IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
EASTERN ZONAL BENCH: KOLKATA

REGIONAL BENCH – COURT NO. 2

Customs Appeal No. 75787 of 2026

(Arising out of Order-in-Appeal No. KOL/CUS/PORT/DC/480/2025 dated 07.11.2025 passed by the Commissioner of Customs (Appeals), 3rd Floor, Custom House, 15/1, Strand Road, Kolkata – 700 001)

M/s. Sova Solar Limited **: Appellant**
DLF Galleria, Office No. DGK 917, 9th Floor,
Block No. BG-8, AA-IB, New Town,
Kolkata – 700 156 (West Bengal)

VERSUS

Commissioner of Customs (Port) **: Respondent**
Custom House, 15/1, Strand Road,
Kolkata – 700 001 (West Bengal)

APPEARANCE:

Shri Arnab Chakraborty, Advocate,
For the Appellant

Shri Ashwini Kr. Choudhary, Authorized Representative,
For the Respondent

CORAM:

HON'BLE SHRI R. MURALIDHAR, MEMBER (JUDICIAL)
HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO. 76292 / 2026

DATE OF HEARING: 22.09.2026

DATE OF DECISION: 29.09.2026

ORDER: [PER SHRI K. ANPAZHAKAN]

The present appeal has been filed challenging Order-in-Appeal No. KOL/CUS/PORT/DC/480/2025 dated 07.11.2025, passed by the Ld. Commissioner of Customs (Appeals), Kolkata, whereby the Original No. KOL/CUS/PORT/JC/Gr.V/23/2024 dated 13.03.2024 along with the various demands contained therein, came to be upheld.

2. The facts of the case are that M/s. Sova Solar Limited [hereinafter referred to as the "appellant] bearing IEC No. 0208025500, having its Unit-II at Layout Plot-25, Banskopa, Durgapur, West Bengal – 713212, is engaged in the manufacture of Solar Photovoltaic (PV) Cells and Solar Photovoltaic (PV) Modules.

3. The matter originated from an analysis of the import data of the appellant for the period commencing from 01.03.2021 undertaken by the Directorate of Revenue Intelligence (DRI), Hyderabad Zonal Unit. In the course of such scrutiny, certain imports made by the appellant came under examination, giving rise to three distinct issues: -

(a) The irregular availment of exemption from Basic Customs Duty under Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005, as amended, in respect of certain machinery imported for manufacture of Solar Photovoltaic Modules;

(b) Short-payment of I.G.S.T. due to mis-classification of certain imported goods described as machinery/spare parts under Schedule I, Sl. No. 234A (IGST @5%) and Schedule-II, Sl. No. 201A (IGST @12%) instead of Schedule-III (IGST @18%); and

(c) Alleged misuse of exemption benefit provided under Sl. No. 18 of Notification No. 25/1999-Cus. dated 28.02.1999, as amended, in respect of imported Solar PV Backsheet.

4. The first issue arose in respect of six Bills of Entry under which the appellant imported machinery and equipment used in the manufacture of Solar Photovoltaic Modules, classifying the goods under Customs Tariff Heading 84862000 and availing the benefit of Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005, as amended, whereby the goods were cleared without payment of Basic Customs Duty. The particulars of the six Bills of Entry are furnished below: -

S. No.	**B/E Number**	**B/E Date**	**Item Description**	**RITC Code**	**Item Wise Ass. Value**
1	2454071	15.09.2022	AUTO LAYUP, GMS-LY2(DET AS PER INV/PL.)	84862000	1,10,03,994
2	2454071	15.09.2022	AUTO BUSSING.GMS-DH-200A(DET. AS PER INV/PL)	84862000	2,42,28,977
3	2580931	23.09.2022	MBB PV CELL SOLDERING STRINGER MODEL-AM050F (DET AS PER INV &P'L)	84862000	6,18,59,038
4	2687443	30.09.2022	2 STAGE & 2 STACK LAMINATOR, GMS-LDD56627 (CODE-M6)(APPARATUS OF THE SEMICONDUCTOR DEVICES) (DET.AS PER INV/PL)	84862000	3,10,80,615
5	5467342	16.09.2021	MBB PV CELL SOLDERING STRINGER MODEL-MS100B (DET AS PER INV/PL)	84862000	3,06,92,625
6	5586178	25.09.2021	2 STACK LAMINATOR, 6.6*2.7 MTRS, TCDY-DJ2/J3-6627 (CODE- M4)(DETAS PER INV/PL)	84862000	1,33,94,197

4.1. The exemption entry in question covered 'apparatus for projection or drawing of circuit patterns on sensitised semiconductor materials'. It was observed that the imported machinery constituted different stages of the manufacturing process of Solar Photovoltaic Modules, having varied functionalities:

i. The MBB-PV Cell Soldering Stringer constitutes the equipment employed at the initial stage of manufacture of Solar Photovoltaic Modules, where individual solar cells are joined with one another. The machine welds the solar cells, one after another, through copper ribbon, thereby producing connected solar cells in the form of a string.

ii. The Auto-Layup Machine is employed after the solar-cell strings have been produced. It aligns the various strings in accordance with the drawing or pattern of the final panel. In this operation, Ethylene-Vinyl Acetate (EVA) sheets and glass are fed into the machine together with the solar-cell strings, the strings being positioned over the EVA sheet in the desired arrangement. The process consequently produces a matrix structure comprising the solar cells.

iii. The Auto-Bussing Machine operates upon the matrix of solar cells so produced and provides the requisite interconnection between the individual cells. It supplies the bus ribbon and undertakes soldering of the respective cells within the matrix, thereby enabling the electrical output generated by the solar cells to be harvested.

iv. The Laminator Machine constitutes the subsequent stage of manufacture and is employed for laminating the assembled solar module so as to ensure its durability and longevity, particularly having regard to the exposure of solar panels to varying climatic conditions. For this purpose, two layers of EVA and glass are arranged in the sequence of Glass/EVA/Solar Cell Strings/EVA/Tedlar Polyester/Tedlar. The assembled five-layered module is placed in the laminator and heated to a maximum temperature of 135°C for approximately 22 minutes. The resulting laminate is completely sealed and is intended to protect the solar cells against environmental exposure, thereby contributing to the longevity of the finished solar module for a period stated to be at least 25 years.

4.2. On the basis of the functional description of the imported equipment, the machines were accordingly considered by the Revenue to be falling outside the purview of Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005 The relevant entry/serial number of the above Notification provides: -

Sr. No.	**Heading, subheading or tariff item**	**Description**
12	8486 20 00	Apparatus for the projection or drawing of circuit patterns on sensitized semi-conductor materials

4.3. Accordingly, it was alleged that differential duty arising amounting to Rs. 2,93,47,918/- [BCD+SWS+IGST] was payable by the appellant, having imported the aforesaid machinery by wrongly availing the exemption under Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005.

5. The second issue related to certain goods imported by the appellant under 176 Bills of Entry [specified in Table-II of the adjudication order]. It was noticed that in respect of these imports, the appellant had discharged Integrated Goods and Services Tax (I.G.S.T.) at the rates of 5% and 12% by classification of the same under Schedule I, Sl. No. 234A (IGST @5%) and Schedule-II, Sl. No. 201A (IGST @12%), which, as per the Revenue, were inapplicable. It was alleged that said goods viz. raw materials and machinery were classifiable under Schedule-III of the IGST Act and accordingly, differential liability was worked out by applying the rate of 18%.

5.1. The differential IGST involved on this count was quantified at Rs. 22,00,549/-. This issue was, however, not contested by the appellant in the adjudication proceedings. The appellant admitted the differential liability and agreed to discharge the same. The amount of Rs.22,00,549/- paid voluntarily by the appellant was accordingly appropriated in the Order-in-Original. The present appeal does not assail the adjudication insofar as this issue is concerned.

6. The third issue concerned the import of Solar PV Backsheet by the appellant through two Bills of Entry, wherein the goods were classified under Customs Tariff Heading 39209919. The details of the said goods are as provided in the following table: -

S. No.	B/E Number	B/E Date	Item Description	CTH	Assessable Value
1	8319536	18.04.2022	SOLAR PV BACKSHELT (QTY:28512 SQM @ USD 1.33/SQM) (16 PLTS) (DET AS PER INV & PL)	3920 9919	3219298
2	8493244	30.04.2022	SOLAR PV BACKSHEET (QTY:56802.6 SQM @USD 1.39/SQM (29 PLTS)(DET.AS PER INV & PL)	3920 9919	6551067

6.1. Sl. No. 18 of Notification No. 25/1999-Cus. dated 28.02.1999, as amended, is reproduced below:-

Sl. No.	Chapter	Description of imported Goods	Description of Finished Goods
18.	28, 38, 39, 70, 74, 76	Aluminium paste; ethylene vinyl acetate sheets (EVA); primer for EVA; Crane glass; tedlar coated aluminium sheet; phosphorous oxychloride; halo carbon (CF_4)/Freon gas; tinned copper interconnect; toughened glass with low iron content and transmittivity of min. 90% and above; multilayered sheets with tedlar base; fluro polymer resin; ultra high purity (UHP) silane in UHP nitrogen; UHP silane; diborane in UHP silane; MOCVD grade phosphine in UHP silane; silver sputtering target; high purity tin tetrachloride; nitrogen trifluoride of 99% purity and above.	Solar cells/modules

6.2. The imported Solar PV Backsheet was procured by the appellant from M/s. Changzhou Fufeng Material Technology Co. Ltd., China. The controversy in this regard centred around the expression "Tedlar base" occurring in the exemption entry. The allegations proceeded on the basis that "Tedlar" is a proprietary trade mark associated with M/s. DuPont, USA, and that the Chinese supplier had no authorisation from M/s. DuPont to manufacture or supply a product bearing the said proprietary mark. The appellant's

claim, however, concerned the exemption available in respect of the imported Solar PV Backsheet and the character of the base material employed therein. The differential duty involved in respect of these imports was quantified at Rs. 12,70,790/- [BCD+SWS+IGST] on the allegation that the goods imported by the appellant did not conform to the language and purport of Sl. No. 18 of Notification No. 25/1999-Cus. dated 28.02.1999.

7. During the course of the proceedings, the statement of Shri Sujit Saha, Chief Financial Officer of the appellant-company, was recorded under Section 108 of the Customs Act, 1962 on 13.03.2023. Shri Saha, who had been associated with the appellant since 2013, stated, inter alia, that the appellant was engaged in the manufacture of Solar Photovoltaic Modules at its Durgapur unit. In the course of his statement, he also stated that the appellant was not engaged in the business of drawing or projecting circuit patterns on printed circuit boards.

7.1. A further statement of Shri Sujit Saha was recorded on 05.04.2023, wherein, inter alia, the functioning of the machinery imported by the appellant was explained in greater detail. In respect of the MBB-PV Cell Soldering Stringer, he explained that the machine was utilised for welding the solar cells through copper ribbons so as to form strings. In respect of the Auto-Layup Machine, he explained that the machine aligned the strings in the desired configuration and placed them over EVA sheets so as to produce the requisite matrix structure. In relation to the Auto-Bussing Machine, he explained that the machine provided interconnection amongst the solar cells through bus ribbons and soldering, enabling the

electrical output of the matrix to be collected. In relation to the Laminator Machine, he explained that the assembled solar-cell structure was laminated between EVA and glass layers so as to protect the solar cells and impart durability to the finished module. In the same statement dated 05.04.2023, Shri Saha appears to have stated, in relation to the issue concerning the Solar PV Backsheet, that he would verify the position with the supplier as to the manner in which the expression "Tedlar base" had been used and would revert after obtaining the requisite information. The appellant was thus called upon, in the course of the investigation, to substantiate the technical particulars relevant to the imported backsheet.

8. Upon completion of the investigation, a Show Cause Notice dated 13.09.2023 was issued to the appellant proposing, inter alia, recovery of differential customs duty amounting in aggregate to Rs. 3,28,19,257/-, together with applicable interest under Section 28AA of the Customs Act, 1962, and proposing consequential action in respect of the imported goods and the appellant. The total differential duty proposed under the three issues comprised Rs.2,93,47,918/- towards duty on the ground of ineligibility towards the benefit provided under Notification No. 24/2005-Cus., Rs. 22,00,549/- towards differential IGST on the goods covered under Schedule-III of the IGST Act attracting IGST @18%, and Rs. 12,70,790/- on the ground of the Solar PV Backsheets in question not being covered by Notification No. 25/1999-Cus.

