

 <p>कार्यालय: प्रधान आयुक्त सीमा शुल्क, मुन्द्रा, सीमा शुल्क भवन, मुन्द्रा बादरगाह, कच्छ, गुजरात- 370421 OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS: CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT- 370421. PHONE : 02838-271426/271163 FAX :02838-271425 E-mail id- group4-mundra@gov.in</p>		
A	फा. सं./ FILE NO.	CUS/APR/BE/1351/2025-Gr 4
B	मूल आदेश सं. ORDER-IN-ORIGINAL NO.	MCH/ADC/ZDC/114/2025-26
C	द्वारा पारित किया गया PASSED BY	Dipak Zala Additional Commissioner of Customs Custom House, Mundra.
D	आदेश की तिथि DATE OF ORDER	01-11-2025
E	जारी करने की तिथि DATE OF ISSUE	01-11-2025
F	कारण बताओ नोटिस सं. एवं तिथि Number & DATE OF SCN	Importer has sought waiver from SCN and PH
G	नोटिसी/पार्टी / आयातक NOTICEE/ PARTY/ IMPORTER	M/s R. R. International
H	डिन सं./ DIN NUMBER	20251171MO0000111F32

- यह अपील आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।
This Order - in - Original is granted to the concerned free of charge.
- यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

“सीमा शुल्क आयुक्त) अपील(, चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009”

“The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009.”

- उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।
Appeal shall be filed within three months from the date of communication of this order.
- उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए -
Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must be accompanied by –

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदस्से-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।

The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटी/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.

7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (Appeals) के समक्ष मात्र शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

Brief Facts of the Case

On scrutiny of EDI data, it has been observed that Importer M/s R. R. International (IEC :- 0513080970) having address at A-78/5 Ground & 01st Floor, Wazirpur Industrial Area, North West Delhi, Delhi-110052 (hereinafter referred to as 'importer 'for the sake of brevity) has filed 01 Bills of Entry No. 8170180 dated 04.02.2025 for import of goods declared as Decorative and Designer Coils for wall panel at Mundra Port through their Custom Broker M/s Shri Balaji Logistics under CTH 73269060 instead to 7219/7220. Since, CTH 7326 is not covered under Steel Quality Control Order, hence, importer has neither uploaded copy of BIS certificate nor NOC from Ministry of Steel.

2. The country of origin is CHINA. Total Declared Assessable value of the goods is 60,81,470/- (Rs. Sixty Lacs Eighty-One Thousand Four Hundred Seventy) and total duty payable is Rs. 18,99,040/- (Rupees Eighteen Lacs Ninety-Nine Thousand Forty). Total declared Gross weight is 53849 Kgs. and declared Net weight is 53709 Kgs. SIMS registration No. is MOSSIMS280125024203. In SIMS registration No. MOSSIMS280125024203 procured for B/E No. 8170180 dated 04.02.2025, imported himself has declared goods as Flat Product-CR Strip of Grade 200 Series in sub category. The Details of B/E are as under :-

Table-I

(Exchange Rate :- 1 USD=Rs. 87.1)

B/E No. & Date	House BL No.	Container No.	Declared Unit Price	Supplier Name	Goods Description
8170180 dated 04.02.2025	SZXCB24095028 dated 18.01.2025	FTAU2266221 FTAU2267085	1.30 USD/Kgs.	M/s Sun Sing Group Co Limited	Decorative and Designer Coil for Wall Panel

3. Ministry of Steel issued circular dated 20.10.2023 vide which it was informed that

Ministry of Steel has notified Steel and Steel Products (Quality Control) order under the BIS Act, 2016. Periodically, the Ministry issues such QCO orders to cover more grade of steel and related products. The Quality Control Order mandates that all the steel products imported into the country must be having BIS license/ certification and accompanied with Mill Test Certificate and be Marked with ISI and BIS license number.

3.1 For smooth implementation of Quality Control Order, the Ministry of Steel has constituted a Technical Committee (w.e.f. October 2018) for examination and analysis of the application(s) received for issuance of clarification, whether the product(s) which are being imported without BIS certification are covered under Steel QCO or not.

3.2 Further, Ministry of Steel made mandatory for all the steel importers to apply and seek clarification on the TCQCO Portal for each and every steel consignment which is imported in the country without BIS license/certification. It is clarified that the Ministry of Steel issues clarification for each single import consignment. In this regard, it is further clarified for each and every consignment, the importer need submit fresh application through TCQCO portal, unless stated otherwise in the clarification issued.

4. Accordingly, in absence of any BIS certificate or NOC from Ministry of steel, goods covered under B/E No. 8170180 dated 04.02.2025 were put on hold by this office to rule out any possibility of misdeclaration or mis classification in order to bypass restriction of mandatory NOC/ BIS certificate imposed by Ministry of Steel vide circular dated 20.10.2023.

