMP notified by MeitY, **since the sample contains parts/sub-assemblies, in addition to 'Display Assembly'.**"

**(emphasis supplied)**

27. The committee, in its report dated 12.12.2019 found, after examining the sample of Assembly Front, that it consisted of main display, metal body, Sub-PCBA and non-detachable battery. The committee formed an opinion that the sample is an Assembly, inter alia, containing the aforementioned parts/sub-assemblies of mobile phones and cannot be considered as a 'Display Assembly' **only** since the sample contains parts/sub-assemblies in addition to 'Display Assembly'. It would, therefore, be seen from the aforesaid report that what weighed with the committee to conclude that the Assembly Front cannot be considered as a 'Display Assembly' was the fact that the Assembly Front in addition to a 'Display Assembly' also contains parts/sub-assemblies of mobile phones. The report dated 12.12.2019 submitted by MEITY, therefore, holds that the Front Assembly could be considered as a 'Display Assembly' if it did not also contain parts/sub-assemblies of mobile phones.

28. It is this report dated 12.12.2019 submitted by the committee that formed the basis for the Deputy Commissioner and the Commissioner (Appeals) to hold that the Assembly Front would not be a 'Display Assembly' and consequently would not be entitled to the benefit of the Exemption Notification under Serial No. 6(a)(iv).

29. It would be seen from the report dated 12.12.2019 submitted by a committee constituted by MEITY that emphasis has been placed on the fact that the Assembly Front does not **only** consist of a 'Display Assembly', even though the word '**only**' does not occur in the Exemption Notification. The report of the committee cannot curtail or restrict the scope of the Exemption Notification.

30. This view finds support from the judgment of the Supreme Court in **Union of India vs. Inter Continental (India)**<sup>21</sup> and the relevant portion of the judgment is reproduced below:

**"5. The High Court by the impugned order has accepted the writ petition by holding that the Central Board of Excise and Customs could not, by issuing a circular subsequent to the issuance of the notification, add a new condition thereby restricting the scope of the exemption notification. \*\*\*\*\***

**6. We entirely agree with the view taken by the High Court that the department could not, by issuing a circular subsequent to the notification, add a new condition to the notification thereby either restricting the scope of the exemption notification or whittle it down."**

**(emphasis supplied)**

31. In **Tata Teleservices Ltd. vs. Commissioner of Customs**<sup>22</sup>, the Supreme Court also held:

**"10.** We are of the view that the reasoning of the Bombay Bench of the Tribunal as well as that of the Andhra Pradesh High Court must be affirmed and the decision of the Delhi Tribunal set aside insofar as it relates to the eligibility of the LSP 340 to the benefit of the exemption notification. The Andhra Pradesh High Court was correct in coming to the conclusion that the Board had, in the impugned circular, pre-determined the issue of common parlance that was a matter of evidence and should have been left to the Department to establish before the adjudicating authorities. **The Bombay Bench was also correct in its conclusion that the circular sought to impose a limitation on the exemption notification which the exemption notification itself did not provide. It was not open to the Board to whittle down the exemption notification in such a manner.** The exemption notification merely reproduced the language of Entry 8525-20-17 and since the

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21. 2008 (226) E.L.T. 16 (S.C.)

22. 2006 (194) E.L.T. 11 (S.C.)

exemption notification merely reproduced the tariff entry, the limitation sought to be imposed by the Board would tantamount also to reading the limitation into the classification itself. Since the issue would be ultimately a question of evidence the onus was on the Department to prove by appropriate evidence that the goods were classifiable under 8525-20-19 being the residuary entry. This the Department could have done by negating the claim of the importers that the goods were classifiable under Tariff Entry 8525-20-17 and by establishing that the imported goods could not reasonably be classified under any other head. In this particular case the onus had not been discharged by the Revenue. The only evidence on record was the opinion sought for by the Ministry of Finance itself and given by the Department of Telecommunications to the effect that the Model LSP 340 was in fact covered by the phrase "cellular telephone". **Since there is no dispute that the technology used in LSP 340 and the hand held mobile phone is the same there is no warrant to limit either the tariff entry or the exemption notification to hand held cellular phones. Neither the range nor the size would make any difference."**

