सीमा शुल्क(अपील) आयुक्त का कार्यालय, अहमदाबाद
OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), AHMEDABAD,
चौथी मंज़िल 4th Floor, हडको भवन HUDCO Bhawan, ईश्वर भुवन रोड़ Ishwar Bhuvan Road
नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009
दूरभाष क्रमांक Tel. No. 079-26589281

DIN – 20260371MN000000BF58

क	फ़ाइल संख्या FILE NO.	S/49-279/CUS/AHD/24-25
ख	अपील आदेश संख्या ORDER-IN-APPEAL NO. (सीमा शुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962) :	AHD-CUSTM-000-APP-691-25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	06.03.2026
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	OIO No.: 134/ADC/ACC/OIO/BHARAT/24-25 dt. 16.12.2024 passed by the Additional Commissioner of Customs, Air Cargo Complex, Ahmedabad, Gujarat
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	06.03.2026
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s. Ajanta LLP, Orpat Industrial Estate, Morbi-Rajkot Highway, Morbi, Gujarat-363641. info@orpatgroup.com sps@orpatgroup.com

1	यह प्रति उस व्यक्ति के निजी उपयोग के लिए मुफ्त में दी जाती है जिनके नाम यह जारी किया गया है.
	This copy is granted free of cost for the private use of the person to whom it is issued.
2.	सीमाशुल्क अधिनियम 1962 की धारा 129 डी डी (1) (यथा संशोधित) के अधीन निम्नलिखित श्रेणियों के मामलों के सम्बन्ध में कोई व्यक्ति इस आदेश से अपने को आहत महसूस करता हो तो इस आदेश की प्राप्ति की तारीख से 3 महीने के अंदर अपर सचिव/संयुक्त सचिव (आवेदन संशोधन), वित्त मंत्रालय, (राजस्व विभाग) संसद मार्ग, नई दिल्ली को पुनरीक्षण आवेदन प्रस्तुत कर सकते है.
	Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order.
	निम्नलिखित सम्बन्धित आदेश/Order relating to :
(क (	बैगेज़ के रूप में आयातित कोई माल.
(a)	any goods imported on baggage
(ख (	भारत में आयात करने हेतु किसी वाहन में लादा गया लेकिन भारत में उनके गन्तव्य स्थान पर उतारे न गए माल या उस गन्तव्य स्थान पर उतारे जाने के लिए अपेक्षित माल उतारे न जाने पर या उस गन्तव्य स्थान पर उतारे गए माल की मात्रा में अपेक्षित माल से कमी हो.
(b)	any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination.
(ग (	सीमाशुल्क अधिनियम, 1962 के अध्याय X तथा उसके अधीन बनाए गए नियमों के तहत शुल्क वापसी की अदायगी.
(c)	Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder.
.3	पुनरीक्षण आवेदन पत्र संगत नियमावली में विनिर्दिष्ट प्रारूप में प्रस्तुत करना होगा जिसके अन्तर्गत उसकी जांच की जाएगी और उस के साथ निम्नलिखित कागजात संलग्न होने चाहिए :
	The revision application should be in such form and shall be verified in such manner as may be specified in the relevant rules and should be accompanied by :
(क)	कोर्ट फी एक्ट,1870 के मद सं.6 अनुसूची 1 के अधीन निर्धारित किए गए अनुसार इस आदेश की 4 प्रतियां, जिसकी एक प्रति में पचास पैसे की न्यायालय शुल्क टिकट लगा होना चाहिए.
(a)	4 copies of this order, bearing Court Fee Stamp of paise fifty only in one copy as prescribed under Schedule 1 item 6 of the Court Fee Act, 1870.
(ख)	सम्बद्ध दस्तावेज़ों के अलावा साथ मूल आदेश की 4 प्रतियां, यदि हो
(b)	4 copies of the Order-in-Original, in addition to relevant documents, if any
(ग)	पुनरीक्षण के लिए आवेदन की 4 प्रतियां
(c)	4 copies of the Application for Revision.
(घ)	पुनरीक्षण आवेदन दायर करने के लिए सीमाशुल्क अधिनियम, 1962 (यथा संशोधित) में निर्धारित फीस जो अन्य रसीद, फीस,दण्ड,जब्ती और विविध मदों के शीर्ष के अधीन आता है में रु. 200/-(रूपए दो सौ मात्र)या रु.1000/-(रूपए एक हज़ार मात्र), जैसा भी मामला हो, से सम्ब न्धित भुगतान के प्रमाणिक चलान टी.आर.6 की दो प्रतियां. यदि शुल्क, मांगा गया ब्याज, लगाया गया दंड की राशि और रूपए एक लाख या उससे कम हो तो ऐसे फीस के रूप में रु.200/- और यदि एक लाख से अधिक हो तो फीस के रूप में रु.1000/-
(d)	The duplicate copy of the T.R.6 challan evidencing payment of Rs.200/- (Rupees two Hundred only) or Rs.1,000/- (Rupees one thousand only) as the case may be, under the Head of other receipts, fees, fines, forfeitures and Miscellaneous Items being the fee prescribed in the Customs Act, 1962 (as amended) for filing a Revision Application. If the amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-.

