



## सीमाशुल्क(अपील) आयुक्तकाकार्यालय, अहमदाबाद

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

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DIN - 20251171MN000000C16D

क	फाइलसंख्या FILE NO.	S/49-489/CUS/MUN/2025-26
ख	अपीलआदेशसंख्या ORDER-IN-APPEAL NO. (सीमाशुल्कअधिनियम, 1962 कीधारा 128कक्षेत्रांतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962)	MUN-CUSTM-000-APP-416-25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	20.11.2025
ङ	उदभूतअपीलआदेशकीसं. वदिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	Order-in-Original no. MCH/ADC/ZDC/113/2025-26 dated 13.10.2025
च	अपीलआदेशजारीकरनेकीदिनांक ORDER- IN-APPEAL ISSUED ON:	20.11.2025
छ	अपीलकर्ताकानामवपता NAME AND ADDRESS OF THE APPELLANT:	M/s Shree Ganesh Industries, Suraj Electronic Works, 24A B, Vishav Karma Colony, Raipur Road, New Jawahar Nagar, Hisar, Haryana - 125001

1	यहप्रतिउसव्यक्तिकेनिजीउपयोगकेलिएमुफ्तमेंदीजातीहैजिनकेनामयहजारीकियागया है।
	This copy is granted free of cost for the private use of the person to whom it is issued.

2.	सीमाशुल्कअधिनियम 1962 कीधारा 129 डीडी (1) (यथासंशोधित) केअधीननिम्नलिखितश्रेणियोंकेमामलोंकेसम्बन्धमेंकोईव्यक्तिइसआदेशसेअपनेकोआहतमहसूसकरताहोतोइसआ देशकीप्राप्तिकीतारीखसे 3 महीनेकेअंदरअपरसचिव/संयुक्तसचिव (आवेदनसंशोधन),वित्तमंत्रालय, (राजस्वविभाग) संसदमार्ग,नईदिल्लीकोपुनरीक्षणआवेदनप्रस्तुतकरसकते 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.
	निम्नलिखितसम्बन्धितआदेश/Order relating to :
(क)	बैगेजकेरूपमेंआयातितकोईमाल.
(a)	any goods exported
(ख)	भारतमेंआयातकरनेहेतुकिसीवाहनमेलादागयालेकिनभारतमेंउनकेगन्तव्यस्थानपरउतारेनगएमालयाउसगन्तव्य स्थानपरउतारेजानेकेलिएअपेक्षितमालउतारेनजानेपरयाउसगन्तव्यस्थानपरउतारेगएमालकीमात्रामेंअपेक्षितमाल सेकमीहो।
(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)	सीमाशुल्कअधिनियम, 1962 केअध्यायX तथाउसकेअधीनबनाएगएनियमोंकेतहतशुल्कवापसीकीअदायगी.
(c)	Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder.
3.	पुनरीक्षणआवेदनपत्रसंगतनियमावलीमेंविनिर्दिष्टप्रारूपमेंप्रस्तुतकरनाहोगाजिसकेअन्तर्गतउसकीजांचकीजाएगी औरउसकेसाथनिम्नलिखितकागजातसंलग्नहोनेचाहिए :
	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)	कोर्टफीएक्ट,1870केमदसं.6 अनुसूची 1 केअधीननिर्धारितकिएगएअनुसारइसआदेशकी 4 प्रतियां,जिसकीएकप्रतिमेंपचासपैसेकीन्यायालयशुल्कटिकटलगाहोनाचाहिए.
(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)	सम्बद्धदस्तावेजोंकेअलावासाथमूलआदेशकी 4 प्रतियां,यदिहो
(ब)	4 copies of the Order-in-Original, in addition to relevant documents, if any
(ग)	पुनरीक्षणकेलिएआवेदनकी 4 प्रतियां
(c)	4 copies of the Application for Revision.
(घ)	पुनरीक्षणआवेदनदायरकरनेकेलिएसीमाशुल्कअधिनियम, 1962 (यथासंशोधित) मेंनिर्धारितफीसजोअन्यरसीद,फीस,दण्ड,जब्तीऔरविविधमदोंकेशीर्षकेअधीनआताहैमेंरु. (रूपएदोसौमात्र)यारु.1000/- (रूपएएकहजारमात्र) ,जैसाभीमामलाहो,सेसम्बन्धितभुगतानकेप्रमाणिकचलानटी.आर.6 यदिशुल्क,मांगायाव्याज,लगायागयांडकीराशिऔररूपएएकलाखयाउससेकमहोतोऐसेफीसकेरूपमेंरु.200/- औरयदिएकलाखसेअधिकहोतोफीसकेरूपमेंरु.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.	मदसं. 2 केअधीनसूचितमामलोंकेअलावाअन्यमामलोंकेसम्बन्धमेंयदिकोईव्यक्तिइसआदेशसेआहतमहसूसकरताहोतोवेसी माशुल्कअधिनियम 1962 कीधारा 129 ए (1) केअधीनफॉर्मसी.ए.-3 मेंसीमाशुल्क,केन्द्रीयउत्पादशुल्कऔरसेवाकरअपीलअधिकरणकेसमक्षनिम्नलिखितपतेपरअपीलकरसकते हैं