5. The examination of the goods covered under B/E No. 8170180 dated 04.02.2025 were carried out at All cargo Terminal Limited CFS on 20.02.2025 in the presence of Shri Ashok Giri, Deputy Manager, Operation in All Cargo CFS and Shri Harish Kumar, Authorised representative and H card holder of M/s Shri Balaji Logistics. Before beginning the examination, the weightment slip of the containers generated at CFS weighbridge are cross checked. The weight mentioned on the slips as well as invoice, packing list and Bill of Lading are as under :

Table-II

Sr. No.	B/E No. and Date	Container No.	B/L Net Weight (in Kgs.)	CFS Weight (in Kgs.)	Difference (in Kgs.)
1	8170180 dt. 04.02.2025	FTAU2266221	27712	27850	138
		FTAU2267085	25997	26090	93
Total			53709	53940	231(Excess Weight)

6. Further, as per examination reports dated 20.02.2025, goods were found stuffed in the form of cylindrical shaped rolls of coils. There were total 07 Coils stuffed in each container. These cylindrical shaped rolls of coils were wrapped in light green coloured PP Packaging. On cutting these PP Packaging, it was found that Coils were having shine on its surface. No discrepancy in respect of size i.e. width and thickness etc. has been noticed against as per declaration in invoice No. F240091AG18-1 dated 09.01.2025 and packing list issued against B/E No. 8170180 dated 04.02.2025.

7. Further, in order to ascertain chemical composition of impugned goods, Positive Metal Identification (PMI) test was conducted with the help of PMI gun. During the PMI test proceeding, the test results were taken and the same is reproduced below container wise in tabular form: -

Table -III
Container No. FTAU2266221

Coil No.	Fe	Cr	Mn	Ni	Si	Cu	V	S/Zn	Co	P	Ti
C-1	74.79	13.09	9.38	1.15	0.84	0.5	0.09	0.05	0.04	0.04	--
C-2	75.14	12.45	9.62	0.82	0.94	0.51	0.12	0.05	--	--	0.06
C-3	74.07	13.85	9.16	1.16	1.06	0.53	0.1	0.06	--	--	--
C-4	74.59	13.79	8.59	1.14	1.08	0.45	0.14	0.03	0.16	--	--
C-5	74.71	13.05	9.54	1.05	0.89	0.47	0.1	0.04	0.08	0.06	--
C-6	75.08	12.33	10.11	0.8	1	0.42	0.12	0.06	--	0.07	--
C-7	75.11	12.62	9.72	0.83	0.99	0.47	0.09	0.05	0.05	0.04	--

Table-IV
Container No. FTAU2267085

Coil No.	Fe	Cr	Mn	Ni	Si	Cu	V	S/Zn	Co	P	Ti
C-1	74.96	13.3	9.35	1.03	0.73	0.43	0.13	0.03	--	0.03	--
C-2	74.89	13.19	8.55	1.28	1.03	0.7	0.1	0.06	0.15	0.04	--
C-3	75.09	13.44	8.55	1.18	0.95	0.54	0.09	0.03	0.08	0.04	--
C-4	74.18	14.37	8.53	1.09	1.03	0.55	0.13	0.05	--	--	--
C-5	74.63	13.42	9.46	1.03	0.69	0.45	0.13	--	0.03	0.05	0.08
C-6	75.23	13.51	8.29	1.24	0.95	0.58	0.14	0.04	--	--	--
C-7	75.47	13.17	8.41	1.36	0.79	0.48	0.11	0.05	0.09	0.05	--

8. As per examination report, goods prima facie appears to flat rolled product of Stainless Steel in the form of Coil instead of declared description i.e. Decorative and Designer Coils for wall panel. Further, as PMI test conducted above, it is seen that in all coils stuffed in 04 containers, Nickel content is found in the range of .8-1.5%, chromium content is almost found in the range of 13-15% and Manganese is found in the range of 7.5-13%.

9. Further, from the open source available on internet, the Stainless Steel Coil/sheet grade J3 should contain following chemical composition: -

Table-V

Grade	C	Mn	P	Cr	Ni	S	Si
J3	≤ 0.15	7.5-13	≤ 0.045	13.0-15.0	0.8-1.5	≤ 0.03	≤ 1.0

10. In view of above, prima facie, it appears that all major component i.e. Nickel, Chromium, Manganese etc. of goods imported vide Bill of Entry No. B/E No. 8170180 dated 04.02.2025 is nearest of chemical composition of Stainless Steel Coil/sheet J3 Grade.

11. Further, as per General Explanatory Note to Chapter 72 Part (IV)(B), Cold-worked products can be distinguished from hot-rolled or hot-drawn products by the following criteria :-

- the surface of cold-worked products has a better appearance than that of products obtained by a hot process and never has a layer of scale;

- the dimensional tolerances are smaller for cold-worked products;
- thin-flat products (thin "wide coil", sheets, plates and strip) are usually produced by cold-reduction;
- microscopic examination of cold-worked products reveals a marked deformation of the grains and grain orientation parallel to the direction of working. By contrast, products obtained by hot processes show almost regular grains owing to recrystallization;

In this case, during examination, goods have been found with thickness only 0.33 mm which is very thin and having shiny surface without any irregularity on surface. Further, as per SIMS registration No. MOSSIMS280125024203 dated 28.01.2025 issued against B/E No. 8170180 dated 04.02.2025, importer himself has declared sub category as Flat Products-CR Coil of 200 series grade. Hence, *prima facie*, it appears that goods are flat rolled product of Cold Rolled Stainless Steel having Grade J3.

12. Further, flat rolled products have been defined under Chapter Notes of 72 Chapter wherein at para 1(k), definition of flat rolled products has been mentioned which is as under:-

Flat Rolled Products: -

Rolled products of solid rectangular (other than square) cross-section, which do not conform to the definition at (ij) above in the form of:

- *Coil of successively superimposed layer, or*
- *Straight lengths, which if of a thickness less than 4.75 mm are of a width measuring at least ten times the thickness or if of a thickness of 4.75 mm or more of a width which exceeds 150 mm and measures at least twice than thickness.*

Flat Rolled Products include those with patterns in relief derived directly from rolling (for example, grooves, ribs, chequers, tears, buttons, lozenges) and those which have been perforated, corrugated or polished, provided that they do not thereby assume the character of articles or products of other headings.