4.	**मद सं. 2 के अधीन सूचित मामलों के अलावा अन्य मामलों के सम्बंन्ध में यदि कोई व्यक्ति इस आदेश से आहत महसूस करता हो तो वे सीमाशुल्क अधिनियम 1962 की धारा 129 ए (1) के अधीन फॉर्म सी.ए.-3 में सीमाशुल्क, केन्द्रीय उत्पाद शुल्क और सेवा कर अपील अधिकरण के समक्ष निम्नलिखित पते पर अपील कर सकते हैं**	
	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :	
	सीमाशुल्क, केंद्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ	**Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench**
	दूसरी मंज़िल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016	2nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
5.	**सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (6) के अधीन, सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (1) के अधीन अपील के साथ निम्नलिखित शुल्क संलग्न होने चाहिए-**	
	Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -	
(क)	**अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए या उससे कम हो तो एक हज़ार रुपए.**	
(a)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;	
(ख)	**अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए से अधिक हो लेकिन रुपये पचास लाख से अधिक न हो तो; पांच हज़ार रुपए**	
(b)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;	
(ग)	**अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पचास लाख रूपए से अधिक हो तो; दस हज़ार रुपए.**	
(c)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees	
(घ)	इस आदेश के विरुद्ध अधिकरण के सामने, मांगे गए शुल्क के %10 अदा करने पर, जहां शुल्क या शुल्क एवं दंड विवाद में हैं, या दंड के %10 अदा करने पर, जहां केवल दंड विवाद में है, अपील रखा जाएगा ।	
(d)	An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.	
6.	**उक्त अधिनियम की धारा 129 (ए) के अन्तर्गत अपील प्राधिकरण के समक्ष दायर प्रत्येक आवेदन पत्र- (क) रोक आदेश के लिए या गलतियों को सुधारने के लिए या किसी अन्य प्रयोजन के लिए किए गए अपील : - अथवा (ख) अपील या आवेदन पत्र का प्रत्यावर्तन के लिए दायर आवेदन के साथ रुपये पाँच सौ का शुल्क भी संलग्न होने चाहिए.**	
	Under section 129 (a) of the said Act, every application made before the Appellate Tribunal- (a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or (b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.	

कार्यालय आयुक्त (अपील), सीमा... अहमदाबाद

Order-In-Appeal

M/s. Ajanta LLP, Orpat Industrial Estate, Morbi-Rajkot Highway, Morbi, Gujarat-363641 (hereinafter referred to as "the Appellant") have filed the present appeal challenging the Order-In-Original No.: 134/ADC/ACC/OIO/BHARAT/24-25 dt. 16.12.2024 (hereinafter referred to as 'the impugned order') passed by passed by the Additional Commissioner of Customs, Air Cargo Complex, Ahmedabad, Gujarat (herein after referred to as "the "adjudicating authority").

2. Facts of the case, in brief, are that the appellant, is situated at above mentioned address , imported "Aluminium Bonding Wirs , Aluminium Wire 99% through Bill of Entry No.: 7625647 dated 09.05.2020 classifying the same under 7605 1999 . The appellant availed exemption of NIL rate of BCD under Notification No.: 25/1999-Cus. Dated 28.02.1999 Sr.No. 82 of List A. As per data analysis conducted by the NCTC, Mumbai, it was found that the appellant has wrongly availed the benefit of exemption Notification No.: 25/1999-Cus. Dated 28.02.1999 Sr.No. 82A clearing the imported goods at NIL rate of BCD. It was appeared that the description of the goods imported under above said Bill of Entry doesnot match with the description of the goods mentioned under the said exemption notification. Therefore, for said reason, the appellant is liable for payment of Customs duty @10% differential IGST and SWS.

