



सीमा शुल्क(अपील) आयुक्त का कार्यालय, अहमदाबाद

OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), AHMEDABAD,

चौथी मंजिल 4th Floor, हडको भवन HUDCO Bhawan, ईश्वर भुवन रोड Ishwar Bhuvan Road
नवरांगपुरा Navrangpura, अहमदाबाद Ahmedabad - 380 009
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DIN - 20251171MN000000C76B

क	फ़ाइल संख्या FILE NO.	S/49-186/CUS/MUN/2024-25
ख	अपील आदेश संख्या ORDER-IN-APPEAL NO. (सीमा शुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962)	MUN-CUSTM-000-APP-401-25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	14.11.2025
ङ	उद्भूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	Order-in-Original no. MCH/ADC/AK/126/2024-25 dated 19.08.2024
	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	14.11.2025
	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s. P. K. Marketing Company 2393/112-A, Vidhya Market, Chawri Bazar, North Delhi-110006



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



	amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-.				
4.	मद सं. 2 के अधीन सूचित मामलों के अलावा अन्य मामलों के सम्बन्ध में यदि कोई व्यक्ति इस आदेश से आहत महसूस करता हो तो वे सीमाशुल्क अधिनियम 1962 की धारा 129 ए (1) के अधीन फॉर्म सी.ए.-3 में सीमाशुल्क, केन्द्रीय उत्पाद शुल्क और सेवा कर अपील अधिकरण के समक्ष निम्नलिखित पते पर अपील कर सकते हैं				
	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :				
	<table border="1"> <tr> <td>सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ</td> <td>Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench</td> </tr> <tr> <td>दूसरी मंजिल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016</td> <td>2nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016</td> </tr> </table>	सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench	दूसरी मंजिल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016	2 nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
सीमाशुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench				
दूसरी मंजिल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016	2 nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016				
5.	<p>सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (6) के अधीन, सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (1) के अधीन अपील के साथ निम्नलिखित शुल्क संलग्न होने चाहिए-</p> <p>Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -</p> <p>(क) अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए या उससे कम हो तो एक हजार रूपए.</p> <p>(a) where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;</p> <p>(ख) अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए से अधिक हो लेकिन रुपये पचास लाख से अधिक न हो तो; पाँच हजार रूपए</p> <p>(b) where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;</p> <p>अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पचास लाख रूपए से अधिक हो तो; दस हजार रूपए.</p> <p>where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees</p> <p>(घ) इस आदेश के विरुद्ध अधिकरण के सामने, मांगे गए शुल्क के 10% अदा करने पर, जहां शुल्क या शुल्क एवं दंड विवाद में हैं, या दंड के 10% अदा करने पर, जहां केवल दंड विवाद में है, अपील रखा जाएगा ।</p> <p>(d) An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.</p>				
6.	उक्त अधिनियम की धारा 129 (ए) के अन्तर्गत अपील प्राधिकरण के समक्ष दायर प्रत्येक आवेदन पत्र- (क) रोक आदेश के लिए या गलतियों को सुधारने के लिए या किसी अन्य प्रयोजन के लिए किए गए अपील : - अथवा (ख) अपील या आवेदन पत्र का प्रत्यावर्तन के लिए दायर आवेदन के साथ रुपये पाँच सौ का शुल्क भी संलग्न होने चाहिए.				
	<p>Under section 129 (a) of the said Act, every application made before the Appellate Tribunal-</p> <p>(a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or</p> <p>(b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.</p>				

ORDER-IN-APPEAL

The present appeal had been filed by M/s PK Marketing Company 2393/112-A, Vidhya Markey, Chawri Bazar, North Delhi-110006,(hereinafter referred to as the 'appellant') challenging the Order-in-Original dated MCH/ADC/AK/126/2024-25 dated 19.08.2024(hereinafter referred to as the 'impugned order') issued by the Additional Commissioner of Customs, Custom House, Mundra (hereinafter referred to as the adjudicating authority)