8.1. The appellant participated in the adjudication proceedings and a personal hearing was afforded on

16.02.2024. During the course of the personal hearing and in its written submissions, the appellant admitted the differential IGST liability pertaining to Issue No. 2 and agreed to pay the same. In respect of the remaining issues, the appellant contested the proposed demand and sought consideration of the technical and documentary material placed on record. The appellant subsequently placed on record a Technical Certificate dated 22.02.2024 issued by Shri Indrajit Sengupta, B.Tech., IIT Kharagpur, concerning the technical characteristics and functional aspects relevant to the imported goods.

9. The proceedings culminated in Order-in-Original No. KOL/CUS/PORT/JC/Gr.V/23/2024 dated 13.03.2024, passed by the Ld. Additional Commissioner of Customs (Port), Kolkata. Vide said order, the adjudicating authority confirmed the demands of differential duty of Rs. 2,93,47,918/- and Rs. 12,70,790/- as proposed in the Show Cause Notice, by denying the benefit of the said Notification(s). The differential IGST of Rs. 22,00,549/-, which had already been paid by the appellant, was appropriated by the adjudicating authority. The adjudicating authority further ordered recovery of applicable interest on the differential duties. The imported goods, having an aggregate value of Rs. 37,59,80,159/-, were held liable to confiscation under Sections 111(m) and 111(q) of the Customs Act, 1962 and an amount of Rs. 1,00,00,000/- was imposed as redemption fine under Section 125 of the Customs Act. The adjudicating authority also imposition of a penalty of Rs. 10,00,000/- upon the appellant under Section 112(a)(ii) of the Customs Act, 1962.

9.1. In adjudicating the first issue, the adjudicating authority observed that the goods, namely, MBB-PV Cell Soldering Stringer, Auto-Layup Machine, Auto-Bussing Machine and Laminator Machine, imported under the five Bills of Entry forming the subject matter of the said issue, did not perform the function of "projection", which, according to the adjudicating authority, connotes the representation of a solid shape or object upon a flat surface. The authority further observed that, in the semiconductor industry, the drawing or projection of circuit patterns on sensitised semiconductor substrates is ordinarily undertaken through the process of photolithography, which was described as one of the quintessential stages in the semiconductor fabrication process employed for the manufacture of semiconductor devices, including integrated circuits such as computer processors, microcontrollers and memory chips. On the aforesaid reasoning, it was observed that the imported machinery did not perform the functions contemplated under Sl. No. 12 of Notification No. 24/2005 dated 01.03.2005, as amended. The adjudicating authority also adverted to the Technical Certificate dated 22.02.2024 issued by Shri Indrajit Sengupta, B.Tech., IIT, Kharagpur, but did not consider the same to be of assistance to the appellant. The authority observed that the certificate itself recorded that the legal aspect of the matter had not been examined by the certifying person and, on that basis, proceeded to hold that the certificate had no relevance to the issue under adjudication. The authority further relied upon the statement of Shri Sujit Saha, Chief Financial Officer of the appellant, recorded under Section 108 of the Customs Act, 1962 on 13.03.2023. On a cumulative consideration of the

aforesaid material, the benefit of Sl. No. 12 of Notification No. 24/2005 dated 01.03.2005, as amended, was denied and the corresponding differential duty liability was confirmed.

9.2. As regards the second issue relating to discharge of IGST at the rate of 18%, the adjudicating authority noted that although the appellant had paid the differential IGST amounting to Rs.22,00,549/-, the corresponding interest liability had remained unpaid.

9.3. In relation to the third issue concerning the imported Solar PV Backsheet, the adjudicating authority proceeded on the premise that only "Tedlar" manufactured by M/s. DuPont would answer the description contemplated under Sl. No. 18 of Notification No. 25/1999 dated 28.02.1999. The authority observed that, had the intention of the notification been to extend the exemption to PVC multilayered backsheet incorporating PVF film manufactured by 'any' manufacturer, the Government would have referred to the underlying chemical name of the base material rather than the trade-marked name "Tedlar". Proceeding on such interpretation of the expression employed in the notification, the adjudicating authority concluded that the imported Solar PV Backsheet did not satisfy the stipulated condition and, consequently, denied the benefit of the said notification and confirmed the corresponding differential duty liability.

10. Being aggrieved, the appellant preferred an appeal before the Commissioner (Appeals). The first appellate proceedings culminated in Order-in-Appeal No. KOL/CUS(PORT)/KS/607/2024 dated 18.10.2024, whereby the appeal came to be dismissed on the

ground of alleged non-compliance with the pre-deposit requirement under Section 129E of the Customs Act, without examination of the substantive issues arising in the appeal.

10.1. The appellant thereafter approached the CESTAT, Kolkata Bench by filing their appeal under Customs Appeal No. 75878 of 2025, which was disposed of by Final Order No. 76638 of 2025 dated 25.06.2025. While disposing of the appeal, the Tribunal took note of the position relating to the pre-deposit and remanded the matter to the Commissioner (Appeals) for consideration of the appeal on merits.

11. Pursuant to the aforesaid remand, the Commissioner of Customs (Appeals), Kolkata, reconsidered the matter and passed the impugned Order-in-Appeal No. KOL/CUS/PORT/DC/480/2025 dated 07.11.2025, whereby the appeal of the appellant was rejected and the Order-in-Original dated 13.03.2024 was upheld in its entirety.

12. The appellant is consequently before this Tribunal, assailing the impugned appellate order and the underlying adjudication insofar as the substantive disputes relating to Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005 and Sl. No. 18 of Notification No. 25/1999-Cus. dated 28.02.1999 are concerned, together with the consequential findings relating to confiscation, redemption fine, interest and penalty. The differential IGST liability pertaining to Issue No. 2, having been admitted and paid by the appellant, does not constitute a surviving dispute in the present appeal.

13. During the course of hearing, the Ld. Counsel appearing on behalf of the appellant advanced various submissions, which can, inter alia, be broadly summarized as under: -

I. Entitlement of the Imported Machinery to Exemption under Sl. No. 12 of Notification No. 24/2005-Customs dated March 1, 2005 as Apparatus for Drawing of Circuit Patterns on Sensitized Semiconductor Materials

(i) That the first and principal issue concerns the appellant's entitlement to exemption under Sl. No. 12 of Notification No. 24/2005-Customs dated March 1, 2005, in respect of the MBB-PV Cell Soldering Stringer Machines, Auto Lay-up Machines, Auto Bussing Machines and Laminator Machines imported under tariff item 8486 20 00 of the First Schedule to the Customs Tariff Act, 1975. Sl. No. 12 exempts "apparatus for the projection or drawing of circuit patterns on sensitized semiconductor materials". The exemption is therefore framed in the alternative. An apparatus may qualify for the exemption, if it performs projection of circuit patterns or if it performs drawing of circuit patterns. It is not necessary that both functions should be performed simultaneously.

(ii) The use of the disjunctive expression "or" is material and must be given effect. In *Grasim Industries Ltd. v. Collector of Customs, Bombay, 2002 (141) E.L.T. 593 (S.C.),* the Hon'ble Supreme Court held in paragraph 8 that no word or expression used in a statute can be treated as redundant or superfluous; that every word must be considered in the context in which

it is used; and that a construction which requires addition, substitution or rejection of words must be avoided. The expression "drawing" in Sl. No. 12 therefore has an independent field of operation and cannot be reduced to a mere synonym for the word 'projection' mentioned in the beginning.

(iii) The finding to the contrary proceeds upon an impermissibly restrictive reading of the notification. In paragraph 17.5.2 of the said adjudication order, the adjudicating authority proceeded on the footing that, in semiconductor manufacture, "drawing/projection" of circuit patterns is effected through photolithography by the use of ultraviolet light and through processes such as etching, chemical vapour deposition or ion implantation. The same reasoning was reproduced and adopted in the appellate proceedings. The notification, however, contains no reference whatsoever to photolithography, ultraviolet light, etching, chemical vapour deposition, ion implantation, wafers, integrated circuits or any particular technological process. By treating one method of 'projection' as exhausting the separate statutory expression "drawing", the authorities have effectively rewritten the exemption.

(iv) Such an approach is contrary to the settled principle that an exemption notification must be interpreted according to its express language and not by importing supposed limitations into it. In *Gujarat State Fertilizers Co. v. Collector of Central Excise, 1997 (91) E.L.T. 3 (S.C.),* the Hon'ble Supreme Court held, inter alia, in

paragraphs 10 and 12 that the express language of an exemption notification must be given due effect and that the object and purpose of the exemption must be gathered from the language actually employed. The same decision further recognises that where the notification refers to tariff chapters, the relevant Chapter Notes form part of the interpretative context of the exemption.

(v) The ordinary meaning of the word "draw" also militates against the narrow construction adopted in the said impugned order. The Shorter Oxford English Dictionary on Historical Principles, Sixth Edition, Volume 1, A-M, gives several meanings of the verb "draw" which demonstrate that the expression is not confined to 'pictorial sketching' or 'optical projection'. Among the various meanings mentioned for the word 'draw' in the Dictionary, Sense 8 includes "Construct (a ditch, canal, wall) from one point to another"; Sense 23 includes "Gather together, collect, assemble"; Sense 24 includes "bring about as a result"; and Sense 30 includes causing something to "come out or appear". The same work, under the compound "draw loom", describes a loom in which warp threads are pulled in a particular order to produce a pattern. These meanings are consistent with the formation of a circuit pattern by arranging, connecting and assembling semiconductor cells and conductive elements in a predetermined configuration.

(vi) The approach of giving the words their natural and grammatical meaning is supported by the

decision of the Hon'ble Apex Court in *State of Andhra Pradesh v. Linde India Ltd., 2020 (36) G.S.T.L. 3 (S.C.).* In paragraph 16, the Hon'ble Supreme Court reiterated that statutory words are first to be understood in their natural, ordinary or popular sense and phrases according to their grammatical meaning, unless such construction leads to absurdity or the context indicates otherwise. There is nothing in Sl. No. 12 of Notification No. 24/2005-Customs dated March 1, 2005 which confines "drawing" to photolithographic projection, as interpreted by the adjudicating and appellate authorities.

(vii) The tariff context further supports the appellant. Chapter 84, Note 11(A) of the First Schedule to the Customs Tariff Act, 1975 expressly provides that, for the purposes of Note 11 and Heading 8486, the expression "semiconductor devices" also covers "photosensitive semiconductor devices and light-emitting diodes (LED)". Chapter 84, Note 11(C) further provides that Heading 8486 includes machines and apparatus solely or principally of a kind used for, inter alia, assembling semiconductor devices or electronic integrated circuits. The statutory tariff itself therefore contemplates photosensitive semiconductor devices within the field of Heading 8486 and is not confined to conventional wafer fabrication or integrated-circuit photolithography.

(viii) The appellant's solar photovoltaic cells are photosensitive semiconductor devices. The process undertaken by the imported machinery is not merely incidental handling of completed

articles. It creates the electrical interconnection by which individual photovoltaic cells become a functioning module. The technical material placed on record explains that the circuit pattern consists of a defined arrangement of electrically interconnected semiconductor cells, having positive and negative lines and series/parallel combinations, through which the cumulative electrical output of the module is generated and transmitted.

(ix) The machine-wise functions recorded even in the said adjudication order demonstrate the formation of such circuit pattern. Paragraph 17.3 records that the MBB-PV Cell Soldering Stringer uses photovoltaic semiconductor cells as input and solders the cells through copper ribbon into connected strings; that the soldered connections enable the photovoltaic module to transmit electricity; that the Auto Lay-up Machine aligns the strings according to the final panel drawing or pattern and produces a matrix structure of solar cells; and that the Auto Bussing Machine interconnects the cells in the matrix through bus ribbon and soldering so that the electrical output of the cells can be harvested. These findings themselves establish the successive creation, arrangement and completion of an electrical circuit configuration.

(x) The appellant's technical explanation is still more specific. The material submitted during adjudication explains that the Auto Lay-up Machine receives strings formed by the Stringer Machine and places them on glass and EVA (Ethylene-Vinyl Acetate.) in a predetermined

manner keeping in view the positive and negative lines and the required series/parallel combination of the semiconductor circuit. It further records that 144 half-cut cells are arranged into 12 strings for making the final product and that the operation is undertaken for making the circuit pattern of the final module. The Auto Bussing Machine thereafter links the individual cells and strings, fixes and solders the bus ribbons at predetermined locations and provides the positive, negative and middle connections required to complete the electrical circuit.