2.1 Accordingly, SCN dated 29.12.2023 was issued to the appellant proposing confiscation of the imported goods, demand of Customs duty @10%, differential IGST and SWS under the Customs Act, 1962.

2.2. The adjudicating authority, after following principle of natural justice, passed the impugned order ordering confiscation of the imported goods under Section 111(m) , imposition of redemption fine under Section 125, demand of differential Customs duty under Section 28(4) alongwith interest under section 28AA and imposed penalty under Section 114A on the appellant.

3. Being aggrieved and dissatisfied with the impugned order passed by the adjudicating authority, the Appellant have filed the present appeal. The Appellant have, inter-alia, raised various contentions and filed detailed submission on 11.02.2025 in their Appeal memorandum dt. NIL in support of their claim, gist of the same is given below:

- *It is respectfully submitted that the impugned Show Cause Notice has been issued without jurisdiction and is therefore liable to be set aside. Rule 8 of the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 clearly mandates that in case of alleged breach of exemption conditions, recovery proceedings are required to be initiated by the Deputy/Assistant Commissioner of Customs having jurisdiction over the premises where the imported goods are put to use. In the present case, the Show Cause Notice has been issued by the Ld. Deputy*

Commissioner, Air Cargo Complex, Ahmedabad, who exercises jurisdiction over the port of import and not over the Appellant's manufacturing premises at Jamnagar, where the goods were admittedly used. As per the statutory mandate, only the jurisdictional Deputy/Assistant Commissioner having control over the manufacturing premises is competent to invoke the bond and initiate recovery proceedings. The Appellant has already executed the prescribed bond safeguarding the revenue; hence, the initiation of proceedings by an authority lacking territorial jurisdiction renders the impugned Show Cause Notice void ab initio and unsustainable in law.

- *It is respectfully submitted that the Appellant has rightly availed the benefit of Nil rate of Basic Customs Duty under Sr. No. 82 of List A of Notification No. 25/1999-Cus dated 28.02.1999. The notification grants exemption to aluminum wire with specified impurity when imported for use in the manufacture of semiconductor devices, subject to compliance with the prescribed procedure under the IGCR Rules. In the present case, the imported aluminum bonding wire is used for bonding wafer ICs (semiconductor chips) to Printed Circuit Boards, forming integral semiconductor devices that function as switches, transistors and other electronic components. Thus, the substantive condition relating to use in manufacture of semiconductor devices stands fully satisfied. Further, the Appellant duly complied with the procedural requirements under the IGCR Rules, 2017 by furnishing prior intimation to the jurisdictional Deputy Commissioner of Customs, Jamnagar, executing a Continuity Bond of Rs. 2 Crores, and importing the goods under due authorization. The bond was accepted by the jurisdictional authority, and exemption was granted at the port of import, demonstrating departmental awareness and approval. Any alleged non-submission of intimation to the officer at the port of import is at best a procedural lapse, especially during the Covid-19 lockdown period when procedural relaxations were granted. The object of the Rules—preventing diversion of goods—stands fully achieved. In law, substantive compliance prevails over procedural technicalities, as held by judicial authorities. Accordingly, both conditions of the Notification stand fulfilled and the benefit of exemption cannot be denied.*
- *It is respectfully submitted that the Impugned Order travels beyond the scope of the Show Cause Notice and is therefore unsustainable in law. The Show Cause Notice primarily alleged mis-declaration in availing the benefit under Sr. No. 82A of Notification No. 25/1999-Cus; however, the Impugned Order proceeds on an entirely different footing by holding that the Appellant did not manufacture semiconductor devices and had not complied with the IGCR Rules, 2017. Notably, the Show Cause Notice contains no specific allegation regarding non-compliance of the IGCR Rules or failure to satisfy the substantive condition of manufacture of*

semiconductor devices. It is settled law that an adjudication order cannot travel beyond the allegations contained in the Show Cause Notice. The Hon'ble Supreme Court in CC, Mumbai v. Toyo Engineering India Ltd. (2006 (201) ELT 513 (SC)) has categorically held that grounds not raised in the Show Cause Notice cannot be introduced at the stage of adjudication. Similar view has been taken by the Hon'ble Gujarat High Court in Kandarp Dilipbhai Dholakia v. Union of India (2014 (307) ELT 484) and in several Tribunal decisions. Since the findings in the Impugned Order are based on new grounds not alleged in the Show Cause Notice, the same is liable to be set aside on this ground alone.