2. The facts of the case in brief are that the appellant had filed a Bill of Entry No. 4259256 dated 29.06.2024 for the clearance of 75776 KGS of ghoods declared as "Coated Board (White Board)". The declared unit price is US \$.47 per KGS and the declared assessable value is Rs. 30,02,321/- . The said goods are classified under tariff heading 48109900 of the first schedule of the Customs Tariff Act, 1975. The goods were loaded in three containers no. TGBU8595066, CSNU7353015 and CSNU7940060, from Norfolk Port in USA under Bill of Lading No. OOLU2736116680 dated 27.05.2024. The Bill of Entry has been assessed on 29.06.2024 under RMS and Out of Charge has been granted on 03.07.2024. The appellant has taken delivery for 02 containers no. TGBU8595066, CSNU7353015 on 08.07.2024. Further, when it is noticed that one container was found having seal mismatch, OOC was cancelled and examination of the goods stuffed in container No. CSNU7940060 was carried out on 12.07.2024. On examination, the goods were found to be stocklot and therefore appeared misdeclared.

2.1 The total assessable value for the imported goods, i.e, Coated Board (White Board), with a net weight of 75,776 KGS, was 30,02,321/-, stuffed in three containers, the assessable value of the goods stuffed in one container, Container No. CSNU7940060, having a net weight of 24,040 Kgs was calculated as under :-

Table-A

Sr. No.	Bill of Entry No.	Description of the goods	Container No.	Weight (KGS)	Price (Per Kgs)	Assessable value (Rs)	Duty
1.	4259256 dated. 29.06.2024	Coated Board (White Board)	CSNU7940060	24040	39.621	9,52,489/-	2,31,645/-

2.2 The DGFT vide notification No. 45/2015-2020 dated 31.01.2020, has introduced policy condition for goods covered under EXIM code 4810. Vide the said notification, import of stock lot of coated paper covered under various tariff items including tariff item 48109900 has been prohibited.

2.3 Further, DGFT has issued Trade Notice No. 8/2020-2021 dtd. 4.5.2020 regarding Clarification with regard to description of 'Stock Lot used in the Notification No.45/2015-2020 dated 31st January, 2020. As per the clarification on "Stocklot", issued by DGFT vide Trade Notice No.8/2020-2021 dated 04 May 2020, Import of different kinds of paper description under all the 22 tariff lines covered under ITC (HS) 4810 is 'Free' subject to the correct description of paper being imported at 8 digit under ITC (HS) 4810 mentioned by importer in the Bill of entry Importers are expected to clearly specify quantities of paper under each 8 digit ITC (HS) Code separately. If the whole imported paper consignment is without description for each category of paper, it is a Stock lot.

2.4 In the instant case, for all the goods stuffed in subject 03 containers, the appellant had filed the Bill of Entry 4259256 dated 29.06.2022 declaring their goods under single description as "Coated Board (White Board) under CTH 48109900. The importer has not declared in any of the import documents that the goods stuffed in container No. CSNU7940060 are different from the goods for which they have taken delivery as per RMS assessment. Therefore, it appears that in the impugned consignment covered under subject Bill of Entry the importer has imported 'Stocklot of Coated Board (White Board)', thereby misdeclaring their goods as Coated Board (White Board), to import prohibited goods i.e. "Stocklot of Coated Board (White Board)" in violation of DGFT notification No. 45/2015-2020 dated 31.01.2020 to import of stock lot of coated paper.

2.5 The appellant vide letter dated 22.07.2024 has stated that Import product is prohibited due to impact of Stocklot material. In domestic market, imported goods is not harmful/dangerous/poisonous in nature for any living or non living element. Hence requested for clearance of goods upon payment of Fine and penalty. However, appellant vide this letter requested that they do not want show cause notice and personal hearing. Accordingly, the adjudicating authority passed the following order:

- i. He ordered for absolute confiscation 24040 KGS of goods, i.e., 'Coated Board (White Board)' having an assessable value of Rs. 9,52,489/- stuffed in CSNU7940060), filed by the appellant vide Bill of Entry No. 4259256 dated 29.06.2024.
- ii. He imposed a penalty of Rs. 3,00,000 on the appellant under Section 112 (a)(i) of the Customs Act, 1962 for the acts and omission on their parts, as discussed above.
- iii. He further ordered that the confiscated goods shall be disposed of in accordance with the provisions outlined in the Disposal Manual, 2019.