Flat rolled products of a shape other than rectangular or square, of any size, are to be classified as products of a width of 600 mm or more, provided that they do not assume the character of articles or products of other heading.

As per examination reports and photos attached during examination vide examination report dated 20.02.2025, it is clear that goods are having rectangular (other than square) cross section as length and width of coil is different and further, goods are in the form of rolls of cylindrical shaped coils. As per photos attached, goods are in the form of coils having one layer superimposed upon another layer. Hence, *prima facie*, it appears that goods are well covered in definition of flat rolled products and hence, rightly classifiable under chapter 72. Hence, *prima facie*, it appears that goods are flat rolled product of Cold Rolled Stainless Steel in coil form having Grade J3.

13. The Harmonized Commodity Description and Coding System Explanatory Notes (EN's) constitute the official interpretation of the Harmonized System. As per General notes of Explanatory notes of Chapter 72, Chapter 72 and 73 covers following items:-

This Chapter covers the ferrous metals, i.e., pig iron, spiegeleisen, ferro-alloys and other primary materials (sub-Chapter I), as well as certain products of the iron and steel industry (ingots and other primary forms, semi-finished products and the principal products derived directly therefrom) of iron or non-alloy steel (sub-Chapter II), of stainless steel (sub-Chapter III) and of other alloy steel (sub-Chapter IV).

Further worked articles, such as castings, forgings, etc., and sheet piling, welded angles, shapes and sections, railway or tramway track construction material and tubes are classified in Chapter 73 or, in certain cases, in other Chapters.

From the above, it is clear that product of stainless steel as defined in sub chapter III are covered under chapter 72. However, further worked articles, such as castings, forgings, etc., and sheet piling, welded angles, shapes and sections, railway or tramway track construction material and tubes are classified in Chapter 73 or, in certain cases, in other Chapters. From the plain reading of above, it appears that impugned goods are flat rolled products of stainless steel not the further worked article i.e. casting, forgings etc., hence, the same, *prima facie*, appears to be rightly classifiable under chapter 72 instead of 73.

14. Further, as per Explanatory notes of Chapter 72 wherein at subpara (2) of para (IV) (c), it has been mentioned that Surface treatments or other operations, including cladding, to improve the properties or appearance of the metal, protect it against rusting and corrosion, etc. Except as otherwise provided in the text of certain headings, such treatments do not affect the heading in which the goods are classified. The same is reproduced as under :-

(IV) Production of finished products

Semi-finished products and, in certain cases, ingots are subsequently converted into finished products.

These are generally subdivided into flat products ("wide flats", including universal plates", "wide coil", sheets plates and strip) and long products (bars and rods, hot-rolled, irregularly wound coils, other bars and rods, angles, shapes, sections and wire).

These products are obtained by plastic deformation, either hot, directly from ingots or semi-finished products (by hot-rolling, forging or hot-drawing) or cold, indirectly from hot finished products (by cold-rolling, extrusion, wire-drawing, bright-drawing), followed in some cases by finishing operations (e.g., cold-finished bars obtained by centre-less grinding or by precision turning).

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(C) Subsequent manufacturer and finishing :-

The finished products may be subjected to further finishing treatments or converted into other articles by a series of operations such as:

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(2) Surface treatments or other operations, including cladding, to improve the properties or appearance of the metal, protect it against rusting and corrosion, etc. except as otherwise provided in the text of certain headings, such treatments do not affect the heading in which the goods are classified. They include:

(a) Annealing, hardening, tempering, case-hardening, nitriding and similar heat treatments to improve the properties of the metal.

(b) Descaling, pickling, scraping and other processes to remove the oxide scale and crust formed during the heating of the metal.

(c) Rough coating intended solely to protect products from rust or other oxidation, to prevent slipping during transport and to facilitate handling e.g., paints containing an active anti-rust pigment (red lead, zinc powder, zinc oxide, zinc chromate, iron oxide, iron

minium, jewellers' rouge), and non-pigmented coatings with a basis of oil, grease, wax, paraffin wax, graphite, tar or bitumen.

(d) Surface finishing treatment, including;

(i) polishing and burnishing or similar treatment;

(ii) artificial oxidation (by various chemical processes, such as immersion in an oxidising solution), patina finishing, blueing (blue annealing) browning or bronzing (by various techniques), which also form a film of oxide on the surface of the product, to improve its appearance. The operations increase resistance to rusting;

(iii) chemical surface treatments, such as:

- phosphatising, which consists of immersing the product in a solution of metallic acid phosphates, particularly those of manganese, iron and zinc; this process is known as parkerising or bonderising, depending on the period of the operation and the temperature of the bath;
 - oxalating, borating, etc., using methods similar to those for phosphatising, with the appropriate salts or acids;
 - chromating, which consists of immersing the product in a solution whose main contents are chronic acid or chromates; this process is for the surface treatment of e.g., steel plate plated or coated with zinc.

These chemical surface treatments have the advantage of protecting the surface of metal, facilitating any later cold deformation of the products treated and the application of paints or other non-metallic protective coatings.