- *It is respectfully submitted that invocation of Section 28(4) of the Customs Act, 1962 in the present case is wholly unsustainable and the demand is barred by limitation. The extended period under Section 28(4) can be invoked only in cases involving collusion, willful misstatement, or suppression of facts with intent to evade duty. In the present case, there is no evidence of any positive act of suppression or malafide intention on the part of the Appellant. All material facts, including execution of the Continuity Bond, details of import, utilization of goods, and supporting documents, were duly disclosed to the jurisdictional Customs authorities. The Department was fully aware of the nature and use of the imported goods. Mere allegation of wrongful availment of exemption cannot amount to suppression of facts. It is settled law that extended limitation cannot be invoked when the facts were within the knowledge of the Department, as held by the Hon'ble Supreme Court in Gupta Steel v. Commissioner of Customs, Jamnagar (2015 (324) E.L.T. 29 (S.C.)) and by the Hon'ble Calcutta High Court in Vedanta Aluminium Ltd. v. Custom & Central Excise Settlement Commission (2016 (331) E.L.T. 408 (Cal.)). In absence of any fraud, willful misstatement or suppression, the demand raised under Section 28(4) is time-barred and the Impugned Order is liable to be set aside on this ground alone.*
- *It is respectfully submitted that the demand of interest under Section 28AA of the Customs Act, 1962 is not sustainable in the present case. Interest under Section 28AA is payable only when duty becomes payable under Section 28. As demonstrated hereinabove, the Appellant has rightly availed the exemption and no differential duty is payable. When the principal demand itself is unsustainable, the consequential demand of interest cannot survive. It is a settled principle of law that interest is merely an accessory to the principal amount. The Hon'ble Supreme Court in Prathibha Processors v. Union of India (1996 (88) E.L.T. 12 (S.C.)) has categorically held that when the duty is not payable, the question of payment of interest does not arise. Therefore, in absence of any legally sustainable duty demand, the levy of interest under Section 28AA is liable to be set aside.*
- *It is respectfully submitted that the subject goods are not liable for confiscation*

under Section 111(m) of the Customs Act, 1962. Section 111(m) applies only where there is mis-declaration of value or any other material particular in the Bill of Entry. In the present case, there is no mis-declaration of description, quantity, or value of the goods. The allegation of the Department is merely that the Appellant wrongly availed exemption, which by itself does not amount to mis-declaration within the meaning of Section 111(m). It is well settled that claiming a particular classification or exemption is a matter of legal interpretation and does not constitute mis-declaration unless it is shown to be intentional and mala fide. The Hon'ble Supreme Court in Northern Plastic Ltd. v. Collector of Customs & Central Excise (1998 (101) E.L.T. 549 (S.C.)) and in Commissioner v. Lewek Altair Shipping Pvt. Ltd. (2019 (367) E.L.T. A328 (S.C.)), as well as various Tribunal decisions, have consistently held that a mere wrong claim of exemption or classification does not attract confiscation under Section 111(m) unless deliberate mis-declaration is established. In the present case, the goods were correctly declared and all procedural requirements were followed. No evidence of mala fide intention has been brought on record. Therefore, confiscation under Section 111(m) is wholly unsustainable and liable to be set aside.

