

CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL

NEW DELHI

PRINCIPAL BENCH- COURT NO. I

Customs Appeal No. 50013 of 2024

(Arising out of Order-in-Original No. DLI/Cus/Prev/HKP/Commr./01/2023 dated 26.09.2023 passed by the Commissioner of Customs (Preventive), New Customs House, New Delhi)

M/s. Arktron Electronics

Partner of M/s. Pulak Ornaments LLP,
301, Shri Ji Plaza, Bada Sarafa,
Indore (M.P.)

....Appellant

Versus

**Commissioner of Customs (Preventive)
New Customs House,
New Delhi-110037**

....Respondent

APPEARANCE:

Shri Anurag Kapur and Shri Kaushal Jaisalmer, Advocates for the Appellant
Shri Shiv Shankar, Authorised Representative of the Department

CORAM:

**HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT
HON'BLE MR. P. V. SUBBA RAO, MEMBER (TECHNICAL)**

DATE OF HEARING/ DECISION: June 27, 2025

FINAL ORDER NO. 50945/2025

JUSTICE DILIP GUPTA

M/s. Arktron Electronics¹ has assailed the order dated 26.09.2023 passed by the Commissioner of Customs (Preventive) by which the benefit of the concessional rate of customs duty under Serial No. 39 of Notification No. 24/2005-Cus² dated 01.03.2005 on inputs namely Aluminium based copper and clad laminates imported through 23 Bills of Entry and used in the manufacture of Metal Clad Printed Circuit Boards has been denied. The order also confirms the demand of differential customs duty with interest and penalty.

1 the appellant

2 the Notification

2. The appellant is engaged, inter alia, in the manufacture of Printed Circuit Boards³. During the relevant period, the appellant claimed the benefit of exemption under serial No. 39 of the Notification on the import of Aluminium based copper clad laminates for use in manufacturing of Metal Clad Printed Circuit Boards. The said entry provides exemption to all goods used in manufacturing PCB classifiable under Customs Tariff Item 8534 00 00 subject to compliance with the Import of Goods for Concessional Rate of Duty Rules, 2017 provided the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996.

3. The issue involved in this appeal relates to eligibility to claim exemption under Serial No. 39 of the Notification on import of Aluminium based Copper Clad Laminates used in manufacturing of Metal Clad Printed Circuit Board classifiable under CTI 8534 00 00, as claimed by the appellant or under CTI 9405 99 00 as claimed by the Department.

4. This issue was decided by the Tribunal in **Crompton Greaves Consumer Electricals Ltd vs. Commissioner of Customs (NS-V)**⁴ and it was held that the assessee is entitled to avail the benefit of exemption notification. These decisions were, subsequently, followed by a Division Bench of the Tribunal in **Crompton Greaves Consumer Electricals Ltd vs. Commissioner of Customs, Nhava Sheva-V**⁵. The department filed an appeal before the Supreme Court against the aforesaid decision of the Tribunal. The Civil Appeal was dismissed in Supreme Court on 29.11.2024 (Civil Appeal Diary No. 28888 of 2024 in **Commissioner of Custom vs. Crompton Greaves Consumer**

³ PCBs

⁴ Customs Appeal No. 86852 of 2021 decided on 09.09.2022

⁵ Customs Appeal No. 85054 of 2022 decided on 28.06.2023

Electrical Ltd) on the grounds of delay as also on merits. The order is reproduced below:

- “1. There is a gross delay gross delay of 312 days in filing the Civil Appeals which has not been satisfactorily explained by the appellant.
2. Even otherwise, we see no good ground to interfere with the impugned order passed by the Customs, Excise & Service Tax Appellate Tribunal, Mumbai.
3. The Civil Appeals are, accordingly, dismissed on the ground of delay as well as on merits.
4. Pending applications, if any, also stand disposed of.”

5. This Division Bench in **Principal Commissioner of Customs, Preventive Commissionerate vs. M/s B.S. Electronics Private Limited**⁶ also examined the same issue and observed as follows:

“28. To sum up:

a) MCPCBs are also PCBs as decided by this Tribunal in **Crompton Greaves** and upheld by the Supreme Court.

b) S.No. 122 of Notification No. 25/1999- Cus before amendment dated 2.2.2022 covered Composite copper clad materials consisting of paper+ epoxy + glass cloth which may fall under Chapters 39,74,75 and 76 which clearly shows that the exemption also covered materials which are predominantly copper falling under Chapter 74, which are predominantly nickel falling under Chapter 75 and which are predominantly aluminium falling under Chapter 76. Therefore, it is not correct to say that laminates with metal core used to manufacture MCPCBs were not covered by S.No. 122 of the exemption. The importers were entitled to the benefit of the exemption notification.”

6 Customs Appeal No. 55355 of 2023 decided on 30.04.2025

6. In view of the aforesaid decisions of the Tribunal, it is not possible to sustain the order dated 26.09.2023 passed by the Commissioner of Customs (Preventive). It is, accordingly, set aside and the appeal is allowed.

(Order dictated in the Open Court)

(JUSTICE DILIP GUPTA)
PRESIDENT

(P. V. SUBBA RAO)
MEMBER (TECHNICAL)

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