(iv) coating with metal (metallisation) the main processes being:

- immersion in a bath of molten metal or metal alloy e.g., hot-dip galvanising, tinning, hot-coating with lead, and aluminium coating;
- electroplating (cathodic deposition of a coating metal on the product to be coated, by electrolysis of a suitable solution of metallic salts), e.g. With zinc, cadmium, tin, lead, chromium, chromium/chromate, copper, nickel, gold or silver;
- impregnation or diffusion (by heating the product to be coated with the required coating metal in powder form e.g., sherardizing (cementation with zinc) and calorising (cementation with aluminium) and chromising (with diffusion of chromium);
- spraying (atomising the molten coating metal and directing the spray on to the product to be coated), e.g., the Scoop process and the gas pistol, arc, plasma and electrostatic spray processes;
- metallisation by evaporating the coating metal in a vacuum, etc.; metallisation by bombarding the coating metal with ions in a glow discharge (ion plating);
- coating by cathode vaporisation (sputtering).

(v) coating with non-metallic substances, e.g., enamelling, varnishing, lacquering, painting, surface printing, coating with ceramics or plastics, including special processes such as glow discharge, electrophoresis, electrostatic projection and immersion in an electrostatic fluidised bath followed by radiation firing, etc.

(e) Cladding, i.e., the association of layers of metals of different colours or natures by molecular interpenetration of the surfaces in contact. This limited diffusion is characteristic of clad products and differentiates them from products metallised in the manner specified in the preceding paragraphs (e.g. by normal electroplating).

The various cladding processes include pouring molten cladding metal on to the basic

metal, followed by rolling; simple hot-rolling of the cladding metal to ensure efficient welding to the basic metal; any other method of deposition or superimposing of the cladding metal followed by any mechanical or thermal process to ensure welding (e.g., electro-cladding), in which the cladding metal (nickel, chromium, etc.) is applied to the basic metal by electroplating, molecular interpenetration of the surfaces in contact then being obtained by heat treatment at the appropriate temperature with subsequent cold-rolling.

Ferrous products clad with non-ferrous metals remain in their respective headings in Chapter 72 **provided** that iron or steel is the predominating metal by weight (see Note 7 to Section XV). Iron or steel products, clad with another ferrous metal, which, according to the composition of the original products, or of the cladding metal, could be classified in two sub-Chapters (II, III or IV) have similarly to be classified according to the metal predominating by weight (see Note 2 to this Chapter); e.g., a bar of non-alloy ordinary steel clad with stainless steel is therefore classified in sub-Chapter II if the former metal predominates by weight, or in sub-Chapter III if not.

(f) Removal of small portions of the metal for testing purposes.

(g) Lamination, for example, the superimposing of metal layers over an intermediate layer of viscoelastic material, the latter layer serving as a sound, etc., insulator.

From the above, it is clear that semi-finished products are converted into finished product and these finished products are further subdivided into 02 categories i.e. flat products ("wide flats", including universal plates", "wide coil", sheets plates and strip) and long products (bars and rods, hot-rolled, irregularly wound coils, other bars and rods, angles, shapes, sections and wire) and all these products are well covered under chapter 72. Since, in this case, goods were found in the form of flat products i.e. Stainless Steel Coil, hence, goods *prima facie* appears to be rightly classifiable under CTH 72.

Further, vide subpara (2) of para (IV) (C), it has been clearly mentioned that **Surface treatments** or other operations, including cladding, to improve the properties or appearance of the metal, protect it against rusting and corrosion, etc. except as otherwise provided in the text of certain headings, such treatments do not affect the heading in which the goods are classified.

15. Further, flat rolled products of Stainless Steel having width 600 or more are classifiable under 7219. The same reads as under: -

7219 Flat-rolled products of stainless steel, of a width of 600 mm or more

- Not Further worked than hot rolled, in coils:

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- Not further worked than cold rolled (Cold Reduced)

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721935 -- Of a thickness of less than 0.5 mm

72193510 --- Chromium Type

72193520 --- Nickel Chromium austenitic type

72193590 --- Other
 721990 - Other:
 72199090 --- Other

From the plain reading of CTH 7219, it appears that flat rolled product of stainless steel having width more than 600 mm are classifiable under 7219. In case of B/E No. 8170180 dated 04.02.2025, as per invoice and packing list, total 14 coils stuffed in 02 containers were having width more than 600 mm, hence, prima facie, appears to be rightly classifiable under CTH 72193590. Duty leviable under CTH 72193590 is @ 27.735 % (BCD @ 7.5% + SWS @ .75% + IGST @ 18%) while duty leviable under CTH 73269060 is @ 30.980 % (BCD @ 10% + SWS@1% + IGST @18%).

16. From the above, prima facie, it appears that importer M/s R. R. International (IEC: - 0513080970) have tried to clear Cold Rolled Stainless Steel coil of J3 grade classifiable under CTH 7219 by mis declaring them as "Decorative and Designer Coil for wall panel" classifying them under CTH 73269060 in order to bypass condition of seeking NOC from Ministry of Steel as mandated vide Ministry of Steel Circular dated 20.10.2023. Thus, the goods are found to be without valid NOC issued from Ministry of Steel and hence, found to be imported in violation of Circular dated 20.10.2023 which makes the goods restricted/prohibited for import of goods.

17. Further, as per directive issued by the convenor of the NAC Metal Product vide letter dated 11.07.2024 and Review meeting recommendations for CAVR order No. 02/2023, value of the goods is higher than precautionary price of 1.295 USD/Kgs. Hence, Value of the goods appears to be fair.