- *It is respectfully submitted that redemption fine under Section 125 of the Customs Act, 1962 is not imposable in the present case. Section 125 applies only where goods are liable to confiscation and are available for redemption. As demonstrated hereinabove, confiscation under Section 111(m) itself is unsustainable; consequently, the question of imposing redemption fine does not arise. Further, it is a settled legal position that redemption fine cannot be imposed when the goods are not physically available for confiscation or where no seizure has taken place. The Hon'ble Bombay High Court in CC v. Finesse Creations Inc. (2009 (248) E.L.T. 122 (Bom.)), affirmed by the Hon'ble Supreme Court, has categorically held that in the absence of goods being available, no redemption fine can be levied. Similar view has been taken by the Larger Bench of the Tribunal in Bhagyanagar Metals Ltd. (2016 (333) E.L.T. 395 (Tri.-LB)) and by the Hon'ble Bombay High Court in CC v. National Leather Cloth (2015 (321) E.L.T. 135 (Bom.)). In the present case, the goods were neither seized nor available for confiscation, and therefore, imposition of redemption fine is wholly unsustainable and liable to be set aside.*
- *It is respectfully submitted that penalty under Section 114A of the Customs Act, 1962 is not imposable in the present case. Section 114A can be invoked only where duty has been short-levied or not levied by reason of collusion, willful misstatement, or suppression of facts with intent to evade duty. As demonstrated hereinabove, there is no evidence of any deliberate misstatement, suppression, or mala fide intention on the part of the Appellant. The Appellant has complied with the prescribed procedures, executed the required bond, and made full disclosures*

before the Department. Mere denial of exemption or difference of legal interpretation cannot attract penalty under Section 114A. It is a settled principle that penalty proceedings are quasi-criminal in nature and require conscious and deliberate defiance of law, as held by the Hon'ble Supreme Court in Hindustan Steel Ltd. v. State of Orissa (1978 (2) E.L.T. (J159)). In the absence of any fraud or intentional wrongdoing, imposition of penalty is wholly unsustainable and liable to be set aside.

- *It is respectfully submitted, in rebuttal to the findings in the Impugned Order, that the observations of the Ld. Additional Commissioner are factually and legally incorrect. As recorded in Para 18, the mere absence of specific listing of "semiconductor devices" on the Appellant's website does not alter the technical position that wafer ICs are semiconductor devices which control the flow of electric current by conducting and insulating under different conditions. The imported aluminum bonding wire is used to connect wafer ICs to Printed Circuit Boards (PCBs), forming an essential part of electronic assemblies manufactured by the Appellant. In response to Para 19, the subject goods are undeniably used in connecting wafer ICs—being semiconductor devices—to PCBs, and such assemblies are further used in manufacturing finished electronic goods such as wall clocks, telephones, calculators, alarm timepieces, educational toys, and home appliances. The interpretation adopted in Para 24 is also erroneous, as compliance under the IGCR Rules, 2017 was duly made before the jurisdictional Deputy Commissioner of Customs, Jamnagar, who is the competent authority over the manufacturing premises. The Continuity Bond was executed and utilization details were furnished to the concerned officer. The findings in the Impugned Order overlook these material facts. Accordingly, the conclusions drawn therein are unsustainable and the Impugned Order deserves to be set aside.*

3.1 In continuation to above, the appellant submitted additional submission dated vide letter dt. 23.12.2025, contents of the same is mentioned hereunder :

- *That the appellants imported Aluminium Bonding Wire since last 3 decades for bonding IC (Integrated Circuit) with PCB in house and availed exemption under Customs (Import of Goods at concessional rate of duty for manufacture of excisable goods) Rules, 1996 and availed registration time to time and certificate dated 26.12.2006 as modified on 30.06.2008 is enclosed for reference, in which Aluminium Bonding Wire is mentioned on first page. The said registration was issued after proper verification of admissibility of exemption for different items used in the manufacture of electronic goods.* ***The old Central Excise registration under above rules is enclosed for reference****. We have mentioned in detail in our Appeal memo about the said scheme. For that purposes Appellants have* *obtained the Industrial Registration in 1992 with Government of India Ministry of Commerce & Industry, which was again issued on 26.08.2010 is part of Appeal documents at page No. 55-56.*

- *It is undisputed that Bonded PCB with wafer IC with the Aluminium Bonding wire is Semiconductor Devices which is used in low value electronic products like Quartz Clock, Electronics Calculator & Telephone etc. (as defined in Modern Dictionary of Electronics page 899- copy enclosed).*

PERSONAL HEARING:

4. Personal hearing in the matter was held on 23.12.2025 in Physical mode. Shri S.P. Singh , GST & Legal Advisor and Shri Kirit Mehta, authorised person , appeared for hearing on behalf of the Appellant. He reiterated the submissions made in the appeal memorandum.