SUBMISSION BY APPELLANT

3. Being aggrieved by the impugned order, the appellant has filed the present appeal wherein they have submitted as under :-

- i) that the examination report cannot be said to be an independent observation of the examiner, as it is clearly mentioned in the subject report that the same is being reported ***as per direction***;
- ii) that even though the examination report states that sizes of all the roles in the container are different and appears to be stock lot. It clearly shows that merely difference in sizes of the roles was considered as different kinds of goods and mixture of the same was considered as 'stock lot'. The same is contrary to actual definition of 'Stock Lot' as clarified by DGFT vide the above-mentioned Trade Notice;
- iii) that examination report further reads that there were total 29 packages of the above-mentioned cargo/ coated boards/ roles; 27 coated roles and 02 pallets of coated board sheet and that the cargo did not appear to be of the declared CTH 48109900. It is their submission that paperboards are marketed in both forms i.e., in sheets and in rolls. The paperboard which is not hard and has low



thickness are sold in market in rolls. This fact is easily verifiable from market as well as from freely available details on internet;

- iv) that examination report further reads that there were total 29 packages of the above-mentioned cargo/ coated boards/ roles; 27 coated roles and 02 pallets of coated board sheet and that the cargo did not appear to be of the declared CTH 48109900. It is humbly submitted that paperboards are marketed in both the forms i.e. in sheets and in rolls. The paperboard which is not hard and has low thickness are sold in market in rolls. This fact is easily verifiable from market as well as from freely available details on internet;
- v) that in respect of classification, it was submitted that form/ condition and packing i.e. whether it is in sheet form or in roll form does not affect description and classification. Further, Chapter Note 1 of Chapter 48 of the first schedule of the Customs Tariff Act, 1975 reads, "*for the purposes of this Chapter, except where the context otherwise requires, a reference to 'paper' includes references to paperboard (irrespective of thickness or weight per m²)*". Therefore, it is amply clear that paper includes paperboard and thus both are treated as same for the purpose of classification. Therefore, presuming impugned goods to be mixture of paper and paperboard, it certainly does not affect classification. Therefore, on this count also the opinion on classification mentioned in the examination report does not hold good and is contrary to the law. Though examination report states that cargo does not appear to be of declared CTH 48109900 but neither any reasoning thereof has been stated nor any opinion on classification was given. The impugned Order-in-Original also does not order to re-classify the goods. It has been stated by examining officer and the learned Adjudicating Authority that the declared classification is not correct but none of them have stated reasons or stated the classification appropriate suitable in their opinion;
- vi) that the allegation of misdeclaration of goods is also incorrect and baseless as Merely difference in sizes of rolls of the imported paperboard and those imported in sheet form does not make the goods something else or 'Stock Lot';



- vii) that the trade notice 8/2020-2021 prescribed the criterion for defining stock lot and required the importers to mention quantity-wise correct description and quantity of paper being imported at 8 digit separately under ITC (HS) 4810. If the whole imported paper consignment is without description for each category of paper it is a Stock lot. Customs officers to check where the description of imported paper matches with any/some of the 8 digit entries under ITC (HS) 4810. The consignment where paper of different description are intended to be imported and are bundled together under ITC (HS) 4810 as a Stock Lot. This clarification simply states that any consignment containing two or more types of goods at eight (8) digit classification under ITC (HS) 4810 has to be treated as Stock Lot if quantity-wise actual description has not been declared;
- viii) that the reasoning formed by the Adjudicating Authority that importer has not declared in any of the import documents that the goods stuffed in container No. CSNU7940060 are different from the goods for which they have taken delivery as per RMS assessment, is erroneous, illogical and completely baseless;
- ix) that they declared the subject goods as "Coated Board (White Board)". The same have been correctly declared. Part of the "Coated Board (White Board)" were packed in roll's form and remaining part in sheet form, as reported in the examination report. It does not change characteristics and nature of the goods. Further, size of the goods/ packing/ rolls does not bear any impact on description or classification of the subject goods;
- x) that Simple meaning is that if two or more kinds of goods classifiable under two or more HS Code up to 8 digits are bundled together but not declared separately, the consignment is to be treated as "Stock Lot". However, the learned Adjudicating Authority has not applied its mind in considering the erroneous examination report and has reached to a wrong conclusion that the impugned goods are "Stock Lot" and have been mis-declared. In view of the fact that each of the packing in the container contained goods of the same nature, composition and characteristics, the consignment cannot be considered as "Stock Lot". Further, there is no indication of any

other classification of the goods in operating part or discussion and findings part or at any other place in the order-in-original. No chemical examination has been conducted and no specific difference except size and packing has been discussed. The difference in size and packing does not change the description or classification;

xi) that as the subject goods are not misdeclared, therefore they are not liable for confiscation under section 111 of the Customs Act,1962. Since the goods are not liable to confiscation under the provisions of section 111, the penalty is also not imposable under the provisions of section 112 of the Customs Act, 1962.