18. Further, a statement of Shri Achin Goel, Proprietor of M/s R. R. International has been recorded on 25.03.2025 wherein he interalia stated that

- These decorative and designer coil are being used in lifts, kitchen wall panel, Door Panels etc.
- Supplier suggested that goods will be used in wall panel, door panel, lifts etc. and suggested that goods shall be declared as decorative and designer coil. Accordingly, they declared the goods as decorative and designer coil.
- As suggested by supplier, decorative and designer coil are primarily used for making wall panel, lift panel, door panels etc. However, coil can be used in many other applications.
- Acid cleansing surface treatment was done to make it decorative coils.
- On perusal of definition 2(k) of chapter note 72, it appears that goods are flat rolled products classifiable under CTH 7219.
- Supplier informed us about usage, description etc. and on the basis of that, they imported goods. They will try to procure NOC from Ministry of Steel.
- They agree that we agree that Surface treatment does not change their actual CTH 7219.
- He further submitted that there is no difference between manufacturing process of SS Coil and Decorative and Designer Coil except this acid cleansing surface treatment.

21. From the above, it is evident that importer agreed during his statement that goods imported vide B/E No. 8170180 dated 04.02.2025 are classifiable under CTH 72193590 and agreed that surface treatment i.e. acid cleansing did not change their classification 72193590. Further, they agreed that they will try to procure NOC from Ministry of Steel.

However, till date, no NOC for impugned goods has been produced. Further, after putting on hold by this section, they shifted the responsibility of goods description and CTH on supplier that supplier suggested them that these goods will be used in Kitchen wall panels, lifts etc. and classifiable under CTH 73269060. However, Proprietor of M/s R. R. International in his statement dated 25.03.2025 admitted that coil can also be used in Wall panel, Kitchen wall etc. and did not elaborate any difference between Decorative and Designer coil for wall panel and Cold Rolled Stainless Steel Coil grade J3 except surface treatment. Hence, *prima facie*, it appears that importer M/s R. R. International vide B/E No. 8170180 dated 04.02.2025 has tried to clear the Cold Rolled Stainless Steel Coil grade J3 goods classifiable under 72193590 as mentioned above by mis declaring them as decorative and designer coils for wall panel and classifying them under CTH 73269060 in order to bypass NOC from Ministry of Steel as mandated vide circular dated 20.10.2023. Hence, in absence of NOC from Ministry of Steel mandated vide circular dated 20.10.2023, goods imported vide impugned B/E No. 8170180 dated 04.02.2025 became restricted/prohibited in nature and hence, due to above mentioned mis declaration of item description, qty., mis classification and in absence of NOC from Ministry of Steel as mandated vide circular dated 20.10.2023, impugned goods imported vide B/E No. 8170180 dated 04.02.2025 appears to be liable for confiscation under section 111(d) and (m) of the Customs Act, 1962.

22. LEGAL PROVISIONAS:

22.1 Section 2(22): "goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;

22.2 Section 2(23): "import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

22.3 Section 2(25): "imported goods", means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;

22.4 Section 2(26): "importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes [any owner, beneficial owner] or any person holding himself out to be the importer;

22.5 Section 2(33) of the Customs Act, 1962 'Prohibited goods' means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with.

22.6 Section 46 Entry of goods on importation:

.....

(4) The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, relating to the imported goods.

(4A) the importer who presents a bill of entry shall ensure the following, namely:

- (a) The accuracy and completeness of the information given therein;
- (b) The authenticity and validity of any document supporting it; and

(c) *Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.*

22.7 Section 111 of the Act, prescribes the Confiscation of improperly imported goods, etc. as under

The following goods brought from a place outside India shall be liable for confiscation:

(d) *any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*

(m) *any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under Section 77 in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54.*

22.8 SECTION 112 Penalty for improper importation of goods, etc.—

Any person,-

(a) *who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or*

(b) *who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,*

shall be liable,-

(i) *in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding the value of the goods or five thousand rupees, whichever is the greater;*

(ii) *in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent of the duty sought to be evaded or five thousand rupees, whichever is higher.*

23. After introduction of self-assessment vide Finance Act, 2011, the onus lies on the importer for making true and correct declaration in all aspects in the Bills of Entry and to pay the correct amount of Duty. In terms of Section 17 & 46 (4) of the Customs Act, 1962, the importers are required to make a declaration as to the truth of the contents of the Bills of Entry submitted for assessment of Customs duty. The relevant portion of the said provisions are as under: -

Section 17. Assessment of duty. –

(1) *An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.*

..

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self-assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

Section 46. Entry of goods on importation. –

(1) The importer of any goods, other than goods intended for transit or transhipment, shall make entry thereof by presenting electronically on the customs automated system to the proper officer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed:

In terms of Section 46 (4) of the Customs Act, 1962, the importers are required to make a declaration as to the truth of the contents of the Bills of Entry submitted for assessment of Customs duty. In the present case, it appears that importer has tried to clear goods i.e. Cold Rolled Stainless Steel Coil Grade J3 by way of mis declaring them as "Decorative and Designer coil for wall panel" in order to bypass mandatory restriction of NOC imposed by Ministry of Steel vide circular dated 20.10.2023. The importer by their acts of omission and commission renders imported goods liable for confiscation under Section 111(d) and 111(m) of the Customs Act, 1962. The said acts of omission and commission on the part of the M/s R. R. International have rendered themselves liable for penalty under the provisions of Section 112(a) of the Customs Act, 1962.