	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :	
	सीमाशुल्क, केंद्रीयउत्पादशुल्कवसेवाकरअपीलियअधि करण, पश्चिमीक्षेत्रीयपीठ	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench
	दूसरीमंज़िल, बहुमालीभवन, निकटगिरधरनगरपुल, असार वा, अहमदाबाद-380016	2 <sup>nd</sup> Floor, Bahumali Bhavan, Nr. Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
5.	सीमाशुल्कअधिनियम, 1962 कीधारा 129 ए (6) केअधीन, सीमाशुल्कअधिनियम, 1962 कीधारा 129 ए(1)केअधीनअपीलकेसाथनिम्नलिखितशुल्कसंलग्नहोनेचाहिए-	
	Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -	
(क)	अपीलसेसम्बन्धितमामलेमेंजहांकिसीसीमाशुल्कअधिकारीद्वारामांगागयाशुल्कऔरव्याजतथालगायागयादंडकीर कमपाँचलाखरूपएयाउससेकमहोतोएकहजाररुपए.	
(a)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;	
(ख)	अपीलसेसम्बन्धितमामलेमेंजहांकिसीसीमाशुल्कअधिकारीद्वारामांगागयाशुल्कऔरव्याजतथालगायागयादंडकीर कमपाँचलाखरूपएसेअधिकहोलेकिनरूपयेपचासलाखसेअधिकनहोतो; पाँचहजाररुपए	
(b)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;	
(ग)	अपीलसेसम्बन्धितमामलेमेंजहांकिसीसीमाशुल्कअधिकारीद्वारामांगागयाशुल्कऔरव्याजतथालगायागयादंडकीर कमपचासलाखरूपएसेअधिकहोतो; दसहजाररुपए.	
(c)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees	
(घ)	इसआदेशकेविरुद्धअधिकरणकेसामने, मांगेगएशुल्कके 10% अदाकरनेपर, जहांशुल्कयाशुल्कएवंदंडविवादमेहैं, यादंडके 10% अदाकरनेपर, जहांकेवलदंडविवादमेहै, अपीलरखाजाएगा।	
(d)	An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.	
6.	द्रक्तअधिनियमकीधारा 129 (ए) केअन्तर्गतअपीलप्राधिकरणकेसमक्षदायरप्रत्येकआवेदनपत्र- (क) शेकआदेशकेलिएयागलतियोंकोसुधारनेकेलिएयाकिसीअन्यप्रयोजनकेलिएकिएगएअपील : - अथवा (ख) अपीलयाआवेदनपत्रकाप्रत्यावर्तनकेलिएदायरआवेदनकेसाथरूपयेपाँचसौकाशुल्कभीसंलग्नहोनेचाहिए.	
	Under section 129 (a) of the said Act, every application made before the Appellate Tribunal-	
	(a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or	
	(b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.	



### ORDER-IN-APPEAL

Present appeal has been filed by M/s Shree Ganesh Industries, Suraj Electronic Works, 24A B, Vishav Karma Colony, Raipur Road, New Jawahar Nagar, Hisar, Haryana - 125001, (hereinafter referred to as the 'Appellant') in terms of Section 128 of the Customs Act, 1962, challenging the Order-in-Original no. MCH/ADC/ZDC/113/2025-26 dated 13.10.2025 (hereinafter referred to as 'the impugned order') issued by the Additional Commissioner of Customs, Import Assessment, Customs House, Mundra.

2. Facts of the case, in brief, are that Ministry of Steel issued circular dated 20.10.2023 vide which 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. 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. 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.

2.1 In view of above, on scrutiny of EDI data, it has been observed that Importer M/s Ganesh Industries (hereinafter referred to as 'importer' for the sake of brevity) did not file bill of entry against 02 BL No. A33FA00062 and A33FA00063 both dated 19.01.2025. As per IGM No. 1121123 dated 29.01.2025 imported has imported architectural designer decorative article of wall panel under HSN 73269060. After putting on hold importer filed 02 warehouse BE. No. 8709704 and 8710238 both dated 05.03.2025 at Mundra port through Broker M/s Shri Balaji Logistics under CTH 73269060. 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.

2.2 The country of origin is CHINA. Total Declared Assessable value of the

goods is 1,27,65,361/- (Rs. One crore twenty seven lakhs sixty five thousand three hundred and sixty one Rupees) and total duty payable is Rs. 39,54,710/- (Rupees thirty nineLacs Fifty-Four Thousand Seven Hundred and ten).