(xi) The technical position was independently confirmed by Shri Indrajit Sengupta, B.Tech., IIT Kharagpur, Chartered Engineer. In his certificate dated February 22, 2024, he certified that the MBB-PV Cell Soldering Stringer Machine, Auto Lay-up Machine, Auto Bussing Machine and Laminator Machine are used in close coordination for projection and drawing of circuit pattern on sensitized semiconductor devices in the manufacture of solar modules. The adjudicating authority noticed the certificate in paragraph 17.6 of the said adjudication order but discarded it substantially because the Chartered Engineer had stated in Disclaimer No. (iv) that he had not examined the legal issues. That reasoning is untenable. The function of a Chartered Engineer is precisely to certify the technical operation of the machinery; whether those certified technical facts satisfy the language of the exemption is a matter for adjudication. The fact that the expert refrained from expressing a legal conclusion

strengthens rather than weakens the independence of his technical opinion.

(xii) The technical evidence has thereafter been reaffirmed in the subsequent certificate of Shri Indrajit Sengupta dated September 15, 2026. The machine-wise Schedule to that certificate explains that the Stringer Machine solders the photovoltaic cells with bus bars into strings forming the initial circuit arrangement; the Auto Lay-up Machine aligns and positions the strings with reference to the positive and negative lines and the required series/parallel configuration; and the Auto Bussing Machine interconnects the cells and strings and "complete[s] the drawing of circuit pattern on sensitized semiconductor material". The certificate further explains that the Laminator preserves the circuit pattern so formed and prevents its disturbance by air, water and environmental exposure.

(xiii) The Department has produced no contrary expert opinion, no technical report from any laboratory or engineering body, and no evidence showing that the expression "drawing of circuit patterns" is, as a matter of semiconductor engineering, exclusively synonymous with photolithographic projection. The finding in paragraph 17.5.2 of the said adjudication order was instead founded upon what the authority itself described as a "cursory reading of literature on photolithography available on the internet". Such general literature concerning fabrication of 'integrated circuits' cannot displace the specific technical evidence concerning the actual function of the

machinery installed and operating at the appellant's solar photovoltaic manufacturing plant.

(xiv) The reliance placed upon the statement of Shri Sujit Saha, Chief Financial Officer, recorded on March 13, 2023, also does not advance the Department's case. Paragraph 17.7 of the said adjudication order relies upon his statement that the appellant was not engaged in drawing or projecting circuit patterns onto Printed Circuit Boards. Sl. No. 12 of Notification No. 24/2005-Customs dated March 1, 2005, however, does not refer to Printed Circuit Boards at all. It refers to circuit patterns on sensitized semiconductor materials. The statement concerning Printed Circuit Boards therefore answers a different question and cannot be treated as an admission that circuit patterns are not drawn upon or formed through the appellant's photovoltaic semiconductor cells.

(xv) The distinction is fundamental. The appellant does not contend that its machinery performs photolithographic projection upon a wafer or that it manufactures Printed Circuit Boards. Its case is that the notification itself separately exempts apparatus for "drawing" circuit patterns; that photovoltaic cells are photosensitive semiconductor devices expressly recognised within the tariff context of Heading 8486; and that the imported machinery physically brings into existence the defined electrical circuit configuration of such cells through stringing, alignment, series/parallel arrangement, bussing and soldering. That

process answers the independent statutory expression "drawing of circuit patterns".

(xvi) The finding in paragraph 17.8 of the said adjudication order, affirmed by the said impugned order, that the imported machines do not perform any drawing or projection of circuit patterns on sensitized semiconductor devices, is therefore contrary to the express wording of Sl. No. 12 of Notification No. 24/2005-Customs dated March 1, 2005, contrary to Chapter 84, Note 11(A) and Note 11(C), contrary to the ordinary meaning of the expression "drawing", and contrary to the unrebutted technical evidence on record.

(xvii) Accordingly, it is submitted that the appellant is entitled to exemption under Sl. No. 12 of Notification No. 24/2005-Customs dated March 1, 2005 in respect of the subject machinery classified under tariff item 8486 20 00. The denial of the exemption and the consequential demand of differential duty of Rs. 2,93,47,918/-, together with interest under Section 28AA of the said Act and the consequential confiscation, redemption fine and penalty attributable thereto, are illegal and liable to be set aside.

II. Entitlement Of Solar PV Backsheet to Exemption Under Sl. No. 18 of Notification No. 25/1999-Customs dated February 28, 1999

(i) The second substantive issue concerns the appellant's entitlement to exemption under Sl. No. 18 of Notification No. 25/1999-Customs dated February 28, 1999 in respect of Solar PV Backsheet imported under Bill of Entry No.

8319536 dated April 18, 2022 and Bill of Entry No. 8493244 dated April 30, 2022, classified under tariff item 3920 99 19. The relevant entry, as it stood during the material period, covered, inter alia, "multilayered sheets with tedlar base" when imported for manufacture of solar cells/modules.

(ii) It is material that the contemporaneous 2022-23 edition of Customs Duty Rates & Exemptions, General Exemption No. 180, reproduces the relevant entry as Sl. No. 18 and not Sl. No. 18A. The entry covers goods falling under Chapters 28, 38, 39, 70, 74 and 76 and specifically includes, amongst other inputs for solar cells/modules, "tedlar coated aluminium sheet" and "multilayered sheets with tedlar base". The departmental proceedings have repeatedly described the entry as Sl. No. 18A; however, the material-time exemption entry itself is Sl. No. 18.

(iii) The appellant's goods are multilayered Solar PV Backsheets used in the manufacture of solar photovoltaic modules and contain a polyvinyl fluoride, or PVF, outer layer. The departmental case does not proceed on the footing that the goods are not multilayered backsheets, that they are not used in the manufacture of solar cells/modules, or that they do not contain PVF. The denial of exemption rests essentially upon the proposition that the expression "Tedlar" means only material manufactured by or under authority from M/s DuPont and that a PVF-based backsheet manufactured by an independent Chinese manufacturer cannot answer the

expression "multilayered sheets with tedlar base".

(iv) This reasoning is apparent from paragraphs 18.5 and 18.6 of the said adjudication order. Paragraph 18.5 itself records, upon reference to DuPont literature, that "tedlar" is a trade name for Polyvinyl Fluoride (PVF) film. The authority thereafter reasons that if the Central Government had intended to extend the exemption to multilayered sheets having a PVF layer manufactured by any manufacturer, it would have used the chemical expression "polyvinyl fluoride" rather than the trademarked expression "Tedlar". The said impugned order adopts substantially the same reasoning in paragraph 9 and further holds that, since the supplier, M/s Changzhou Fufeng Material Technology Co. Ltd., China, was not shown to have been authorised by DuPont to manufacture or market goods under the trademark "Tedlar", the exemption was unavailable.

(v) The reasoning proceeds by adding a condition which does not occur anywhere in Notification No. 25/1999-Customs dated February 28, 1999. Sl. No. 18 does not say "Tedlar manufactured by DuPont", "DuPont Tedlar", "Tedlar bearing the registered trademark of DuPont", or material manufactured by a licensee or authorised manufacturer of DuPont. It merely employs the expression "multilayered sheets with tedlar base". A restriction founded upon the identity, licence or authorisation of the manufacturer cannot be read into an exemption notification which contains no such restriction.

Here, "tedlar" is written in small form, and is not capitalized or in proper noun, or accompanied with ® symbol to show that the same is trademarked.

(vi) The manner in which the Central Government itself has historically employed the expression is of considerable significance. Notification No. 13/97-Customs dated March 1, 1997, issued under Section 25(1) of the Customs Act, 1962, contained in List A, Sl. No. 7, the description "Polyvinyl fluoride (TEDLAR); Tedlar; Aluminium Tedlar" against Chapters 38, 39 and 76, with "Solar cells/modules" as the finished goods. The notification thereby placed "Polyvinyl fluoride (TEDLAR)" and "Tedlar" together in the very context of inputs used for manufacture of solar cells/modules.

(vii) The same legislative usage continues within Notification No. 25/1999-Customs dated February 28, 1999 itself. In the consolidated material-time notification, Sl. No. 38 separately refers to "Polyvinyl fluoride (TEDLAR); Tedlar; Aluminium Tedlar; Toughened Glass; Silver paste" for manufacture of solar cells/modules. The use by the Central Government of "Polyvinyl fluoride (TEDLAR)" in one entry and "multilayered sheets with tedlar base" in Sl. No. 18 is a strong contextual indication that, within this exemption notification and within the solar-manufacturing trade to which it is directed, the expression "Tedlar" is being used descriptively in relation to PVF material. It does not support the introduction of an unstated DuPont-source condition.

(viii) The relevant interpretative principle is settled. Reliance is placed on the following: -

- *Union of India v. Garware Nylons Ltd., 1996 (87) E.L.T. 12 (S.C.) : (1996) 10 SCC 413*
- *Commissioner of Customs (Import) v. Welkin Foods, 2026 (395) E.L.T. 273 (S.C.) : (2026) 38 Centax 104 (S.C.)*

(ix) The appellant has placed precisely such material on record. The article titled "Types of Solar Backsheet in Solar Panel" published by Vishakha Renewables discusses Polyvinyl Fluoride backsheets in the context of solar photovoltaic modules and expressly uses PVF and Tedlar interchangeably, describing PVF as being also known as Tedlar in the solar backsheet industry. This is directly relevant trade material emanating from the very industry to which Sl. No. 18 is addressed.

(x) The same understanding appears in independent technical literature. The chapter titled "Performance and degradation analysis for long term reliability of solar photovoltaic systems: A review", published in Advances in Renewable Energies and Power Technologies, Volume 1: Solar and Wind Energies, edited by Imene Yahyaoui, Elsevier, 2018, ISBN 978-0-12-812959-3, DOI 10.1016/C2016-0-04518-7, describes the multilayer backsheet structure of photovoltaic modules by reference to polyvinyl fluoride (PVF), "commonly known as Tedlar", including Tedlar-PET based constructions. The usage is technical and industry-specific and demonstrates that "Tedlar" is commonly used in the photovoltaic field as a material description associated with PVF.

(xi) The commercial usage is further corroborated by market material placed on record. The SKC 232-01 Tedlar Air Sampling Bag product description on Amazon.com online marketplace identifies the film used in the bag as "PVF (Tedlar) film", while other sellers use expressions such as "Tedlar Gas Sampling Bag" while identifying PVF as the material of the film. Such evidence is not relied upon as determinative by itself, but it reinforces the broader commercial usage already demonstrated by governmental and technical material.

(xii) The appellant's case does not require this Hon'ble Tribunal to hold that the trademark "Tedlar" has ceased to belong to DuPont, has become legally generic under trademark law, or may be commercially represented by any manufacturer as a DuPont product. That is not the issue before this Tribunal. The narrower question is what the Notification intended by the expression "multilayered sheets with tedlar base" in a customs exemption notification directed specifically to inputs used in the manufacture of solar cells/modules. On that question, the notification language, prior governmental usage, the structure of Notification No. 25/1999-Customs dated February 28, 1999 itself, and the technical and commercial literature all point in the same direction: "Tedlar" is used in the relevant solar-industry context to denote the PVF layer or PVF-based material employed in such backsheets.

(xiii) The finding in paragraph 9 of the said impugned order that the exemption is "explicitly restricted" to a trademarked product of DuPont is therefore unsupported by the language of the notification. The exemption nowhere states that the material must originate from DuPont. Nor does it require the importer to establish a chain of trademark authorisation from DuPont to the foreign manufacturer. The said impugned order thus converts the description of the material into an origin or brand condition which the relevant Notification did not prescribe.

(xiv) The approach is also internally inconsistent. Paragraph 18.5 of the said adjudication order accepts the proposition that Tedlar is a trade name for PVF film, yet proceeds to treat the trade name as necessarily importing an exclusive manufacturer requirement. The former does not lead to the latter. A trade expression may originate from a proprietary name and yet acquire a recognised descriptive meaning within a particular industry. The proper enquiry in a fiscal notification is how the expression is used in the relevant statutory and commercial context, not whether the imported goods can lawfully be marketed under another entity's trademark.

(xv) The interpretation adopted by the authorities also produces an anomalous result. It would mean that two multilayered solar backsheets identical in material composition, construction and use, each having a PVF outer layer and each used for manufacture of solar cells/modules, would be treated differently for customs

exemption solely because one PVF film was sourced from DuPont and the other from another manufacturer. Nothing in Sl. No. 18 of Notification No. 25/1999-Customs dated February 28, 1999 indicates that the Central Government intended such a brand-specific fiscal distinction.