**(emphasis supplied)**

32. This apart, the terms of the Exemption Notification cannot be given a restricted meaning by adding the word '**only**' when the Notification does not contain such a restriction. This is what was held by the Supreme Court in **Union of India vs. Tata Iron And Steel Co. Ltd.**<sup>23</sup> The Notification of which benefit was claimed granted exemption to duty paid pig iron duty paid pig iron was also mixed with other non duty paid materials. It is in this context that the Supreme Court held that if the intention of the government was to exclude exemption to duty paid pig iron when mixed with other materials, then the Notification would have used the

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23. 1997(1) E.L.T. J61 (S.C.)

expression, 'only' or 'exclusively' or 'entirely' in regard to duty paid pig iron but these expressions were not used. Thus, the benefit of the exemption could not have been denied. The relevant portions of the judgment of the Supreme Court are reproduced below:

"23. The High Court rightly held that the contention of the Revenue fails on two broad grounds. First, there cannot be double taxation on the same article. Counsel for the Revenue gave the example of excise duty on motor car, in spite of the fact that there was duty on tyres and duty on metal sheets. The analogy is misplaced. In such cases the duty is on the end product of motor cars as a whole. The duty on tyres and the duty on metal sheets do not enter the area of duty on motor car. **Second, Notification No. 30/60 grants exemption to duty-paid pig iron. The High Court rightly said that the Notification does not say that exemption is granted only when duty paid pig iron is used and that the exemption would not be available if duty-paid pig iron is mixed with other non-duty paid materials. If the intention of the Government were to exclude the exemption to duty paid pig iron when mixed with other materials then the notification would have used the expression "only" or "exclusively" or "entirely" in regard to duty-paid pig iron. The object of the notification was to grant relief by exempting duty-paid pig iron."**

(emphasis supplied)

33. In **M/s. JMK Energy vs. Commissioner of Customs, Delhi**<sup>24</sup>, the Tribunal held:

"19. The next question is whether the classification of the imported goods under IGST. S. No. 234 of Schedule I of the IGST Notification 1/2017 covers solar power based devices is correct. We find that the notification does not place any restriction of the Customs Tariff Heading and it applies so long as such devices fall under Chapter 84 or 85 of the Customs Tariff. Evidently, the goods falling under 8507 would also be entitled to classification under Schedule I at S. No. 234 if they

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24. 2023 (2) TMI 619- CESTAT New Delhi

are solar power based. There can be no manner of doubt that they are solar power based. **The reason this classification was not accepted by the adjudicating authority is that they are not SOLELY based on solar power and other power can also be used charged the devices. In our considered view, the adjudicating authority has erred in coming to this conclusion because the Notification does not say –devices based solely on solar power but says –solar based devices.** It does not in any way forbid the alternative sources of power to support them. Simply because there are four other alternative means through which they can be charged, it does not mean that the imported goods are not solar power based devices. Therefore, the imported goods merit classification under 234 of Schedule I of Notification 1/2017. Consequently, the demand for IGST differential duty along with interest cannot be sustained.”