PERSONAL HEARING:

4. The appellant was granted personal hearing on 13.11.2025 wherein Shri Abhishek Darak, Chartered Accountant and Authorised representative of the appellant, appeared on 13.11.2025 and reiterated the submissions made in the appeal memorandum.

DISCUSSION AND FINDINGS

5. I have gone through the case records and submissions made by the appellant. I considered that in the present case, the issues for determination are as follows



- Whether the consignments in question can be treated as "stock-lot" within the meaning of Notification No.45/2015-2020 dated 31.01.2020, read with Trade Notice No.08/2020-2021 dated 04.05.2020; and
- Whether the confiscation and penalty imposed are sustainable in law, where DGFT's Trade Notice required specific criteria and consultation before coercive action.

5.1 In the present case, all goods fall under a single 8-digit ITC(HS) classification – 48109900, and the Bill of Entry declares exactly that description. The Department has not produced any evidence to demonstrate the presence of goods falling under any other ITC(HS) heading. I find that the import policy for

the goods pertaining to chapter 4810 is free , however, Import of Stock lot is prohibited vide DGFT Notification No. 45/2015-2020 dated 31/01/2020. I refer to the DGFT Notification 45/2020-2021 dated 31.01.2020 which is reproduced herein below:

Notification No. 45/2015-2020

Subject: Incorporating Policy Condition under HSN Code 4810 of Chapter 48 of Schedule Policy I (Import Policy), ITC (HS), 2017.

In exercise of powers conferred by Section 3 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby introduces a Policy Condition for items under EXIM Code 4810 of Chapter 48 of ITC (HS), 2017, Schedule - I (Import Policy).

Exim Code	Item Description	Import Policy	Policy Condition
4810 13 10	Imitation art paper	Free	Import of Stock Lot is Prohibited
4810 13 20	Art paper	Free	Import of Stock Lot is Prohibited
4810 13 30	Chrome paper or paper board	Free	Import of Stock Lot is Prohibited
4810 13 90	Other	Free	Import of Stock Lot is Prohibited
4810 14 10	Imitation art paper	Free	Import of Stock Lot is Prohibited
4810 14 20	Art paper	Free	Import of Stock Lot is Prohibited
4810 14 30	Chrome paper or paper board	Free	Import of Stock Lot is Prohibited
4810 14 90	Other	Free	Import of Stock Lot is Prohibited
4810 19 10	Imitation art paper	Free	Import of Stock Lot is Prohibited
4810 19 20	Art paper	Free	Import of Stock Lot is Prohibited
4810 19 30	Chrome paper or paper board	Free	Import of Stock Lot is Prohibited
4810 19 90	Other	Free	Import of Stock Lot is Prohibited
4810 22 00	Light-weight coated paper	Free	Import of Stock Lot is Prohibited
4810 29 00	Other	Free	Import of Stock Lot is Prohibited
4810 31 00	Bleached uniformly throughout the mass and of which more than 95% by weight of the total fibre content consists of wood fibres obtained by a chemical process, and weighing 150 g/m ² or less	Free	Import of Stock Lot is Prohibited
4810 32 00	Bleached uniformly	Free	Import of Stock Lot is Prohibited




	<i>throughout the mass and of which more than 95% by weight of the total fibre content consists of wood fibres obtained by a chemical process, and weighing more than 150 g/m²</i>		
4810 39 10	Insulating paper	Free	Import of Stock Lot is Prohibited
4810 39 20	Electric insulating press board	Free	Import of Stock Lot is Prohibited
4810 39 30	Insulation boards (homogenous)	Free	Import of Stock Lot is Prohibited
4810 39 90	Other	Free	Import of Stock Lot is Prohibited
4810 92 00	Multi-ply	Free	Import of Stock Lot is Prohibited
4810 99 00	Other	Free	Import of Stock Lot is Prohibited

Effect of the Notification: Import policy of Stock Lot under HSN Code 4810 of Chapter 48 of ITC (HS), 2017 is revised from 'Free' to 'Prohibited'.