(xvi) The appellant's Solar PV Backsheets imported under Bill of Entry No. 8319536 dated April 18, 2022 and Bill of Entry No. 8493244 dated April 30, 2022 therefore answer the description "multilayered sheets with tedlar base" appearing in Sl. No. 18 of Notification No. 25/1999-Customs dated February 28, 1999, when that expression is construed in its statutory, technical and commercial context.

(xvii) The denial of the exemption and the consequential differential duty demand of Rs. 12,70,790/- under Section 28(1) of the said Act are accordingly unsustainable. The consequential demand of interest under Section 28AA of the said Act, as well as the confiscation, redemption fine and penalty attributable to these imports, must therefore also fail and are liable to be set aside.

III. Consequences of the Appellant's Concession On The Differential IGST Issue; Confiscation, Redemption Fine, Penalty and Interest

(i) The third issue requires to be dealt with separately from the two exemption disputes considered hereinabove. In respect of the goods covered by Table-II to the said Show Cause Notice, the appellant does not press its

challenge to the differential IGST amount of Rs. 22,00,549/-. The said amount already stands deposited by the appellant vide Challan dated February 26, 2024 and has been appropriated in the said adjudication order. The appellant accordingly does not seek interference with the confirmation and appropriation of the said differential IGST or the statutory interest, if any, consequential thereto under Section 28AA of the said Act.

(ii) The aforesaid concession is, however, confined strictly to the differential IGST liability and the consequential interest thereon. It does not amount to an admission that the goods were misdeclared, that they became liable to confiscation under Sections 111(m) or 111(q) of the said Act, or that the appellant became liable to redemption fine under Section 125 or penalty under Section 112(a)(ii) thereof. Those consequences require satisfaction of their respective statutory requirements and cannot follow automatically merely because the appellant has chosen not to contest a differential tax liability.

(iii) The dispute concerning the goods covered by Table-II was essentially one concerning the applicable rate of integrated tax. The Bills of Entry disclosed the imported goods, their descriptions and the rate of tax claimed by the appellant. There is no finding that any goods were concealed, that their identity was suppressed, that fictitious documents were produced, or that the imported goods were different from the goods actually declared

before Customs. The subsequent acceptance of a higher rate of integrated tax does not retrospectively convert a disclosed classification or rate claim into a misdeclaration attracting confiscation.

(iv) Section 112(a) of the said Act is consequential upon an act or omission which renders the goods liable to confiscation under Section 111. Unless the foundational liability to confiscation is established, penalty under Section 112(a)(ii) cannot independently survive. In the present case, the differential IGST issue represents, at its highest, a dispute concerning the fiscal treatment of fully declared goods. The appellant's decision not to press the tax component therefore furnishes no independent basis for sustaining the penalty of Rs. 10,00,000/- imposed under Section 112(a)(ii).

(v) The position is still stronger in respect of the machinery covered by Notification No. 24/2005-Customs dated March 1, 2005 and the Solar PV Backsheets covered by Notification No. 25/1999-Customs dated February 28, 1999. For the reasons already set out in paragraphs 3.1 to 5.17 hereinabove, the appellant disputes the very differential duty liability in respect of those two issues. Consequently, if the principal duty demands of Rs. 2,93,47,918/- and Rs. 12,70,790/- are set aside, the interest demanded under Section 28AA in respect thereof must necessarily fall with the principal demands.

(vi) The confiscation of the goods under Sections 111(m) and 111(q) is independently

unsustainable. The goods covered by all three sets of Bills of Entry had already been finally assessed and cleared for home consumption long before issuance of the said Show Cause Notice dated September 13, 2023. They were neither seized nor provisionally released against any bond securing their production for confiscation. The goods were therefore not available for confiscation when the adjudication proceedings culminated.

(vii) The operative portion of the said adjudication order itself records that the goods covered by Tables-I, II and III, having an aggregate assessable value of Rs. 37,59,80,159/-, had already been cleared. Nevertheless, the adjudicating authority held them liable to confiscation under Sections 111(m) and 111(q) and imposed a composite redemption fine of Rs. 1,00,00,000/- under Section 125 of the said Act. The finding proceeds upon the premise that a redemption fine can be imposed notwithstanding the prior unconditional clearance and non-availability of the goods. That premise is contrary to the law governing Section 125.

(viii) In this regard, the appellant relies on the following case-law: -

- *Commissioner of Customs (Import), Mumbai v. Finesse Creation Inc., 2009 (248) E.L.T. 122 (Bom.)*
- *Weston Components Ltd. v. Commissioner of Customs, New Delhi, 2000 (115) E.L.T. 278 (S.C.)*
- *Commissioner v. Finesse Creation Inc., 2010 (255) E.L.T. A120 (S.C.).*

- *JMS Mining Private Limited v. Commissioner of Customs (Port), Kolkata, 2026 (6) TMI 959 - CESTAT Kolkata.*

(ix) There is an additional infirmity in the quantification of redemption fine. A single composite redemption fine of Rs. 1,00,00,000/- has been imposed against goods cumulatively valued at Rs. 37,59,80,159/- covering three entirely different disputes, without separately identifying the fine attributable to the machinery exemption issue, the Solar PV Backsheet issue and the differential IGST issue. Once the appellant succeeds on either or both of the exemption disputes, the very valuation base upon which the composite fine was imposed ceases to remain intact. There is no mechanism in the said adjudication order by which the fine can thereafter be segregated or sustained issue-wise.

(x) More fundamentally, the said adjudication order does not disclose any ascertainment of the market price of the offending goods, any determination of the margin of profit, or any objective material explaining why a fine of precisely Rs. 1,00,00,000/- was considered appropriate. The quantum is therefore not founded upon any demonstrated economic or evidentiary basis. This constitutes a further and independent ground for setting aside the redemption fine, apart from the complete absence of goods available for redemption.

(xi) The penalty of Rs. 10,00,000/- imposed under Section 112(a)(ii) is likewise a single composite penalty covering all three issues. The order does not segregate the penalty attributable to any

individual Bill of Entry or to any of the three distinct allegations. Consequently, if the machinery and Tedlar demands fail, the composite penalty cannot be preserved merely by reference to the conceded IGST component of Rs. 22,00,549/-.

(xii) In any event, the factual circumstances do not warrant penal consequences. In respect of the machinery, the exemption under Sl. No. 12 of Notification No. 24/2005-Customs dated March 1, 2005 was expressly declared in the Bills of Entry and was subjected to specific assessment queries before clearance. In respect of the Solar PV Backsheets, the goods, their description, classification and exemption claim were similarly disclosed. As regards the Table-II goods, the dispute concerns the rate of integrated tax adopted upon disclosed imports. There is thus no factual foundation for treating the appellant as having clandestinely introduced goods or concealed any material particular from Customs.

(xiii) Accordingly, in respect of the differential IGST amount of Rs. 22,00,549/-, the appellant confines its challenge to the confiscation under Sections 111(m) and 111(q), the redemption fine under Section 125 and the penalty under Section 112(a)(ii) of the said Act. The differential IGST already deposited, together with the statutory interest consequential thereto, is not pressed in the present appeal.

13.1. In view of the foregoing submissions, the Ld. Counsel for the appellant prayed that the impugned order be set aside to the extent challenged in the

present appeal, the benefit of the exemptions claimed under Sl. No. 12 of Notification No. 24/2005-Cus. and Sl. No. 18 of Notification No. 25/1999-Cus. be extended to the subject imports, the consequential demands of differential duty and interest, as also the findings of confiscation and imposition of redemption fine and penalty, be quashed, and thus to allow the appeal, granting other relief as may be deemed just and proper in the facts and circumstances of the case.

14. On the other hand, the Ld. Authorized Representative for the Revenue justified the impugned order and reiterated the findings recorded therein. His submissions, inter alia, are summarized below: -

(i) That the benefit of Sl. No. 12 of Notification No. 24/2005 dated 01.03.2005 is conditional upon the imported goods answering the specific description prescribed therein, namely, apparatus for projection or drawing of circuit patterns on sensitised semiconductor materials. The imported MBB-PV Cell Soldering Stringer, Auto-Layup Machine, Auto-Bussing Machine and Laminator are, by their admitted functions, machines employed in the manufacture and assembly of Solar Photovoltaic Modules and do not perform the function contemplated by the said exemption entry. The mere fact that the machines are used in a manufacturing process involving semiconductor solar cells cannot, by itself, bring them within the precise ambit of the notification.

(ii) It is further submitted that the functional particulars of the imported machinery stand substantially borne out from the statement of

Shri Sujit Saha, Chief Financial Officer of the appellant, recorded under Section 108 of the Customs Act, 1962, particularly his statement dated 05.04.2023. The technical certificate subsequently produced by the appellant cannot enlarge or alter the scope of the exemption entry, which has to be examined with reference to the description and actual function of the imported goods.

(iii) Insofar as the Solar PV Backsheet is concerned, the Ld. Authorized Representative submits that the exemption under Sl. No. 18 of Notification No. 25/1999 dated 28.02.1999 is available only where the imported product satisfies the specific description stipulated therein, including the requirement relating to a "Tedlar base". The imported material was procured from M/s. Changzhou Fufeng Material Technology Co. Ltd., China, and there was no material evidencing that the product was manufactured under authorisation from M/s.DuPont, the proprietor of the Tedlar trade mark. The imported goods therefore do not answer to the express condition of the exemption notification.

14.1. In view of the above submissions, it is contended by the Ld. Departmental Representative that the differential duty demands of Rs.2,93,47,918/- and Rs.12,70,790/- under challenge herein, together with applicable interest, the consequential order of confiscation of the goods along with imposition of redemption fine and the imposition of penalty under Section 112(a)(ii) of the Customs Act, 1962, have been correctly sustained vide the impugned order. Thus, it is the Revenue's submission

that the present appeal merits rejection by upholding the impugned order.

15. Heard both the sides and perused the documentary evidence placed on record.

16. At the outset, it would be apposite to delineate the factual and legal contours within which the dispute arising in the present appeal falls for our consideration.

17. The appellant, M/s. Sova Solar Ltd., is engaged in the manufacture of Solar Photovoltaic (PV) Cells and Solar Photovoltaic (PV) Modules at its manufacturing facility situated at Banskopa, Durgapur, West Bengal. In the ordinary course of its manufacturing operations, the appellant imports specialised machinery, components and raw materials required for the manufacture, assembly and completion of Solar Photovoltaic Cells and Modules. It is in the course of such regular importation of goods, undertaken as part of its manufacturing activity, that the consignments forming the subject matter of the present proceedings came to be imported by the appellant by claiming the benefit of the respective exemption notifications.

18. The factual edifice of the present proceedings lies upon an analysis of the import data of the appellant undertaken by the Directorate of Revenue Intelligence (DRI), Hyderabad Zonal Unit, in respect of imports made from 01.03.2021 onwards and the investigation initiated subsequent thereto, which, upon its culmination, gave rise to three distinct issues. The first related to the claim of exemption from Basic Customs Duty in respect of specified machinery imported under Customs Tariff Item No. 84862000 in

terms of Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005, as amended. The second concerned the rate at which Integrated Goods and Services Tax had been discharged in respect of certain imported goods covered by the relevant Bills of Entry. The third related to the claim of exemption in respect of Solar PV Backsheet imported under Customs Tariff Item No. 39209919 in terms of Sl. No. 18 of Notification No. 25/1999-Cus. dated 28.02.1999, as amended.

19. Before proceeding to examine the aforesaid controversies on their respective merits, we take note of a significant clarification made by the Ld. Counsel appearing on behalf of the appellant at the very outset of the hearing. Insofar as the differential IGST amounting to Rs.22,00,549/-, pertaining to the aforesaid second issue, is concerned, the Ld. Counsel for the appellant has fairly submitted that the appellant does not press the challenge to the tax liability on this count, nor does it seek to dispute the amount already deposited towards the said liability. Upon a specific query from the Bench as to the interest component, the Ld. Counsel has further submitted that, in the event the applicable interest has not already been discharged, the appellant is agreeable to pay the same as well.

19.1. The aforesaid submission places the said issue i.e., differential IGST amounting to Rs.22,00,549/-, along with interest, beyond the purview of the present appeal. No adjudication on the merits of the said issue is, therefore, called for in the present proceedings.