**(emphasis supplied)**

34. In **Indian Organic Chemicals vs. Collector of Central Excise, Madras<sup>25</sup>**, the Tribunal held:

“9. Shri Sachar has also ably argued that the decision of the Supreme Court in the case of Aluminium Corporation of India Limited v. Union of India & others (supra) and Union of India & Others v. Tata Iron & Steel Co. Ltd. (supra) was essentially based on the principle that where the raw material included duty-paid goods, the final product should not be required to pay duty again in respect of the duty-paid raw material content. But the fact remains that in the course of expression of its views, the Supreme Court had the occasion categorically to opine as to how notifications of the nature as before us should be interpreted and what is the meaning of the word “manufactured out of”. **It has been said unequivocally that unless the relevant notification specifically provides for it, it is not correct to read such notifications as confining**

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25. 1988 (35) E.L.T. 535 (Tribunal)

**the exemptions to products made “entirely”, “exclusively” or “only” from the specified material and that proportionate relief should be given even in those cases where material other than that specified is used.**

**(emphasis supplied)**

35. Reliance has also been placed in the impugned order on the Notification dated 28.04.2017 issued by MEITY. This Notification deals with ‘phased manufacturing programme to promote indigenous manufacturing of cellular mobile handsets, its sub-assemblies and parts/sub-parts/inputs of the sub-assemblies thereof’ and the relevant portion is reproduced below:

“2. To promote depth in manufacturing of domestically manufactured Cellular mobile handsets, a phased manufacturing roadmap has been prepared keeping in view the state of play of the design/manufacturing ecosystem in the country, wherein through appropriate fiscal and financial incentives, indigenous manufacturing of Cellular mobile handsets and various sub-assemblies that go into the manufacturing of Cellular mobile handsets shall be promoted over a period of time. The intention is to substantially increase value addition within the country.

3. The following Phased Manufacturing Programme (PMP) is notified with the objective of progressively increasing the domestic value addition for establishment of a robust Cellular mobile handsets manufacturing eco-system in India. The PMP shall enable the Cellular mobile handset and related sub-assembly/component industry to plan their investments in the sector.”

36. The aforesaid Notification provides for a PMP with the objective of progressively increasing the domestic value addition for establishment of robust cellular mobile handset manufacturing ecosystem in India so as to enable the industry to plan their investments in the sector. This

Notification cannot be considered for examining the Exemption Notification for the simple reason that it is the terms of the Exemption Notification that have to be read to determine whether exemption can be granted or not to a particular product. It is the plain language and not the intention of the authority issuing the Notification that has to be seen while interpreting a taxing statute or an Exemption Notification.

37. In this connection, reference can be made to a decision of the Tribunal in **InterGlobe Aviation Limited vs. Commissioner of Customs**<sup>26</sup>. The relevant portion of the decision is reproduced below:

"59. The contention advanced by the learned counsel for the appellant deserves to be accepted. **There can be no doubts that while interpreting an Exemption Notification, it is the text and the language employed in the Notification that is relevant and the intention of the Government or the authority issuing the Notification would, therefore, not be significant.**"

(emphasis supplied)

38. Reference can also be made to the Constitution Bench judgment of the Supreme Court in **Hemraj Gordhandas** wherein it was observed that in a taxing statute there is no room for intendment and what has to be seen is the clear meaning of the words.

39. This proposition was reiterated by the Constitution Bench of the Supreme Court in **Commissioner of Customs (Import), Mumbai vs. Dilip Kumar & Company**<sup>27</sup> and the relevant portions of the judgment are reproduced below:

"25.....**Indeed, it is well-settled that in a taxation statute, there is no room for any intendment; that regard must be had to the clear meaning of the words and that the matter**

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26. Customs Appeal No. 51937 of 2021 decided on 05.08.2024

27. 2018 (361) ELT (SC)

**should be governed wholly by the language of the notification. Equity has no place in interpretation of a tax statute. Strictly one has to look to the language used; there is no room for searching intendment nor drawing any presumption.** Furthermore, nothing has to be read into nor should anything be implied other than essential inferences while considering a taxation statute.