DISCUSSION & FINDINGS:

5. Before going into the merits of the case, it is observed from the Form C.A.-1 dated 11.02.2025 that the impugned order dated 16.12.2024 is shown to have been received on 18.12.2024 and that the present appeal has been filed on 11.02.2025. Accordingly, the present appeal has been filed within the normal period of 60 days prescribed for filing an appeal under Section 128(1) of the Customs Act, 1962.

5.1 It is further observed that the appellant, with respect to the payment of mandatary pre-deposit for filing appeal, has deposited sum of Rs. 11350/- vide E-Paymnet Challan No.: 1448149167 dt. 04.02.2025 calculated @7.5% of the duty demand of Rs. 1,51,326/- under the provisions of Section 129E of the Customs Act, 1962.

5.2 As the appeal has been filed within the stipulated time-limit under Section 128(1) of the Customs Act, 1962 and with the mandatory pre-deposit as per Section 129E of the said Act, it has been admitted and being taken up for disposal. One set of the appeal memorandum has forwarded to the adjudicating authority for comments vide this office letter dated 25.03.2025, but no reply thereof has been received. So, I proceed to decide the appeal on the basis of documents submitted by the appellant.

6. I have carefully examined the Impugned Order, the Appeal Memorandum filed by the Appellant, the written and oral submissions made during the course of hearing, as well as the documents and evidence available on record. It is observed that the benefit of exemption under Notification No. 25/1999-Cus dated 28.02.1999, Sr. No. 82 of List A, was denied to the Appellant on the ground that the imported goods were not used in the

manufacture of finished goods, thereby rendering the Appellant liable to pay Basic Customs Duty @10% along with applicable differential Social Welfare Surcharge (SWS) and IGST under the Customs Act, 1962. Accordingly, the primary issue that arises for consideration in the present appeal is whether the Adjudicating Authority was justified in denying the benefit of the said exemption notification and whether such denial is legal and proper in the facts and circumstances of the case.

6.1 I find that the Appellant imported "Aluminium Bonding Wire" vide Bill of Entry No. 7625647 dated 09.05.2020, classifying the same under CTH 7605 19 99 and availing exemption from Basic Customs Duty under Sr. No. 82 of List A of Notification No. 25/1999-Cus dated 28.02.1999. Subsequently, on the basis of data analysis conducted by NCTC, the Department formed a view that the Appellant had wrongly claimed Nil rate of BCD under Sr. No. 82A of the said Notification, whereas the applicable rate of BCD on the subject goods was 10%. Accordingly, a Show Cause Notice F. No. VIII/48-122/ACC/AR-20/2023-24 dated 29.12.2023 was issued alleging wrongful availment of exemption on the ground that the description of the imported goods in the Bill of Entry did not correspond with the description of goods and finished products specified under Columns (3) and (4) of Sr. No. 82 of Notification No. 25/1999-Cus dated 28.02.1999. Thereafter, the Adjudicating Authority, vide Order dated 16.12.2024, confirmed the proposals contained in the said Show Cause Notice, resulting in the present proceedings.

6.2. It is observed from the Appeal Memorandum dated 11.02.2025 filed by the Appellant that the imported goods, namely Aluminium Bonding Wire, are used for bonding wafer ICs made of semiconductor material onto bare Printed Circuit Boards (PCBs). The Appellant has submitted that once the wafer IC is bonded to the PCB, it constitutes a semiconductor device. Further, when the wafer IC along with other components is assembled and encapsulated on the bare PCB, it forms an Electronic Module. Such Electronic Modules are thereafter integrated with other components to manufacture final electronic products such as calculators, quartz clocks, and electronic toys. The Appellant has also furnished copies of Issue Slips evidencing the internal movement and utilization of individual consignments, including Aluminium Bonding Wire, wafer ICs, and PCBs, within the manufacturing premises for production of excisable good.

6.3 It is observed from the Impugned Order that the Adjudicating Authority has not recorded any cogent findings or supported reasons for denying the benefit of the said Notification to the Appellant. In paragraphs 18.1 to 18.3 of the Impugned Order, the Authority has merely noted that upon visiting the Appellant's website, no specific mention of "semiconductor devices" was found as manufactured products. On this sole basis, it has been concluded that since semiconductor devices are not expressly reflected as finished products on the website, the exemption under the said Notification is not available to the Appellant. Such conclusion appears to be based on a presumption rather than on substantive evidence. The finding proceeds on the assumption that the subject goods are not used in the manufacture of semiconductor devices, without bringing any material evidence on record to establish that the products manufactured by the Appellant do not involve or constitute semiconductor devices.