20. Consequently, from a careful consideration of the submissions made before us, the issues which

presently fall for determination may be delineated thus:

(I) Whether the appellant is entitled to avail the benefit of Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005, as amended, in respect of its imports of specialised machinery classifiable under Custom Tariff Item No. 84862000 vide six Bills of Entry [as detailed under paragraph 4 of this Order (supra)] and consequently, whether the differential duty demand of Rs.2,93,47,918/- confirmed on this count is sustainable, or not; and

(II) Whether the appellant is entitled to the benefit of Sl. No. 18 of Notification No. 25/1999-Cus. dated 28.02.1999, as amended, in respect of the Solar PV Backsheet classifiable under Customs Tariff Item No. 39209919 as imported by it vide two Bills [as detailed under paragraph 6 of this Order (supra)] and, consequently, whether the differential duty demand of Rs.12,70,790/- confirmed on this count is sustainable, or not.

20.1. We shall first address the above substantive issues, leaving the consequential questions of interest, confiscation, redemption fine, and penalty to be decided thereafter.

Issue No. 1 — Eligibility of the impugned machinery for the benefit of Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005

21. We now proceed to examine the first issue, which constitutes the principal point of dispute in the

present appeal, in the light of the description of the imported machinery, the precise language and ambit of the exemption entry, and the material placed before us.

21.1. It is the specific case of the appellant-importer that the imported capital goods, namely, (i) MBB-PV Cell Soldering Stringer, (ii) Auto-Layup Machine, (iii) Auto-Bussing Machine and (iv) Laminator Machine, fall within the ambit of Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005, as amended, and are thereby eligible for the benefit of 'nil' rate of Basic Customs Duty provided thereunder. For better appreciation of the facts, the text of the said entry is reproduced below : -

Sr. No.	Heading, subheading or tariff item	Description
12	8486 20 00	Apparatus for the projection or drawing of circuit patterns on sensitized semi-conductor materials

21.2. The Revenue's case, in substance, is that the said machinery is employed in the manufacture and assembly of Solar Photovoltaic Modules and does not perform the function of 'projection' or 'drawing' of circuit patterns on sensitised semiconductor devices contemplated by the said exemption entry. The appellant, on the other hand, contends that the Revenue has approached the expression "drawing of circuit patterns" from an unduly restricted perspective, by treating it as synonymous with the photolithographic or micro-fabrication processes ordinarily encountered in the manufacture of integrated semiconductor devices/printed circuit boards, whereas the impugned machinery, in its actual industrial operation, progressively arranges, electrically connects and interconnects the constituent

photovoltaic semiconductor cells in a predetermined circuit configuration.

21.3. We find that it is not in dispute that the impugned goods constitute specialised industrial machinery forming part of the manufacturing and assembly process employed by the appellant for production of Solar Photovoltaic (PV) Cells and Solar Photovoltaic (PV) Modules. Before entering upon the precise ambit of the exemption entry, and more particularly before examining the import and connotation of the expression "projection or drawing of circuit patterns on sensitized semi-conductor materials", it would be appropriate to first acquaint ourselves with the essential scientific character of the above finished goods/final product in question, since the distinction between a Solar Photovoltaic Cell and a Solar Photovoltaic Module bears directly upon the nature of the operations performed by the machinery in question.

- **A Solar Photovoltaic (PV) Cell** is the fundamental semiconductor device which converts incident solar radiation into electrical energy through the photovoltaic effect. Ordinarily fabricated from semiconductor material, particularly crystalline silicon, the cell incorporates a semiconductor junction which, upon exposure to photons of appropriate energy, generates charge carriers and thereby produces direct-current electrical output. An individual photovoltaic cell is consequently not merely a passive piece of semiconductor material, but itself constitutes an elementary electrical device capable of generating electrical energy.

- **A Solar Photovoltaic (PV) Module** (commonly referred to as a solar panel), represents the subsequent stage of assembly in which a plurality of such photovoltaic cells are electrically and physically integrated into a single functional unit. The individual cells are arranged in a predetermined configuration and electrically interconnected, ordinarily through series-connected strings and requisite interconnections between such strings, so as to obtain the desired voltage and current characteristics. The interconnected cells are thereafter incorporated within a protective structure comprising, inter alia, glass, encapsulating material and a backsheet, thereby providing mechanical protection and resistance against environmental and climatic conditions while preserving the electrical functionality of the assembled unit.

21.4. Having noted the technical relationship between the elemental semiconductor cell and the macro-circuit module, we now proceed to evaluate whether the operations performed by the impugned machinery upon these sensitized semiconductor devices fall within the statutory scope of "drawing of circuit patterns" under the subject exemption entry. The functions performed by the respective machinery/equipment, in brief, have been described below: -

i **MBB-PV Cell Soldering Stringer:** This machine undertakes the initial electrical interconnection of individual photovoltaic cells by soldering conductive copper ribbons to the cells and joining the cells in a predetermined sequence, thereby

forming interconnected cell strings. The operation is thus not merely one of physical handling, but establishes a continuous conductive path between the individual semiconductor cells.

ii **Auto-Layup Machine**: The interconnected cell strings are thereafter arranged by the Auto-Layup Machine in the predetermined geometrical configuration corresponding to the design of the intended photovoltaic module. The machine positions and aligns the individual strings over the encapsulating layer so as to establish the requisite spatial topology of the cell array, including the intended series/parallel arrangement.

iii **Auto-Bussing Machine**: The Auto-Bussing Machine subsequently establishes the electrical interconnection between the individual cell strings through bus ribbons and soldered conductive joints. It thereby connects the respective strings or branches into the requisite electrical network and facilitates the collection and transmission of the electrical output generated by the constituent photovoltaic cells.

iv **Laminator Machine**: The Laminator Machine performs the concluding encapsulation operation by consolidating the electrically interconnected cell assembly between the requisite protective layers, including glass and polymeric encapsulant/backsheet. This operation seals and protects the completed electrical assembly against moisture, mechanical stress and environmental exposure, thereby converting the arranged and interconnected cell structure into a durable and operational photovoltaic module.

21.5. Having regard, to the specialised operations performed upon semiconductor photovoltaic devices, culminating in their physical arrangement and electrical interconnection into a predetermined functional configuration, we now turn to examine whether such operations, individually or collectively, answer the description of "drawing of circuit patterns on sensitised semiconductor devices" occurring in Sl. No. 12 of the subject notification is the central question which now falls for our consideration.

21.6. The question requires examination not only of aforesaid notification entry in the textual setting, but also of the technical meaning attributable to the expressions "drawing", "circuit" and "circuit pattern", and their application to the actual function performed by the impugned machinery. It is in that context that the rival contentions and the technical material placed before us are required to be examined.

22. The precise statutory entry upon which the appellant has founded its claim to exemption viz. Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005, as amended, (as reproduced hereinabove) describes the eligible apparatus as “Apparatus for the projection or drawing of circuit patterns on sensitized semiconductor materials.” The tariff linkage is of some significance, for the exemption is not expressed in generic terms with reference merely to machinery used in the electronics or solar industry, but is specifically tethered to a particular tariff item and to a particular functional description of the apparatus. The expression employed by the notification must, therefore, be examined in the setting in which it occurs and, at the

same time, without importing into the provision words or qualifications which the legislative text itself does not contain. At this juncture, it must be noted that a specialised context cannot, by itself, justify reading into the entry a restriction which the text does not articulate. The exercise before us, therefore, is one of ascertaining the true amplitude of the words provided in the said Notification. While the Revenue appears to approach the expression "projection or drawing of circuit patterns" from the conventional semiconductor-fabrication paradigm, particularly, the projection or transfer of microscopic circuit designs upon sensitised semiconductor substrates, as encountered in processes such as photolithography. The appellant maintains that such an understanding impermissibly narrows the statutory expression and overlooks the actual nature of a photovoltaic cell and the electrical architecture into which a plurality of such semiconductor devices is assembled.

23. The immediate questions, therefore, which arise for our consideration are:

- First: what is properly comprehended within the expression "**drawing**" when employed in the technical field of electrical and semiconductor apparatus;
- Second: what constitutes a "**circuit**" in the electrical sense;
- Third: what amplitude is properly attributable to the composite expression "**circuit patterns**" occurring in the notification;

23.1. These questions assume significance because the eligibility of the appellant's machinery cannot rationally be adjudicated without first identifying the subject-matter which the notification requires to be "drawn" and the nature of the "circuit pattern" which is contemplated thereby. Only after the above exercise would it be appropriate to examine whether the physical and electrical operations performed by the Stringer, Auto-Layup, Auto-Bussing and Laminator Machines fall within the statutory description. The question is not merely what these machines are called, but what they do; upon what material they operate; what electrical configuration they create; and whether that operation, viewed in its true technical character, answers the description employed by the exemption notification.

Interpretation and Definition of "Drawing" in Electrical and Technological Contexts

24. We may first advert to the expression "drawing", for the principal plank of the Revenue's interpretation appears to proceed upon an understanding that the expression is necessarily confined either to the graphical delineation of an object upon a surface or to the exposure of a pre-determined circuit image upon a sensitised semiconductor substrate, as in the process of photolithography. Such an approach, however, warrants closer scrutiny. The expression "drawing", particularly when employed in a technical, engineering or electrical context, is not necessarily exhausted by the notion of an image being graphically inscribed upon a surface. Its technical connotation may extend to the laying out, tracing, forming, configuring or establishing of a predetermined path,

arrangement or pattern, depending upon the subject matter with which the expression is associated.

24.1. The "Shorter Oxford English Dictionary on Historical Principles (Sixth Edition) Vol. 1, A-M" defines "draw" inter alia to mean: -

> *"1 The action or an act of drawing."*
>
> *"23 verb Intrans. & trans. Gather together, collect, assemble.*
> *ME."*
>
> *"44 verb trans. Devise, contrive; set in order, arrange M16-M17."*

24.2. Similarly, under "draw", Merriam-Webster Online Dictionary gives several relevant senses:

> *"to produce a likeness or representation of by making lines on a surface"*
>
> *"to give a portrayal of : delineate"*

More importantly, it also gives a distinctly technological/manufacturing sense:

> *"to spread or elongate (metal) by hammering or by pulling through dies"*
>
> *"also : to shape (a material, such as plastic) by stretching or by pulling through dies"*

24.3. The expression, therefore, is capable of bearing a wider meaning in legal and lexicographical usage and not inherently restricted to the production of an artistic or pictorial representation; the notion of marking out or tracing a path is itself embedded within the ordinary semantic field of the word.

24.4. The distinction becomes still more pronounced when the expression is considered in the domain of

electrical engineering. An electrical drawing is not confined to an illustration prepared merely for aesthetic or descriptive purposes. It constitutes a technical means of communicating and specifying the arrangement, location, connection and interrelationship of electrical equipment, conductors and circuit elements, and serves as an essential part of the design, engineering, construction, installation, operation and maintenance of an electrical system. The technical literature of the Engineering Institute of Technology (EIT) [https://www.eit.edu.au] under "electrical drawings and schematics recognises, inter alia, layout drawings as graphical representations of the arrangement of electrical fixtures, equipment and utilities, while single-line diagrams represent, through lines and standard symbols, the electrical configuration and interconnection of the system. EIT further explains that a single-line diagram provides the roadmap of the interconnections of an electrical system and that a schematic diagram conveys, through graphic symbols, the electrical connections and functions of a specific circuit arrangement.

24.5. Under IEC 61082-1 (Preparation of documents used in electrotechnology), published by the International Electrotechnical Commission (IEC), the documentation governing electrotechnical systems extends beyond mere graphical drafting to encompass an integrated matrix of physical arrangement drawings, connection tables, and the technical representation of routed conductors. Consequently, within the relevant technical discipline, the spatial disposition and physical interconnection of electrical elements constitute an inseparable, foundational aspect of what defines a 'drawing' and its underlying circuit system

25. Thus, it is observed that in the technical field, the expression "drawing" is capable of embracing a representation or specification of where electrical elements are placed, how conductive paths are routed, and how the constituent elements are interconnected. It would, therefore, be improper to attribute the word "drawing" to an artificially truncated meaning merely because, in one particular branch of semiconductor manufacture, the word is associated with the photolithographic transfer of microscopic circuit geometries. The enquiry must remain directed to the words actually employed in the notification and to their meaning in the technical field in which they occur. The machines under consideration do not employ a pencil, stylus or lithographic beam in the conventional sense; nor is the appellant's case founded upon any assertion that they reproduce an artistic or graphical image. The question is rather whether, in the specialised technological context of photovoltaic manufacturing, the physical establishment of predetermined conductive paths and electrical interconnections amongst semiconductor photovoltaic cells can properly be regarded as the drawing or formation of a circuit pattern. That question cannot be answered merely by observing that the machinery does not perform photolithography. It requires an examination of the other constituent expression in the notification, namely, "circuit patterns" and of the manner in which the impugned machinery actually creates the electrical configuration of the photovoltaic module.