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34. In *Hansraj Gordhandas v. H.H. Dave*, Asst. Collector of Central Excise & Customs, Surat and Ors., AIR 1970 SC 755 = (1969) 2 SCR 253 = 1978 (2) E.L.T. J350 (S.C.) [hereinafter referred as *Hansraj Gordhandas case* for brevity], wherein this Court was called upon to interpret an exemption notification issued under the Central Excise Act \*\*\*\*\* The Court did not countenance such purposive interpretation. It was held that a taxing legislation should be interpreted wholly by the language of the notification \*\*\*\*\*

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**44. In *Hansraj Gordhandas case (supra)*, the Constitutional Bench unanimously pointed out that an exemption from taxation is to be allowed based wholly by the language of the notification and exemption cannot be gathered by necessary implication or by construction of words; in other words, one has to look to the language alone and the object and purpose for granting exemption is irrelevant and immaterial."**

**(emphasis supplied)**

40. There is no basis either in the show cause notice or in the order of the Deputy Commissioner or in the order of the Commissioner (Appeals) to support the common parlance understanding of the expression 'Display Assembly'. No evidence in the form of technical expert opinion or market

survey or technical literature has been placed to support that the 'Display Assembly' should not contain additional components like battery, receiver, PCBA or vibration motor. The findings based on 'common trade parlance' is not supported by any evidence and is merely an assertion.

41. Reliance placed by the learned Special Counsel of the department on the two Circulars dated 18.08.2022 and 07.08.2024 issued by CBIC is misplaced. The Circulars run contrary to the express terms of the Notification and both the Circulars are based on the recommendation of MEITY. In fact, both the Circulars accept the position that the Assembly Front is essentially a 'Display Assembly', but clarify that "if the following items are fabricated, embedded, fitted or attached with the display assembly of the cellular mobile phone, then the benefit of BCD treatment provided to display assembly would not be available to such assembly". Thus, both the Circulars curtail the benefit of the exemption to the Assembly Front by introducing additional conditions even though the Assembly Front may satisfy the description of the product in the Notification.

42. There is no ambiguity in the Notification and it cannot be contended by the department that since there is an ambiguity, the Notification must be interpreted in favour of the department.

43. It also needs to be remembered that classification and assessment under the Customs Act and interpretation of an Exemption Notification falls within the domain and jurisdiction of the Customs Authorities and the Tribunals and the Courts. MEITY cannot have any role in interpreting the Customs Exemption Notification. In this connection, reliance can be placed on the decision of the Tribunal in **M/s. Samsung India Electronics Pvt.**

**Ltd. vs. Principal Commissioner of Customs, Air Cargo Complex (Import), New Delhi<sup>28</sup>**. The relevant paragraph is reproduced below:

**"23. To sum up, the power to assess duty lies with the importer and the proper officer. Classification, valuation and applying an exemption notification, are all part of the process of this assessment. Hence, the power to decide the classification lies with the importer during self-assessment, with the proper officer during re-assessment and while issuing an SCN under Section 28 and while adjudicating, with the Adjudicating Authority and with any appellate authority in the judicial hierarchy who deals with the appeals. Classification cannot be decided by anybody else (such as a MeITY in this case) for two reasons. First, they do not have the authority to assess under Section 17 nor have any appellate powers to modify the assessment. Second, their orders, letters, notifications, etc. are executive actions performed at the discretion of the government and are not quasi-judicial or appealable decisions. Therefore, any HSN code indicated against any goods in any policy of MeITY or any other Ministry cannot determine the classification of the goods under the Customs Tariff. Of the three grounds on which the classification is proposed to be changed in the SCN, the policy of MeITY as a ground cannot, therefore, be sustained."**

**(emphasis supplied)**

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**28. 2023 (12) TMI 1155- CESTAT New Delhi**

44. This view of the Tribunal was subsequently followed in **Commissioner of Customs (Port), Kolkata vs. Chirag Corporation**<sup>29</sup>.