24. In view of above, it appears that: -

- i. The declared description i.e. Decorative and Designer coil for wall panel of goods imported vide impugned Bill of Entry no. 8170180 dated 04.02.2025 shall be rejected and same to be re determined as Cold Rolled Stainless Steel Coil/sheet grade J3.
- ii. The declared CTH i.e. 73269060 shall be rejected and same to be redetermined as 72193590 as discussed above in para 15.
- iii. In case of B/E No. 8170180 dated 04.02.2025, declared net weight i.e. 53709 Kgs. shall be rejected and same to be redetermined as 53940 Kgs.
- iv. The goods imported vide BE No. 8170180 dated 04.02.2025 shall be considered as prohibited in as much as these goods have been attempted to import without valid mandatory NOC from Ministry of Steel as mandated vide circular dated 20.10.2023.
- v. The goods imported vide BE No. 8170180 dated 04.02.2025 shall be held liable for confiscation under Section 111 (d) & (m) of the Customs Act, 1962.
- vi. Penalty under Section 112 (a) of the Customs Act, 1962 should not be imposed upon M/s R. R. International (IEC: - 0513080970) for the reasons discussed in para supra.

25. Personal hearing and submission.

25.1 The importer vide his letter dt. 28.10.2025 has made following submissions:

With due respect, we would like to inform you that the Inspection Report (IR) issued against consignment imported vide Bill of Entry No. 8170180 dated 04.02.2025 has already been submitted by the SIIB team to Group IV. Accordingly, we request your kind approval and necessary direction to proceed with the re-export of the said goods, as per the applicable customs regulations and procedures. All necessary

formalities and document submissions have already been completed from our side.

In light of the above, we humbly seek your kind consideration to allow the re-export of the goods. Further, in this regard, we hereby request to waive Show Cause Notice (SCN) and Personal Hearing (PH).

We humbly request that the same may be considered with a lenient view during adjudication because goods having heavy demurrage and detention as shipment arrived already before eight and half months (28.01.2025). Accordingly, we will accept the adjudicating with fine and penalty.

26. Discussion and Findings

26.1 I have carefully gone through the case records and applicable provisions of Law. I find that the Importer vide their letter dated 28.10.2025 has submitted that they do not want Show Cause Notice and Personal Hearing, thus, the condition of Principles of Natural Justice under Section 122A of the Customs Act, 1962 has been complied with. Hence, I proceed to decide the case on the basis of facts and documentary evidences available on records.

27. The main issues before me are to decide are:

- i. Whether the declared description i.e. Decorative and Designer coil for wall panel of goods imported vide impugned Bill of Entry no. 8170180 dated 04.02.2025 shall be rejected and same to be re determined as Cold Rolled Stainless Steel Coil/sheet grade J3.
- ii. Whether the declared CTH i.e. 73269060 shall be rejected and same to be redetermined as 72193590 as discussed above in para 15.
- iii. Whether in case of B/E No. 8170180 dated 04.02.2025, declared net weight i.e. 53709 Kgs. shall be rejected and same to be redetermined as 53940 Kgs.
- iv. Whether the goods imported vide BE No. 8170180 dated 04.02.2025 shall be considered as prohibited in as much as these goods have been attempted to import without valid mandatory NOC from Ministry of Steel as mandated vide circular dated 20.10.2023.
- v. Whether the goods imported vide BE No. 8170180 dated 04.02.2025 shall be held liable for confiscation under Section 111 (d) & (m) of the Customs Act, 1962.
- vi. Whether Penalty under Section 112 (a) of the Customs Act, 1962 should be imposed upon M/s R. R. International (IEC: - 0513080970) for the reasons discussed in para supra.

28. Determination of the grade of the imported goods.

28.1 I find that the importer M/s R. R. International has filed 01 Bills of Entry No. 8170180 dated 04.02.2025 having value of Rs. 60,81,470/- (Rs. Sixty Lacs Eighty-One Thousand Four Hundred Seventy) for import of goods declared as Decorative and Designer Coils for wall panel at Mundra Port through their Custom Broker M/s Shri Balaji Logistics under CTH 73269060 instead to 7219/7220. Since, CTH 7326 is not covered under Steel Quality Control Order, hence, importer has neither uploaded copy of BIS certificate nor NOC from Ministry of Steel.

28.2 I find that ministry of Steel made mandatory for all the steel importers to apply and seek clarification on the TCQCO Portal for each and every steel consignment which is imported in the country without BIS license/certification. It is clarified that the Ministry of

Steel issues clarification for each single import consignment. In this regard, it is further clarified for each and every consignment, the importer need submit fresh application through TCQCO portal, unless stated otherwise in the clarification issued. Accordingly, in absence of any BIS certificate or NOC from Ministry of steel, goods covered under B/E No. 8170180 dated 04.02.2025 were put on hold by this office to rule out any possibility of misdeclaration or mis classification in order to bypass restriction of mandatory NOC/ BIS certificate imposed by Ministry of Steel vide circular dated 20.10.2023.

28.3 Further, I find that view of above, it is evident that all major component i.e. Nickel, Chromium, Manganese etc. of goods imported vide Bill of Entry No. B/E No. 8170180 dated 04.02.2025 is nearest of chemical composition of Stainless-Steel Coil/sheet J3 Grade.