Scope and Meaning of "Circuit" and "Circuit Patterns"

26. Having considered the expression "drawing", we may now examine the other constituent expressions which materially inform the scope of the notification, namely, "circuit" and "circuit patterns". This exercise assumes importance because the Revenue's construction appears to proceed substantially upon the premise that a "circuit pattern" necessarily denotes the microscopic geometry of an integrated circuit or the conductive traces of a printed circuit board. Such an assumption, however, requires to be tested against the technical meaning of the expressions themselves, rather than being accepted as an implicit limitation upon the words employed by the notification.

26.1. At the most fundamental level, an electric circuit is understood by electrical science in terms of an arrangement of elements and conductive paths through which electrical current is capable of flowing. The National Electrical Code of India (SP 30 : 2023) defines an "Electric Circuit (or Circuit)" as "an assembly of electrical equipment supplied from the same origin and protected against over current by the same protective devices", while also recognising the conception of an electric circuit as one consisting of electric circuit elements.

26.2. To ascertain the true scientific scope of an 'electric circuit', reference may be made to standard authoritative treatises on physics. In Sears and Zemansky's University Physics (Young & Freedman, 14th/15th Ed., Pearson), an electric circuit is defined as a continuous conducting path through which electric charges can flow, comprising circuit elements connected by conductive conduits. This further lends

credence to the appellant's stand that the physical interconnection of semiconductor cells via conductive copper ribbons forms a complete, functional electric circuit.

26.3. The treatise on 'Solar Engineering of Thermal Processes, Photovoltaics and Wind' (Duffie & Beckman, Wiley) corroborates that a photovoltaic module is an interconnected assembly of solar cells forming a complete electrical circuit. It further elucidates that the layout of string interconnects and busbars defines the equivalent electrical circuit diagram, which directly governs the module's I-V (current-voltage) characterization curve.

26.4. We may also refer to the 'HandBook of Photovoltaic Science and Engineering (Luque & Hegedus, Wiley)', which outlines that the manufacturing process of PV modules involves creating an integrated electrical circuit network across multiple individual wafers. The text explicitly confirms that the stringing and bussing operation physically traces the circuit topology necessary to extract photocurrent from individual p-n junctions.

26.5. Thus, while a printed circuit board is undoubtedly one important physical medium through which a circuit may be realised, the circuit and the board are not synonymous concepts. The board is a substrate or physical platform whereas the circuit is the functional electrical arrangement realised through the interconnection of its constituent elements. A circuit is not rendered any less a circuit merely because its constituent elements are larger, spatially distributed, or interconnected by ribbons and conductive paths rather than by microscopic etched traces. Conversely, the expression "circuit pattern"

cannot logically be made synonymous with "PCB trace" unless the statutory text itself warrants such a restriction.

26.6. The "pattern" of a circuit, therefore, is not confined to the isolated identity of its components; it necessarily embraces their interconnection and spatial or functional relationship. The expression "circuit pattern" is, therefore, susceptible of being understood as the predetermined physical or spatial arrangement of electrical elements and their conductive interconnections by which a particular electrical function is realised. Such an understanding is consonant both with the ordinary conception of a circuit and with the technical manner in which electrical engineers describe circuit layout and interconnection. Therefore, it is imperative that if "drawing" is capable, in the technological sense, of extending to the tracing, laying out, forming or establishing of a predetermined path or configuration, and if "circuit pattern" denotes the arrangement and interconnection of electrical elements through which the intended electrical function is realised, the composite expression "drawing of circuit patterns" cannot, without further justification, be confined to the production of microscopic images by photolithographic exposure.

26.7. Viewed in this light, the Revenue's attempt to equate "drawing of circuit patterns" exclusively with photolithography or the fabrication of microscopic semiconductor circuits appears to proceed by introducing a limitation which is not apparent from the language of the exemption entry itself. Photolithography is undoubtedly a recognised and important technology by which circuit patterns may be

formed upon sensitised semiconductor substrates, but the proposition that every circuit pattern must necessarily be created by photolithography, or that every apparatus performing the drawing of a circuit pattern must operate at the microscopic scale, does not follow merely from the existence of that technology. The question before us is consequently not whether the impugned machinery performs photolithography. That is not what the notification, on its plain terms, says. The more germane enquiry is whether the machinery, when operating upon photovoltaic semiconductor cells, physically establishes and arranges the conductive interconnections according to a predetermined electrical configuration so as to constitute the circuit pattern of the resulting photovoltaic module.

26.8. The interpretation adopted by the adjudicating authority stems from a misconception of scale rather than a distinction in physics. The Customs Tariff and Notification No. 24/2005-Cus. do not prescribe a threshold of physical dimensions for what constitutes a 'circuit pattern'. Whether a circuit pattern is etched at the nanometer scale via photolithographic projection or drawn and soldered at the millimeter/meter scale across semiconductor cells via Multi-Busbar stringing and auto-bussing machines, the fundamental technical operation remains identical: the establishment of a predetermined, conductive circuit layout across sensitized semiconductor devices to enable electric charge flow. The Revenue's narrower construction, if accepted without further qualification, would make the expression “circuit pattern” virtually synonymous with “micro-circuit trace” or “PCB trace”, although neither expression finds place in the notification. Such a

construction would substitute a particular technological embodiment for the broader technical concept denoted by the words provided in the above Notification.

Functional role of the impugned machinery

28. Having clearly noticed the meaning of the words "drawing", "circuit" and "circuit pattern" in detail, it would now be appropriate to emphasize the functional role of each of the impugned machines assumes considerable significance. From the records placed before us, it is clear that: -

a. The MBB-PV Cell Soldering Stringer joins individual photovoltaic cells through conductive copper ribbons and soldered contact points, thereby establishing electrical continuity from one semiconductor cell to the next and forming a series-connected cell string. The operation is thus not one of mere physical alignment, but of creating a continuous conductive branch of the eventual photovoltaic circuit.

b. The Auto-Layup Machine thereafter positions the interconnected cell strings in the predetermined configuration of the finished module. The strings are accordingly arranged in a defined matrix or topology corresponding to the intended electrical architecture, rather than being placed in any arbitrary physical arrangement.

c. The Auto-Bussing Machine electrically interconnects the several cell strings through bus ribbons and soldered joints, thereby extending the continuity created at the stringing stage and establishing the requisite

series/parallel configuration and current-collection pathway of the module.

d. The Laminator Machine performs the subsequent encapsulation and sealing of the assembled cell matrix between the requisite glass, encapsulant and backsheet layers. Though its immediate function is protective, the operation is integral to completion of the photovoltaic module, as it permanently consolidates and protects the already interconnected semiconductor cells, conductive ribbons and busbars, thereby preserving the electrical configuration as an integrated and functional circuit within the finished module.

e. The function of soldering is integral to each of these operations, as it permanently bonds the conductive ribbons, busbars and cell contacts so as to establish reliable electrical junctions through which current may flow.

28.1. The Laminator Machine requires separate notice in this context, taking note of the objection raised by the Revenue with regard to this aspect contending that its description as a mere machine employed for protecting the finished solar module. It must be noted that the laminator does not operate upon an already completed, electrically independent article in the same sense in which an external protective machine might operate upon a finished commodity. Rather, it receives the assembled stack comprising the glass, encapsulant, interconnected solar-cell strings and backsheet and, through controlled heat, pressure and vacuum, converts that assembly into the permanently integrated module structure. The appellant has specifically placed on record supporting documents in

this regard, viz. United States Patent (Carey et al.) dated Jan 22, 2002, which highlights the role of the laminate in the circuit as follows: -

> *"More specifically the solar cell module fabrication is a multi-step process consisting of electrically interconnecting an array of solar cells having a thickness of up to 25 mils (625 um) followed by lamination by at least two fluoropolymer/adhesive sandwiching layers to encapsulate the solar cell array, and produce a hermeti-cally sealed solar cell module laminate structure.*
>
> *....*
>
> *This die-cut layer 12 is then laminated to the bottom laminate 14, forming an "egg-crate" type assembly. The 50 solar cells 11 are then placed into the resultant voids or regions formed between the layers 12. Electrical intercon-nection between the solar cells 11 is then accomplished, and the top laminate 13 is then laminated, as described hereinafter, to form the finished array, similar to FIG. 2."*

28.2. The significance of these operations lies, therefore, not in any one machine viewed in isolation, but in their sequential and complementary effect: stringing establishes the electrical path; lay-up determines the predetermined spatial topology; bussing completes the interconnection of the constituent strings; and soldering secures the conductive junctions. Collectively, the machinery thereby converts individual sensitized semiconductor photovoltaic cells into an electrically interconnected and predetermined photovoltaic circuit.

28.3. We take note of the fact that the appellant had placed on record, during the adjudication proceedings, a certificate dated 22.02.2024, issued by Shri Indrajit Sengupta, Chartered Engineer [IIT, Kharagpur], wherein, considering the technological specifications of the individual components, namely, (i) MBB-PV Cell Soldering Stringer, (ii) Auto-Layup Machine, (iii) Auto-

Bussing Machine and (iv) Laminator Machine, including the literature and usage details provided by the supplier of the said machines, it was certified that the same inter alia qualified towards drawing of circuit patterns on sensitized semiconductor devices in close co-ordination with each other towards the manufacture of solar modules.

28.4. The evidentiary significance of such material becomes all the more pronounced in a case which turns not upon the mere identity of the imported articles, but upon the technical character of the operation performed by them. However, the adjudicating authority, while passing the impugned order, has not taken into consideration the above certificate placed before him. Where the expression employed in the exemption entry is sought to be applied to a specialised industrial process, the functional evidence emanating from a technically qualified person cannot, with respect, be brushed aside, without cogent reasons therefor.

28.5. Moreover, during the course of hearing before us, the appellant produced a further certificate dated 15.09.2026, as an improved/revised technical elucidation of the certificate earlier furnished before the adjudicating authority. The said certificate assumes particular significance since it addresses, in a more comprehensive manner, the manner in which the several stages of stringing, lay-up, bussing, soldering and lamination operate collectively to produce the electrical configuration of the photovoltaic module. The relevant portion, as obtaining from 'Schedule-A' to the said certificate, is reproduced below for better appreciation of the facts: -

"The Machines and devices used for preparation and drawing of Circuit Pattern in close coordination with each other, not in isolation are briefed as per the literature supplied by the supplier that:

i) Stringer machine: The solar stringer machine is used to solder solar cells together with the use of bus bars into forming strings. This category of assembly equipment is one of the most sensitive since the soldering of the connections is what enables the photo voltaic modules to transmit electricity. MBB (Multi bus bar) PV cells soldering stringer is a fully automatic machine used to solder the mono silicon cells into a string. Stringer machine uses semiconductor cell (Photo voltaic cell) as input.

Beside this, there are two more input like copper ribbon coated with tin of diameter 0.35 mm and flux material for making the ribbon wet and soldering purpose. Different parts of stringer machines are(1) Laser cutting Section (2) Flux treatment chamber(3), Flatten, (4) soldering lamp, (5) robot section and all the sections in totality are doing the function of circuit arrangement with the help of 144 number of half cut cell. Moreover, this machine convert 182 x182 mm solar cell into two pieces with the help of Laser Cutting. After that it produces string of 8 number of half cut cell.

For producing string of cells it used round ribbon of diameter 0.35 mm. This stringer machine is used to make a particular Circuit Pattern of making final finished module of 550 watt peak. This machine has a capacity of handling 6800 cell per hour. while making the string of 8 half cut cell, there should be a equal amount of gap between two half cut the process of making the stringer machine, auto detection of cell condition is monitored of there is any breakage of cell, that cell is kept aside by robot.

ii) Auto lay-up machine: The strings of photo voltaic cells created by the stringer machine are automatically positioned on the glass by a robotic system. The machine perform this operation is called lay-up, which can perform and aligned positioning of the strings as well as performing a quality check on the cells. Strings which is combination of 12 number of half cut cell and joined by ribbons is transferred from stringer machine to auto layup machine in a particular fashion on the glass and EVA, keeping in mind the location of positive and negative line of the

string and also keeping the feasibility of series parallel combination of semiconductor circuit. Ten numbers of servo motors and one number of linear motor is operating to serve the purpose of layup machine.