This issues with the approval of Minister of Commerce & Industry.

5.2 The terms of Stock Lot had been clarified vide DGFT Trade Notice 8/2020-2021 dated 04.05.2020. The said clarification is reproduced herein below:

TRADE NOTICE No. 8/2020-2021

To

1. *Regional Authorities of DGFT*
2. *Customs Commissionerates*
3. *Members of Trade and Industry*
4. *Joint Secretary (Customs), CBIC*

Subject: Clarification with regard to description of 'Stock Lot' used in the Notification No.45/2015-2020 dated 31st January, 2020.

Vide Notification No.45/2015-2020 dated 31st January 2020, import of Stock Lot under HSN Code 4810 of Chapter 48 of ITC (HS), Schedule - I (Import Policy) was 'Prohibited'.

2. A number of representations were received seeking clarification with regard to description of 'Stock Lot' used in the said Notification. Accordingly, the matter has been examined in consultation with the Department for Promotion of Industry and Internal Trade (DPIIT) and following clarification is issued with reference to Notification No.45/2015-2020 dated 31st January 2020:

- a. Import of different kinds of paper description under all the 22 tariff lines covered under ITC (HS) 4810 is 'Free'.
- b. Importers should mention correct description of paper being imported at 8 digit under ITC (HS) 4810. They are expected to clearly specify quantities of paper under each 8 digit ITC (HS) Code separately.
- c. If the whole imported paper consignment is without description for each category of paper it is a Stock lot.
- d. The Customs would check before allowing consignment where the description of imported paper matches with any/some of the 8 digit entries under ITC (HS) 4810. The Customs would not allow consignment where paper of different description are intended to be imported and are bundled together under ITC (HS) 4810 as a Stock Lot.
- e. In case paper proposed to be imported is not covered in any of the existing 8 digit ITC (HS) codes under ITC (HS) 4810, Trade is advised to request Department of Revenue for the creation of a new tariff line with proper justification.

This issues with the approval of the competent authority.



5.3 Now I am proceed to check the nature and characteristics of the goods which are considered as a stock-lot by the Adjudicating Authority. I find that the Adjudicating Authority had relied on the examination report by the examining officer. I find that the report stated that 'there were total 29 packages of the cargo/ coated Boards/Rolls in which 27 are coated rolls of and 2 pallets of coated board sheet'. Based on this observation, it was considered by the Adjudicating Authority that the goods were packed in rolls having different sizes and appeared to be a Stock Lot. It emerges from the examination report that the goods are

coated boards in sheets as well as in rolls. The Adjudicating Authority had not attempted to make any case that the goods found are pertaining to a different chapter heading. Further, I find force in the appellant's submission that paperboards are available in both forms, i.e. in sheets and in rolls. The paperboard has low thickness (low GSM), hence is not so hard, is available in rolls, whereas paperboards which had higher thickness (high GSM), hence are hard boards, are therefore available as sheets. Definitely, form/ condition and packing i.e. whether it is in sheet form or in roll form, does not affect description and classification. Further, Chapter Note 1 of Chapter 48 of the first schedule of the Customs Tariff Act, 1975 reads, "*for the purposes of this Chapter, except where the context otherwise requires, a reference to 'paper' includes references to paperboard (irrespective of thickness or weight per m²)*". Therefore, it is amply clear that paper includes paperboard and thus both are treated as the same for the purpose of classification. In the absence of any contrary chapter heading by the Adjudicating Authority, I am of the view that both sheets and rolls of white boards are classifiable under CTH 48109900 only.

5.4 The only question that arises for determination is whether the goods imported by the appellant can be classified as "stock-lot". The Director General of Foreign Trade has assigned a specific and binding meaning to the expression "stock-lot" in Trade Notice No. 8/2020-2021 dated 04.05.2020. The Trade Notice mandates that the importer must declare the correct description of the paper at the 8-digit ITC(HS) level under Heading 4810, and must indicate quantity-wise details separately where more than one 8-digit classification is involved. The clear intent of DGFT is that "stock-lot" arises only where multiple distinct paper products falling under different 8-digit ITC(HS) codes are mixed together without separate declarations. The Trade Notice does not treat variation in size, GSM, or packaging as determinative of stock-lot.