29. Classification of the goods.

29.1 I find that the importer has imported the goods by declaring the same as Decorative and Designer Coil for Wall Panel under HSN code 73269060. However, during the examination the results of the PMI tests as mentioned in the Table-II & Table-III above evidently reflect the chemical composition of steel coil J3 grade as mentioned at the table-IV above.

29.2 I further find that as per Chapter 72 Explanatory Notes, cold-worked products have better surface finish, tighter tolerances, and show grain deformation under microscopic examination. Thin flat products are usually cold-reduced. The examined goods are 0.26 mm thick, shiny, and free from surface irregularities. Thus, the goods clearly turn out to be Cold Rolled Stainless Steel, Grade J3.

29.3 I find that the flat rolled products are defined under Chapter 72, para 1(k) as rolled products with solid rectangular (not square) cross-sections. They include coils of successively superimposed layers or straight lengths meeting specific thickness-to-width ratios. Products with patterns like grooves or perforations remain flat rolled unless reclassified. Non-rectangular shapes wider than 600 mm also qualify unless classified otherwise. Examination reports dated 20.02.2025 confirm the goods have rectangular cross-sections and cylindrical coil forms with superimposed layers. Photos show the goods as coils fitting the flat rolled products' definition. Therefore, the goods are evidently the flat rolled products correctly classifiable under Chapter 72 as Cold Rolled Stainless Steel coils, Grade J3.

29.4 The Explanatory Notes to Chapter 72, provides that the semi-finished products are converted into finished products through hot or cold working, and are categorized as flat products (e.g., wide coil, sheets, plates, strips) or long products (e.g., bars, rods, angles, wire). These finished products fall under Chapter 72. In the present case, the goods are in the form of Stainless-Steel Coil, which qualifies as a flat product. Additionally, subpara (2) of para (IV)(C) states that surface treatments—such as cladding, coating, polishing, galvanizing, and other operations to enhance appearance, protect against rust or corrosion, or facilitate further processing—do not change the classification of the goods under Chapter 72, unless otherwise specified in the text of certain headings. In view of the above, I find the imported goods i.e. Stainless-Steel Coil are rightly classifiable under Customs Tariff Heading (CTH) 72.

29.5 Further, I find that Shri Achin Goel, Proprietor of M/s R. R. International during his statement recorded on 25.03.2025 has accepted the goods are rightly classifiable under

CTH 72.

29.6 I find that the importer has classified the imported goods under CTH 73269060. Further, I find that from the plain reading of CTH 7219 and 7220, it appears that flat rolled product of stainless-steel having width of 600 mm or more than 600 mm are classifiable under 7219 and flat rolled product of stainless-steel having width less than 600 mm are rightly classifiable under 7220. Reliance is placed on Rule 1 and Rule 3(a) of General Interpretation Rule, which is reproduced below.

GIR Rule 1 which reads as:

'Classification shall be determined according to the terms of the heading and any relative Section or chapter notes and provided such headings or notes do not otherwise require according to the following provisions.'

GIR Rule 3(a) reads as.

the heading which provides the most specific description shall be preferred to heading providing a more general description.

In terms of GIR 1 and 3(a) it appears that when more specific/ appropriate heading of 'flat rolled products of stainless-steel' is available in HS Nomenclature under CTH 7219 and 7220 for 'flat rolled products of stainless-steel', it would not be classified under residual heading of 73269060. Thus, the Importer's claim that the goods are covered under CTH 73269060 and not under CTH 7219/7220 is not tenable. Hence, I find that the Importer has misclassified the goods in order to bypass condition of seeking NOC from Ministry of Steel as mandated vide Ministry of Steel Circular dated 20.10.2023. In the view of the above, I find that in case of B/E No. 8170180 dated 04.02.2025, as per invoice and packing list, total 14 coils stuffed in 02 containers i.e. FTAU2266221 & FTAU2267085 were having width more than 600 mm, hence the same are rightly classifiable under CTH 72193590.

30. Determination of the correct quantity

30.1 I find that the examination report has found the variation in the weight as against the same declared in the BE the same is as follows:

Table-VI

Sr. No.	B/E No. and Date	Container No.	B/L Net Weight (in Kgs.)	CFS Weight (in Kgs.)	Difference (in Kgs.)
1	8170180 dt. 04.02.2025	FTAU2266221	27712	27850	138
		FTAU2267085	25997	26090	93
Total			53709	53940	231(Excess Weight)

30.2 In view of the result of the examination report I find that in the B/E No. 8170180 dated 04.02.2025, declared net weight i.e. 53709 Kgs. is liable to be rejected and same be re-determined as 53940 Kgs.

30.3 I find that, during examination, the imported goods were found to be in excess by 231 Kgs. Therefore, it becomes necessary to re-determine the assessable value of the goods based on the actual quantity imported. The computation of the re-determined value is as under:

Table-VII**(Exchange Rate :- 1 USD=Rs. 87.1)**

Sr. No.	B/E No. and Date	Container No.	B/L Net Weight(in Kgs.)	CFS Weight (in Kgs.)	Unit price declared USD/Kgs	Declared Value	Value redetermined (in Rs.)
1	8170180 dt. 04.02.2025	FTAU2266221	27712	27850	1.3	3137830	3153456
		FTAU2267085	25997	26090		2943640	2954171
Total			53709	53940		6081470	6107626

30.3.1. In view of the above, I find that in the B/E No. 8170180 dated 04.02.2025, declared value of the imported goods i.e. Rs. 60,81,470/- is liable to be rejected and same be re-determined as Rs. 61,07,626/-

31. As per the discussion above, it is evident that the importer has tried to clear Cold Rolled Stainless Steel coil of J3 classifiable under CTH 7219 by mis declaring them as "Decorative and Designer Coil for wall panel" classifying them under CTH 73269060 in order to bypass condition of seeking NOC from Ministry of Steel as mandated vide Ministry of Steel Circular dated 20.10.2023. Thus, the goods are found to be without valid NOC issued from Ministry of Steel and hence, found to be imported in violation of Circular dated 20.10.2023 which makes the goods prohibited for import of goods.