Output of stringer machine come to Auto Lay- up machine where these strings are placed on glass in a particular manner so that string to string to gap is there within a tolerance level. For keeping the arrangement within tolerance level, some cameras are there which are inbuilt to machine. In this way 144 numbers of half cut cells in 12 numbers of strings are arranged for making final product. So it is clear that Auto Lay-up Machine is used in the process of manufacturing solar module. Whatever process is carried out is for making a Circuit Pattern of final product.

iii) Auto bussing machine:-Tabbing and bussing are two applications that link individual solar cells together to form solar module/solar panel. These applications also provide a method to transfer power from solar cells to Junction box. From auto layup machine, specially arranged 144 numbers of half cut cells resting on rectangular glass and EVA enters into auto bussing machine, Here 10 numbers of metallic ribbons are extracted/cut for fixing/soldering in particular location to complete positive bus and negative bus (copper and tin alloy) and circuit connector at middle.

After Auto Lay-up machine, strings placed upon glass is passed through doing connection, all strings are pulled up using vacuum cups and again placed above the glass for making bussing, i.e. soldering the strings for making connections among strings. So it can be clearly mentioned that this auto bussing machine is used to make a Complete Circuit Pattern of making final product in module manufacturing process. Alignment of glass is done automatically by some mechanism in machine. If string to string gap is more than tolerable limit, it will try to adjust by itself and if it fails, an alarm will come.

iv) Laminator Machine: Lamination is the technique /process of manufacturing a material in multiple layers, so that the composite material achieves improved strength, stability, sound insulation, appearance or other properties from the use of different materials. The solar panel lamination

ensures the longevity of the solar cell of a module as they need to be able to withstand outdoor exposure in all type of climate for periods of 25 years and more. we are having two laminators. One vacuum is created inside laminator to take out air so that no air bubbles is formed on module after lamination, as Presence of air bubble will damage the modules and rated output will not be available. As cut module works without any problem for 25 long years, we keep emphasis on lamination process and after this process no cell in can come in contact of air or water. After lamination process, there is no chance of the Circuit Pattern so produced of getting disturbed and we can conclude that lamination process is integral part of keeping the Circuit Pattern produced intact.

2. Solar module need to convert sunlight to electricity at an acceptable cost throughout their life time. Solar panel lamination is the process that bonds the layers that make a solar panel. In laminator machine two stages are there In each stage, simultaneously. 5X4-20 numbers of modules can be entered for lamination purpose and these remains there inside for around 15 minutes of time. During heating, vacuum of 0.01 kg/cm2 is created so that no bubbles. are formed inside the module. Bubbles in the module disturb the wattage. Heating inside the lamination chamber is carried out by hot oil and heater.

3. After lamination, the module gets a protective cover so that its Circuit becomes rain water proof. It is required for each module because rain water will cause damage to module. Under the above back drop it is very clear that the function of our MBB cell Soldering Stringer Machine, Auto Lay-Up Machine, Auto Bussing Machine And Laminator Machine, all are integral to the process of drawing the required Circuit Pattern for manufacturing solar panel."

[Emphasis in original]

28.6. The substance of the technical certification, as extracted above, is of considerable relevance. It brings into focus the distinction between looking at each machine as an isolated piece of industrial equipment and appreciating the machinery as components of a single integrated manufacturing

process. If the operation is viewed in its entirety, the individual photovoltaic cells constitute the semiconductor elements wherein the interconnecting ribbons and busbars constitute the conductive pathways, the stringing and bussing operations establish the electrical interconnections, the lay-up operation determines the spatial configuration in which those interconnected elements are deployed, and the subsequent lamination preserves and permanently incorporates the resultant electrical assembly into the completed photovoltaic module. It is, therefore, the combined operation of these machines which gives physical and electrical expression to the predetermined architecture of the module.

Term	**Revenue's View**	**Scientific/Technical View**
"Drawing"	Photolithographic/optical etching onto micro-chips.	Tracing, laying, positioning, and soldering physical conductive paths across semiconductor surfaces.
"Circuit / Circuit Pattern"	Restricted to microscopic integrated circuits (ICs) or PCBs.	Any continuous closed network of interconnected electrical components (including PV diodes) designed to direct electric current.
Impugned Machinery / Equipment	Mere mechanical/module packaging assembly tools.	Specialized apparatus that lay out, solder, and establish macro-circuit patterns across sensitized PV semiconductor devices.

28.7. A photovoltaic module is not merely an assemblage of solar cells enclosed within glass. It constitutes an electrically interconnected network of semiconductor devices, ordinarily involving series-connected cells or strings, interconnecting ribbons and busbars and, depending upon the module architecture, bypass diodes and associated electrical connections. The completed module thus possesses two inseparable aspects: a physical architecture and an electrical architecture. The former comprises the glass, encapsulant, cells, ribbons, busbars, backsheet and associated protective components; the latter comprises the conductive pathways and semiconductor elements arranged in a predetermined configuration so as to generate, conduct and deliver electrical power. The one cannot be divorced from the other in understanding the manufacturing process.

28.8. Accordingly, when the operation of the impugned machinery is examined against the finished article which that machinery is designed to produce, it becomes apparent that the manufacturing process is not confined to the mechanical assembly of independent components. It involves the deliberate creation, positioning and permanent integration of an electrical network constituted by sensitized semiconductor devices and conductive interconnections.

Conclusion on Issue No. 1

29. Having examined the precise language of the exemption entry, the nature and functioning of the impugned machinery, and the technical material placed before us, we are of the view that the language employed under Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005 does not qualify the

expression "drawing" by stipulating that the drawing must be effected through photolithographic exposure; nor does it state that the circuit pattern must be a micro-scale pattern of the kind ordinarily associated with integrated circuits or printed circuit boards. It would, therefore, be impermissible, particularly while professing to apply a principle of strict construction, to introduce into the notification an additional qualification which the notification-maker has chosen not to incorporate.

29.1. The principle of strict construction of an exemption provision does not authorise either supplementation of the statutory language or the substitution of a presumed legislative intention for the words actually enacted. The Hon'ble Supreme Court in *Grasim Industries Ltd. v. Collector of Customs, Bombay [2002 (141) E.L.T. 593 (S.C.)].* In paragraph 8 thereof, the apex Court categorically laid down that no word or expression in a statutory provision or notification can be rendered redundant, unmeaningful, or superfluous and that every word must be given its full operative effect in the context of its usage, firmly holding that an interpretation requiring the addition, substitution, or rejection of statutory words must be eschewed. In fact, interpreting 'drawing' as a mere synonym for optical 'projection' would reduce the word 'drawing' in the said entry otiose. The enquiry, accordingly, must remain faithful to the text before us and cannot be enlarged or contracted by assuming that the notification-maker intended to speak of photolithography, micro-circuitry or printed circuit boards when none of those expressions finds place therein.

29.2. There is, moreover, a significance which cannot be lightly disregarded in the use of the conjunction "or" in the expression "projection or drawing". The exemption is framed disjunctively. An apparatus may answer the description if it is an apparatus for the projection of circuit patterns or if it is an apparatus for the drawing of circuit patterns. The two alternatives are not, by the very language adopted, required to co-exist as cumulative conditions. To construe the entry as though it read "projection and drawing of circuit patterns" would run directly counter to the plain statutory language and violate the established rule that a disjunctive entry must be given its natural, alternative meaning

29.3. We are, therefore, unable to accept the contention advanced on behalf of the Revenue that the expression "projection or drawing" must, in substance, be understood as requiring an apparatus which performs 'projection and drawing', or that the absence of a photolithographic projection process is by itself destructive of the claim. The word "or" has been employed for a reason, and effect must be accorded to that legislative choice. Projection is one route; drawing is another. The eligibility of an apparatus falling within the latter limb cannot be negatived merely because it does not simultaneously perform the former.

29.4. Furthermore, the MBB-PV Cell Soldering Stringer, Auto-Layup Machine, Auto-Bussing Machine and Laminator Machine are not to be viewed as four unrelated pieces of equipment whose functions can be artificially compartmentalised and judged in isolation from the technological sequence of which they form integral parts. Their operation follows a definite and

sequential logic. The technical certificates furnished by the appellant lend considerable assistance in appreciating this aspect of the matter. The technical material, read with the undisputed functional description of the machinery, makes it clear that the process is not one of mere physical juxtaposition of solar cells. Individual photovoltaic cells, being semiconductor electrical devices, are first electrically joined so as to create strings; those strings are then positioned in a predetermined configuration; the several strings are electrically interconnected by bus ribbons and soldered joints; and the resulting electrical assembly is thereafter permanently integrated and protected by lamination. What is thereby created is a deliberately configured network of semiconductor elements and conductive paths intended to perform a defined electrical function by means of a circuit pattern. In other words, the machinery gives physical expression to the electrical architecture of the module.

29.5. The expression "sensitised semiconductor devices" in the exemption entry provides yet another material link. The Revenue has not disputed as to the technical character of the photovoltaic cell as a sensitised semiconductor device. The impugned machinery operates upon such sensitised semiconductor cells in the very process by which their electrical interconnections are established and their predetermined configuration is brought into being. Thus, the subject matter upon which the machinery operates is expressly contemplated by the entry.

29.6. The Revenue's approach, as discernible from the adjudication order, essentially proceeds from an assumed paradigm: circuit patterns are those formed

by photolithography upon sensitised semiconductor substrates in the fabrication of integrated circuits, and machinery which do not undertake that microscopic pattern-transfer process cannot fall within the entry. That proposition, in our considered view, confuses one recognised technological method of forming a circuit pattern with the statutory concept of a circuit pattern itself. Photolithography may undoubtedly be one means of projecting or drawing circuit patterns. However, it does not follow that it is the exclusive means contemplated by the words of the notification.

29.7. The Revenue has also relied on the statement/s of Shri Sujit Saha, Chief Financial Officer of the appellant-company recorded during the course of investigation, to justify the allegations contained in the impugned order. It is pertinent to note that a statement or opinion by the Chief Financial Officer, who cannot be considered as a technical expert on the subject, cannot be elevated into a conclusive answer to the statutory controversy. In fact, it has been pointed out by the appellant that the statement/opinion of the said individual pertains to 'printed circuit boards' and not the impugned machinery/equipment. The notification does not make printed circuit boards the touchstone of eligibility. The relevant enquiry is whether the impugned machinery operates upon sensitised semiconductor devices and, through the sequence of operations described above, physically establishes the predetermined electrical configuration or pattern of the resulting photovoltaic circuit.

29.8. Upon an integrated appreciation of the statutory language, the technical nature of the photovoltaic cell and module, the functional operation of the four

machines, and the certificates placed on record, we are of the considered view that the expression "drawing of circuit patterns" is sufficiently comprehensive to encompass the physical establishment of a predetermined electrical circuit pattern constituted by the impugned machinery in the present case. Further, their operations are sequential, complementary and functionally interdependent. To isolate them from one another would be to lose sight of the very apparatus and manufacturing process which the notification requires us to examine.

29.9. We accordingly find that the machinery in question answers the description of apparatus for the drawing of circuit patterns on sensitised semiconductor devices/materials within the meaning of Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005, as amended. The contrary construction adopted in the impugned orders rests upon an impermissibly narrow technological equation of "drawing" with photolithographic exposure and, in the process, introduces into the notification limitations which its language does not contain. Such an approach cannot be sustained.

30. Consequently, we hold that the appellant is entitled to the benefit of the exemption under Sl. No. 12 of Notification No. 24/2005-Cus. dated 01.03.2005, as amended, in respect of the impugned machinery. Accordingly, the consequential differential duty demand of Rs.2,93,47,918/-, along with interest, confirmed on this count, therefore, does not survive and hence the same are set aside.

Issue No. 2 — Eligibility of the benefit under Sl. No. 18 of Notification No. 25/1999-Cus.

31. We now turn to the remaining substantive issue concerning the eligibility of the appellant to the benefit of Sl. No. 18 of Notification No. 25/1999-Customs dated 28.02.1999, as amended, in respect of the two consignments of Solar PV Backsheets imported under Bill of Entry No. 8319536 dated 18.04.2022 and Bill of Entry No. 8493244 dated 30.04.2022. The limited scope of the dispute pertains to as to whether the expression, namely, "multilayered sheets with tedlar base", employed in the exemption notification is to be understood as denoting exclusively the proprietary product marketed under the trademark "Tedlar" by M/s. DuPont, USA, or whether, in its statutory and commercial setting, it denotes the relevant polyvinyl fluoride (PVF) material/layer constituting the base of the multilayered photovoltaic backsheet. For ease of reference, the said entry is noticed hereunder: -

Sl. No.	**Chapter**	**Description of imported Goods**	**Description of Finished Goods**
18.	28, 38, 39, 70, 74, 76	Aluminium paste; ethylene vinyl acetate sheets (EVA); primer for EVA; Crane glass; tedlar coated aluminium sheet; phosphorous oxychloride; halo carbon (CF_4)/Freon gas; tinned copper interconnect; toughened glass with low iron content and transmittivity of min. 90% and above; multilayered sheets with tedlar base; fluro polymer resin; ultra high purity (UHP) silane in UHP nitrogen; UHP silane; diborane in UHP silane; MOCVD grade phosphine in UHP silane; silver sputtering target; high purity tin tetrachloride; nitrogen trifluoride of 99% purity and above.	Solar cells/modules

31.1. Sl. No. 18 covers goods falling under Chapters 28, 38, 39, 70, 74 and 76 and, inter alia, enumerates "tedlar coated aluminium sheet" and "multilayered sheets with tedlar base", with the corresponding finished goods being "Solar Cells/Modules." The entry itself thus situates the expression in a specialised industrial context, namely, the manufacture of solar cells/modules.