5.5 I find that only where the goods demonstrably fall under different 8-digit ITC(HS) classifications, and the importer has failed to separately declare each category, would the consignment constitute a "stock-lot" under the DGFT framework. In the present case, the appellant has classified the entire consignment under ITC(HS) 4810 99 90, and the Department has not proposed any alternative classification, nor produced any evidence to show that the consignment contains products falling under multiple ITC(HS) codes. Yet, the Adjudicating Authority has applied an impermissible, extra-statutory yardstick, namely variation in GSM, thickness, roll size, and presence of both rolls and

sheets, to brand the goods as "stock-lot". Such criteria find no basis either in DGFT Notification No. 45/2015-2020 or in Trade Notice 8/2020-2021.

5.6 It is further held that Coated Paper (White Board), whether presented in sheet form or in rolls, remains classifiable under the same tariff heading, as neither the GSM variation nor the dimensional differences alter the inherent characteristics, composition, or nature of the product. Chapter Note 1 to Chapter 48 expressly treats paper and paperboard as one category, irrespective of thickness or form. Therefore, a homogeneous consignment falling entirely under ITC(HS) 48109900 cannot, by any lawful interpretation, be treated as a "stock-lot". The yardstick adopted by the Adjudicating Authority is thus inappropriate, invalid, and reflective of a complete misapprehension of the DGFT policy framework

5.7 The decisions of the Hon'ble Madras High Court in Jayasakthi Papers v. Commissioner of Customs, Tuticorin, reported in 2021 (377) E.L.T. 641 (Mad.), and in Yamuna Impex v. Commissioner of Customs, reported in 2021 (378) E.L.T. 64 (Mad.), squarely apply to the present case. The Hon'ble Court has unequivocally held that GSM variation, size difference, or the form in which paper is packed (rolls or sheets) does not convert paper into a "stock-lot", and that Customs authorities are bound to apply DGFT's clarification while adjudicating such matters. It is also held that subjective visual impressions or non-technical observations cannot form the basis of confiscation.

5.8 The adjudicating authority has not attempted to distinguish or address these binding judicial precedents. The omission to consider these authoritative rulings amounts to breach of judicial discipline, rendering the conclusion of the Adjudicating Authority legally untenable. These precedents fully support the appellant's case and completely negate the Department's allegation of stock-lot.

5.9 I find that there is no evidence of misdeclaration. The description "Coated Board (White Board)" correctly represents the goods. The presence of rolls and sheets together is commercially normal and does not alter the classification or nature of the commodity. Confiscation under Section 111(d) of the Customs Act, 1962 cannot stand on subjective suspicion or non-technical impressions.

5.10 For all the above reasons, I hold that the Adjudicating Authority's findings are factually incorrect, legally untenable, contrary to DGFT's binding clarification, unsupported by evidence, and violative of judicial precedent. The impugned order is therefore liable to be set aside in its entirety.



5.11 In view of above discussion and findings, I pass the following order :-

ORDER:

6. In view of the above, I pass the following order:

- (i) The Order-in-Original is set aside .
- (ii) The goods are ordered to be released with immediate effect,
- (iii) Consequential relief, if any to be granted as per law.

1.14pp

Commissioner (Appeals),
Customs, Ahmedabad

F. No. S/49-186/CUS/MUN/2024-25

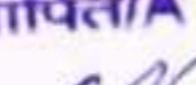
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M/s. P. K. Marketing Company
2393/112-A, Vidhya Market, Chawri Bazar,
North Delhi-110006

Copy to:

1. The Chief Commissioner of Customs, Gujarat, Custom House, Ahmedabad. *4469*
2. The Principal Commissioner of Customs, Custom House Mundra.
3. The Additional Commissioner of Customs, Custom House, Mundra.
4. Guard File.

सत्यापित/ATTESTED

अधीक्षक/SUPERINTENDENT
सीमा शुल्क (अपील्स), आहमदाबाद.
CUSTOMS (APPEALS), AHMEDABAD