32. Confiscation of the goods under section 111(d) and 111(m) of the Customs Act, 1962.

32.1 The section 111(d) and 111(m) of the Customs Act, 1962 provide for the following:

111(a).....

.....

.....

111(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

.....

.....

111(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 [in respect thereof, or in the case of goods under transhipment, with the declaration for transhipment referred to in the proviso to sub-section (1) of section 54].

32.2 I find that M/s R. R. International vide B/E No. 8170180 dated 04.02.2025 has tried to clear the Cold Rolled Stainless Steel Coil grade J3 goods classifiable under 72193590 as mentioned above by mis declaring them as decorative and designer coils for wall panel and classifying them under CTH 73269060 in order to bypass NOC from Ministry of Steel as mandated vide circular dated 20.10.2023. Hence, in absence of NOC from Ministry of Steel mandated vide circular dated 20.10.2023, goods imported vide impugned B/E No. 8170180 dated 04.02.2025 became restricted/prohibited in nature and hence, due to above mentioned mis declaration of item description, qty., mis classification and in absence of NOC from Ministry of Steel as mandated vide circular dated 20.10.2023, impugned goods imported

vide B/E No. 8170180 dated 04.02.2025 appears to be liable for confiscation under section 111(d) and (m) of the Customs Act, 1962.

32.3. It is evident that the goods have been held liable for confiscation under section 111(d) & 111(m) of the Customs Act, 1962 for being found mis-declared in terms of classification, description, quantity and are prohibited for want of a NOC from Ministry of Steel thus cannot be allowed for clearance for home consumption. Further, I find that importer vide his letter dt. 27.10.2025 requested for permission to re-export the goods. Therefore, I find that the imported goods are eligible for clearance under section 125 of the Customs Act, 1962 for re-export purpose only.

33. Imposition of penalty under section 112(a) of the Customs Act, 1962.

33.1 The section 112(a)(i) of the Customs Act, 1962 provides for the following:

- Any person, -

(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

(b).....

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty [not exceeding the value of the goods or five thousand rupees whichever is the greater;

(ii)

33.2 As per the discussions above, the imported goods have been found liable for confiscation under section 111(d) & section 111(m) of the Customs Act, 1962 for being found mis-declared in terms of quantity and prohibited for want of NOC from Ministry of Steel. Therefore, I find that the importer for this omission and commission has held himself liable for a penalty under section 112(a)(i) of the Customs Act, 1962.

34. In view of the above discussion and findings I pass following order:

Order

- i. I order that the declared description i.e. Decorative and Designer coil for wall panel of goods imported vide impugned Bill of Entry no. 8170180 dated 04.02.2025 is rejected and same to be re determined as Cold Rolled Stainless Steel Coil/sheet grade J3.
- ii. I order that the declared CTH i.e. 73269060 be rejected and same to be redetermined as 72193590.
- iii. I order the in case of B/E No. 8170180 dated 04.02.2025, the declared net weight i.e. 53709 Kgs. is rejected and the same is redetermined as 53940 Kgs.
- iv. I order the in case of B/E No. 8170180 dated 04.02.2025, declared value i.e. Rs. 60,81,470/- is rejected and same is re-determined as Rs. 61,07,626/-
- v. I order that the goods imported vide BE No. 8170180 dated 04.02.2025 be considered as prohibited in as much as these goods have been attempted to import without valid mandatory NOC from Ministry of Steel as mandated vide circular dated 20.10.2023.
- vi. I order for confiscation of the goods imported vide BE No. 8170180 dated 04.02.2025 having value of Rs.61,07,626/- as redetermined at the table-VII above under Section 111 (d) & (m) of the Customs Act, 1962. However, I give the importer an option under provision of Section 125(1) of the Customs Act, 1962, to

redeem the said goods for re-export purpose only on payment of redemption fine of Rs.6,00,000/- (Rupees Six Lakh Only).

vii. I impose a Penalty of Rs.3,00,000/- (Rupees Three Lakh Only) under Section 112 (a) (i) of the Customs Act, 1962 upon M/s R. R. International for the reasons discussed in para supra.

35. This order is issued without prejudice to any other action that may be taken against the noticee or persons or imported goods under the provisions of the Customs Act, 1962 or any other law for the time being in force in India.

Additional Commissioner of Customs,
Import Assessment,
Customs House, Mundra.

To,

M/s R. R. International,
A-78/5 Ground & 01st Floor,
Wazirpur Industrial Area,
North West Delhi, Delhi-110052

Copy to:

1. The Asst./Dy. Commissioner of Customs (SIIB), CH, Mundra
2. The Asst./Dy. Commissioner of Customs (Review Cell), CH, Mundra.
2. The Asst./Dy. Commissioner of Customs (EDI), CH, Mundra.
3. The Asst./Dy. Commissioner of Customs (TRC), CH, Mundra.
4. Office Copy.