31.2. The appellant's goods are, admittedly, multilayered Solar PV Backsheets intended for use in the manufacture of solar photovoltaic modules and contain a PVF outer layer. Significantly, the Department does not proceed on the premise that the goods are not multilayered sheets, nor that they are unrelated to the manufacture of solar cells/modules, nor that the relevant layer is not composed of PVF. The denial of the exemption proceeds essentially upon the proposition that "Tedlar" can mean only the proprietary material manufactured by, or under authorisation from, M/s. DuPont, and that, since the Chinese manufacturer, M/s. Changzhou Fufeng Material Technology Co. Ltd., was not shown to possess any such authorisation, the imported backsheets could not answer the description "multilayered sheets with tedlar base".

31.3. The adjudicating authority, in paragraphs 18.5 and 18.6 of the Order-in-Original, proceeded substantially on this footing. While referring to DuPont literature, the authority itself noticed that "Tedlar" is a trade name for Polyvinyl Fluoride (PVF); nevertheless, it reasoned that, had the Government intended to extend the exemption to multilayered sheets containing a PVF layer irrespective of their manufacturer, it would have employed the chemical

expression "polyvinyl fluoride" rather than "Tedlar" and also, that the Chinese supplier had not been demonstrated to have been authorised by DuPont to manufacture or market goods under the trademark "Tedlar".

31.4. From the language contained in the notification, we find that the expression "tedlar base" is not accompanied by any stipulation as to manufacturer, country of origin, ownership of intellectual property, trademark authorisation, or procurement from M/s. DuPont. Indeed, the expression occurs in lower case as "tedlar", without the use of the capitalised proprietary form "Tedlar", without any ® designation and without any express reference to M/s. DuPont.

31.5. More importantly, the legislative history and the Government's own usage of the expression assumes significance. Notification No. 13/97-Customs dated 01.03.1997, issued under Section 25(1) of the Customs Act, 1962, in List A, Sl. No. 7, used the description "Polyvinyl fluoride (TEDLAR); Tedlar; Aluminium Tedlar" in the very context of inputs for manufacture of solar cells/modules.

31.6. As a matter of fact, Notification No. 25/1999-Customs itself, at Sl. No. 38, separately refers to "Polyvinyl fluoride (TEDLAR); Tedlar", alongside aluminium Tedlar, toughened glass and silver paste, again against the finished goods "Solar cells/modules". The said entry reads as given below:-

Sl. No.	**Chapter**	**Description of imported Goods**	**Description of Finished Goods**
38.	38, 39, 76	Polyvinyl fluoride (TEDLAR); Tedlar Aluminium Tedlar	Solar cells/modules

31.7. The principle enunciated by the Hon'ble Supreme Court in *Union of India v. Garware Nylons Ltd. [1996 (87) E.L.T. 12 (S.C.)]* also assumes relevance wherein the Hon'ble Court recognised that, while construing expressions occurring in fiscal legislation, due regard may be had to the meaning attached to such expressions by persons dealing in the relevant trade or industry, particularly where the legislation concerns a specialised commercial field and there is material, oral or documentary, establishing such understanding.

31.8. The appellant has placed various materials on record to this effect, including inter alia the literature titled "Types of Solar Backsheet in Solar Panel", published by Vishakha Renewables, which uses the expressions 'PVF' and 'Tedlar' in the context of photovoltaic backsheets and identifies PVF as being commonly known as Tedlar in the solar-backsheet industry. Additional market materials have also been placed by the appellant, including descriptions of PVF (Tedlar) film in commercial products. All these further go on to show that the expression is demonstrably capable of being used, within the photovoltaic industry, as a material description associated with PVF, and not necessarily as a statutory synonym for goods manufactured exclusively by one particular proprietary source.

31.9. In this backdrop, the absence of a DuPont authorisation cannot, by itself, become the touchstone of eligibility. The adjudicating authority's reasoning that, had the Government intended to cover PVF material irrespective of its manufacturer, it would necessarily have used the chemical expression "polyvinyl fluoride", therefore does not commend itself when the notification is read in its entirety and in the setting of the very industry for which the exemption was fashioned. The legislative usage referred to above demonstrates that "Polyvinyl fluoride (TEDLAR)" and "Tedlar" have themselves been used in the exemption architecture in connection with solar-cell/module manufacture. We therefore do not concur with the inference drawn by the lower adjudicating authority that the use of "Tedlar" necessarily imports an exclusive DuPont-source condition.

31.10. It is also material that the subject goods answer the substantive description in every other respect: they are multilayered Solar PV Backsheets, they possess the relevant PVF layer, and they are intended for and used in the manufacture of solar photovoltaic modules, which are precisely the finished goods specified against Sl. No. 18. The principle governing the interpretation of undefined terms in taxing statutes has recently been restated comprehensively by the Hon'ble Supreme Court in the case of *Commissioner of Customs (Import) v. Welkin Foods [2026 (395) E.L.T. 273 (S.C.)].* In paragraphs 40 and 41 of the said judgment, the Apex Court categorically held that where a term used in a taxing statute is undefined, it is ordinarily to be understood in the sense recognised by those who deal with the goods. The Hon'ble Court further clarified that the rule

of “common parlance” is not restrictive, but rather includes trade, commercial, and popular parlance as the context may require. Applying the ratio of the Hon’ble Supreme Court in *Welkin Foods (supra)* to the facts of the present case, we find that in the solar photovoltaic industry, technical literature, and international commerce, the expression "commonly known as Tedlar" is universally deployed to identify Polyvinyl Fluoride (PVF) used in composite TPT backsheet structures. The trade identifies the goods by their functional, structural, and chemical characteristics rather than a singular proprietary source. The Revenue cannot read a restrictive, manufacturer-specific condition into an exemption notification where none exists

32. Accordingly, on a harmonious reading of the notification, its legislative setting, the technical and commercial usage of the expression and the material placed on record, we find that the Solar PV Backsheets imported by the appellant under the aforesaid Bills of Entry, containing the requisite PVF layer and answering the description of multilayered sheets used in the manufacture of solar cells/modules, fall within the ambit of Sl. No. 18 of Notification No. 25/1999-Customs as the term “tedlar” prescribed therein is not confined to a proprietary DuPont-manufactured product. Thus, we hold that the denial of exemption on the aforesaid premise cannot be sustained. The consequential differential duty demand of Rs.12,70,790/-, insofar as founded upon such denial of exemption, is accordingly liable to be set aside.

33. Having dealt with the main issues obtaining in the appeal, we proceed to examine the contentions advanced by the appellant as regards the order of confiscation of the goods in question as well as the imposition of redemption fine. The impugned adjudication order held the goods covered by Tables I, II and III of the adjudication order, having an aggregate assessable value of Rs. 37,59,80,159/-, liable to confiscation under Sections 111(m) and 111(q) of the Customs Act, 1962, and, notwithstanding that the goods had already been cleared and were no longer available for physical confiscation, imposed a composite redemption fine of Rs. 1,00,00,000/- under Section 125 of the said Act.

33.1. We note that although the appellant has not pressed its challenge to the differential IGST liability of Rs. 22,00,549/- [pertaining to goods covered under Table II of the adjudication order] together with consequential interest thereon, they are disputing the order of confiscation and imposition of redemption fine in respect of the goods covered under the said Table-II.

33.2. Insofar as the goods covered by Table II of the adjudication order are concerned, we find that there is no finding of concealment of the goods, suppression of their identity, production of fictitious documents, or importation of goods different from those declared before the Customs authorities. The mere subsequent acceptance of a higher rate of integrated tax cannot, in the absence of the requisite ingredients, transmute a disclosed claim regarding classification/rate of tax into a misdeclaration warranting confiscation.

33.3. As regards the goods covered by Tables I and III of the adjudication order (i.e., Issues 1 and 2 of the present appeal), the very foundation for confiscation under Sections 111(m) and 111(q) stands effaced with our findings on the substantive exemption disputes. Once the demands founded upon the alleged ineligibility of the machinery under Notification No. 24/2005-Cus. and the Solar PV Backsheets under Notification No. 25/1999-Cus. fail, the consequential finding of liability to confiscation cannot survive independently of those principal demands.

33.4. It is also seen from the records that all the goods covered by the three sets of Bills of Entry had already been finally assessed and cleared for home consumption considerably prior to issuance of the Show Cause Notice dated 13.09.2023. The goods had neither been seized nor provisionally released against any bond securing their subsequent production for the purposes of confiscation. Indeed, the adjudication order itself records that goods having an aggregate assessable value of Rs. 37,59,80,159/- had already been cleared. In such circumstances, the invocation of the confiscatory provisions and the consequential imposition of redemption fine under Section 125 cannot be sustained even on this ground.

33.5. Accordingly, in the facts and circumstances of the present case, the order holding the goods in question liable to confiscation under Sections 111(m) and 111(q) is found to be unsustainable and is therefore set aside. The redemption fine of Rs. 1,00,00,000/- imposed under Section 125 is likewise not sustainable and stands quashed.

34. The penalty aspect is, in the circumstances, consequential. Section 112(a) of the Customs Act, 1962 predicates penal liability upon an act or omission of the nature contemplated therein, resulting in the goods being liable to confiscation under Section 111. Where the foundational finding of liability to confiscation itself does not survive, the consequential penalty under Section 112(a)(ii) cannot be sustained as an independent or freestanding liability. In the present case, having already held that the goods are not liable to confiscation under Sections 111(m) and 111(q), the composite penalty of Rs. 10,00,000/- under Section 112(a)(ii) imposed upon the appellant equally loses its substratum and is accordingly liable to be set aside.

35. Taking a holistic view of the foregoing discussion, and upon a conjoint consideration of the statutory language, the technical material placed on record, the nature and function of the imported goods, and the circumstances attending their importation and assessment, we are of the considered view that the impugned order cannot be sustained to the extent presently under challenge. The principal issues, which constitute the foundation of the impugned demands and the consequential penal and confiscatory proceedings, having been examined and answered in favour of the appellant. Resultantly, we pass the following order: -

(i) The imported MBB-PV Cell Soldering Stringer Machines, Auto-Layup Machines, Auto-Bussing Machines and Laminator Machines imported vide the 6 Bills of Entry [mentioned under paragraph 4 of this Order (supra)] are held to be entitled to

the benefit of exemption under Sl. No. 12 of Notification No. 24/2005-Customs dated 01.03.2005, as amended. Consequently, the differential duty demand of Rs.2,93,47,918/-, together with the consequential interest thereon, is set aside.

(ii) The Solar PV Backsheets imported vide the 2 Bills of Entry [mentioned under paragraph 6 of this Order (supra)] are held to eligible for the benefit of exemption provided under Sl. No. 18 of Notification No. 25/1999-Customs dated 28.02.1999, as amended. The differential duty demand of Rs.12,70,790/-, together with consequential interest, is accordingly set aside.

(iii) The demand of differential IGST of Rs.22,00,549/- is upheld, the same not being contested by the appellant herein. The appellant shall, accordingly, be liable to discharge the consequential interest under Section 28AA of the Customs Act, 1962, if not already paid by them.

(iv) The order of confiscation of the imported goods under Sections 111(m) and 111(q) of the Customs Act, 1962, together with the composite redemption fine of Rs.1,00,00,000/- imposed under Section 125 of the said Act, stands set aside.

(v) The penalty of Rs.10,00,000/- imposed upon the under Section 112(a)(ii) of the Customs Act, 1962 is set aside.

36. In the result, the impugned order stands modified to the above extent.

37. In these terms, the appeal stands disposed of.

(Order pronounced in the open court on **29.09.2026**)

Sd/-

(R. MURALIDHAR)
MEMBER (JUDICIAL)

Sd/-

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

Sdd