The relevant paragraph is reproduced below:

“**14.** We have gone through the letter/memo of the Ministry of Agriculture relied upon by the first appellate authority in the impugned order. This only mentions that the benefit of Notification No. 12/2012-Cus. (supra) available to Rotary Tiller, may also be extended to power tiller and requested the Under Secretary of their own Department, to take up the matter with the Finance Ministry in regard to eligibility of exemption notification or classification. **We also note that the Ministry of Agriculture is not expert in classification of goods under the Customs Act, valuation, determination of duty or availability of benefit of exemption notification.** They have rightly applied their mind from their point of view and felt that the exemption notification must be available to power tiller also. **This view of the Ministry of Agriculture, cannot determine the eligibility or otherwise of the exemption notification to power tiller. It must be determined solely based on the way exemption notification as it is drafted.** A bare perusal of the exemption notification, shows that it is available, *inter alia*, to rotary tiller/weeder. It does not suggest directly or indirectly that it is available to power tillers also. Therefore, in our considered view, the benefit of exemption notification is not available to the power tillers imported by the appellant.”

**(emphasis supplied)**

45. The learned special counsel appearing for the department placed reliance upon a decision of the Tribunal **Collector of Customs, Madras**

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29. 2020 (374) E.L.T. 444 (Tri.-Kolkata)

vs. **Pragati Computers Pvt. Ltd.**<sup>30</sup> The relevant paragraph 4 of the decision is reproduced below:

"4. The Id. DR is correct in his submission that the addition of the controller which is a circuit permitting recording of data from the disk by the use of computer takes it out of the coverage of entry in Sl. No. 1(b) of the Notification. The argument of the Id. Counsel for the Respondents that the benefit cannot be denied in view of the certificate issued by the Department of Electronics is not acceptable because the certificate covers magnetic disk and not disk drives with controller and we have already noted that addition of Controller [alter] the character of the disk drive because the controller is the one which acts as an interfacing to get the storage area for transfer of data from the storage area to the C.P.U. Since the Notification at Sl. No. 1(b) covers only storage disk drive while the goods imported are disk drives with controller which we have held are not simple disk drive, the benefit of the notification cannot be extended to the imported goods. Accordingly, we set aside the impugned order and allow the Revenue Appeal."

46. It would be seen that the Notification in question in the aforesaid decision covered only storage disk drive while the goods that were imported were disk drives with controller. The Tribunal found as a fact that they were not simple disk drive because the controller acted as an interface to get the storage area for transfer of data from the storage area to the CPU. In the present appeals, the addition of other components to the 'Display Assembly' do not alter the basic character of the Assembly Front as 'Display Assembly'. Reliance cannot therefore, be placed on this decision of the Tribunal.

47. The learned special counsel for the department also placed reliance upon a decision of the Tribunal in **Nissan Electronics P. Ltd.** vs.

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**30. 1997 (96) E.L.T. 342 (Tribunal)**

**Collector of Central Excise, Bombay**<sup>31</sup>. The Tribunal found as a fact that the product was not covered by the description given in the Notification. This decision, therefore, would also not help the department.

48. What, therefore, transpires from the aforesaid discussion is that the Assembly Front imported by the appellant is a 'Display Assembly' used in the manufacture of cellular mobile phones and would, therefore, be entitled to exemption from duty of customs under clause 6(a)(iv) of the Exemption Notification.

49. The order dated 23.12.2021 passed by the Commissioner (Appeals) that has been assailed in Customs Appeal No. 51162 of 2022, therefore, cannot be sustained. The order dated 31.10.2022 passed by the Commissioner (Appeals) in the remaining 25 Customs Appeals cannot also be sustained.

50. The two orders dated 23.12.2021 and 31.10.2022 passed by the Commissioner (Appeals) are, accordingly, set aside and all the 26 appeals are allowed with consequential reliefs, if any.

(Order pronounced on **19.05.2025**)

**(JUSTICE DILIP GUPTA)**  
**PRESIDENT**

**(HEMAMBIKA R. PRIYA)**  
**MEMBER (TECHNICAL)**

Shenaj, Shreya, Kritika