6.4. Upon careful consideration of the submissions made by the Appellant and the records placed before me, I find that the imported Aluminium Bonding Wire is integrally used in bonding wafer ICs to Printed Circuit Boards (PCBs), which results in the formation of semiconductor devices and, upon further assembly and encapsulation, Electronic Modules. These modules are thereafter utilized in the manufacture of final electronic products within the factory premises. The documentary evidence in the form of Issue Slips and records of internal movement of materials substantiates the actual utilization of the imported goods in the manufacturing process. I further find that the Adjudicating Authority has not produced any contrary evidence to establish that the imported goods were not used in the manufacture of semiconductor devices. The denial of exemption appears to have been made on presumptive grounds, without disproving the Appellant's claim through tangible evidence or technical verification. In the absence of any material evidence to the contrary, the Appellant's contention regarding the use of the imported goods merits acceptance.

6.5 It is observed that the second condition for availing the benefit of the said Notification requires compliance with the procedure prescribed under the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (IGCR Rules, 2017). Upon examination of the records and submissions made by the Appellant, I find that the prescribed procedure has been duly followed. The Appellant furnished the requisite intimation and details to the jurisdictional Deputy Commissioner of Customs, Jamnagar, declaring that Aluminium Bonding Wire was being imported for use in the manufacture of semiconductor devices under Sr. No. 82 of List A of Notification No. 25/1999-Cus dated 28.02.1999. The jurisdictional authority, after due verification, accepted the Bond and duly endorsed and countersigned the application in terms of the IGCR Rules, 2017. This establishes procedural compliance on the part of the Appellant. On the basis of the foregoing discussion and the records placed before me, I find that the Appellant has duly complied with the second condition of the Notification, namely adherence to the procedure prescribed under the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. The procedural requirements having been fulfilled, the benefit of the Notification cannot be denied on this ground.

6.6 In view of the detailed findings recorded in paragraphs 6.2 to 6.5 above, I hold that the Appellant has duly satisfied both the substantive condition regarding use of the imported goods in the manufacture of semiconductor devices and the procedural condition of compliance with the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, as prescribed under Notification No. 25/1999-Cus dated 28.02.1999. The utilization of the imported Aluminium Bonding Wire in the manufacturing process stands supported by documentary evidence, and procedural compliance has been duly established before the jurisdictional authority. In the absence of any contrary evidence brought on record by the Department, the denial of exemption is not legally sustainable. Consequently, the demand of Basic Customs Duty along with applicable interest, as well as the order of confiscation, imposition of redemption fine, and penalty, are liable to be set aside.

7 In view of the foregoing discussions and findings recorded hereinabove, the Impugned Order-in-Original dated 16.12.2024 is hereby set aside. The appeal filed by the Appellant is allowed, with consequential relief, if any, in accordance with law.

(Amit Gupta)
Commissioner (Appeals),
Customs, Ahmedabad

F. No. S/49-279/CUS/AHD/2024-25 Date: 06.03.2026
By email (as per Section 153(1)(c) of the Customs Act, 1962)

By Speed post.

M/s. Ajanta LLP,
Orpat Industrial Estate,
Morbi-Rajkot Highway,
Morbi, Gujarat-363641.
info@orpatgroup.com sps@orpatgroup.com

आयुक्त (अपील), सीमा शुल्क
कार्यालय * अहमदाबाद *

Copy to:

1.The Chief Commissioner of Customs Gujarat, Custom House, Ahmedabad. (email: ccoahm-guj@nic.in)
2.The Principal Commissioner of Customs, Custom House, Ahmedabad. (email: cus-ahmd-guj@nic.in rra-customsahd@gov.in)
3. The Additional Commissioner of Customs, Air Cargo Complex, Ahmedabad (aircargo-amd@gov.in)
4. The Assistant Commissioner of Customs, Air Cargo Complex, Ahmedabad (aircargo-amd@gov.in)
5.Guard File.