2.2 The examination of the goods covered under BE. No. 8709704 and 8710238 both dated 05.03.2025 were carried out at Seabird Marine Services CFS on 06.03.2025.

2.3 Further, as per examination reports dated 06.03.2025, goods were found stuffed in the form of cylindrical shaped rolls of coils. These cylindrical shaped rolls of coils were wrapped in light green coloured PP Packaging. On cutting these PP Packaging, it was found that these coils were having shine on surface. No discrepancy in respect of size i.e. width and thickness etc. has been noticed against as per declaration in invoice.

2.4 Further, during examination, Positive Metal Identification (PMI) test was conducted with the help of PMI gun. During the PMI test proceeding, the test results were taken and as per test report, it is seen that in all coils stuffed in 02 containers, Nickel content is found in the range of .8-1.5%, chromium content is found in the range of 13%-15% and Manganese is found in the range of 7.5-13%.

2.5 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 coil for wall penal.

2.6 In view of above, prima facie, it appears that all major component i.e. Nickel, Chromium, Manganese etc. of goods imported BE. No. 8709704 and 8710238 both dated 05.03.2025 is in line of chemical composition of Stainless Steel Coil/sheet J3 Grade.

2.7 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;

2.8 In this case, during examination, goods have been found with thickness

only 0.26 mm which is very thin and having shiny surface without any irregularity on surface. Further, as per SIMS registrations No. MOSSIMS01022507989 and MOSSIMS010225027983 dated 2.02.2025 uploaded in e-Sanchit, importer has declared sub category as Flat Products-CR Coil of 200 series grade.

2.9 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.*

2.10 As per examination report and photos attached during examination vide examination reports dated 06.03.2025, 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.

2.11 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.

2.11 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.

2.12 Further, as per Explanatory notes of Chapter 72 wherein at sub para (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.

2.13 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. Since, in this case, during

examination, goods have been found laminated with thin PVC film. Prima facie, the same was in peelable form for protection against scratches, corrosion etc. Hence, in light of above, it is clear that PVC lamination does not change the classification of goods as mentioned in subpara (2) of para (IV)(C) and goods will be classifiable under CTH 72.

2.14 Further, flat rolled products of Stainless Steel are classifiable under 7219 and 7220. 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: ...**

\*\*

**- Not further worked than cold rolled (Cold Reduced)**

721935 -- Of a thickness of less than 0.5 mm

72193510 --- Chromium Type

72193520 --- Nickel Chromium austenitic type

72193590 --- Other

721990 - Other

72199090 --- Other

**7220 Flat Rolled Products of Stainless Steel, of a width of less than 600 mm**

**- Not further worked than hot-rolled:**

722020 - Not further worked than cold-rolled (Cold-reduced):

72202010 --- Skelp for pipes and tubes

--- Strips for pipes and tubes (Other than skelp) :

72202021 ---- Chromium type

72202022 ---- Nickel chromium austenitic type

72202029 ---- Other

72202090 --- Other

722090 - Other

\*\*

72209090 --- Other.



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. In case of B/E No. 8710238 dated 05.03.2025, as per invoice and packing list, total 03 coils in

container No. IAAU2975392 having net weight 9516 Kgs. and 9546 Kgs. we're having width less than 600 mm, hence, prima facie, appears to be rightly classifiable under CTH 72202090 and remaining 12 Coils having total Net weight 46117 Kgs. and Gross Weight 46237 Kgs. having width more than 600 mm are rightly classifiable under CTH 72193590. Further, in case of B/E No. 8709704 dated 05.03.2025, as per invoice and packing list, all 13 coils stuffed in 02 container No. IAAU2975969 and IAAU2975005 were having width more than 600 mm, hence, prima facie, appears to be rightly classifiable under CTH 72193590. Total Gross Weight of 13 coils is 55546 Kgs. and Net weight is 55416 Kgs. Duty leviable under CTH 72193590 and 72202090 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%).

2.15 From the above, prima facie, it appears that importer have tried to clear Cold Rolled Stainless Steel coil of J3 grade classifiable under CTH 7219 and 7220 by mis declaring them as "Decorative and designer coil for wall penal" 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.

2.2 Further, a statement of Shri Ayush Singla, authorised representative of the appellant has been recorded on 25.03.2025 wherein he interalia stated that

- These Decorative and designer coil for wall penal 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 for wall penal. 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.
- On perusal of definition 2(k) of chapter note 72, it appears that goods are flat rolled products classifiable under CTH 7219.

2.21 From the above, it is evident that the appellant agreed during his statement that goods imported vide BE. No. 8709704 and 8710238 both dated 05.03.2025 are classifiable under CTH 7219/7220. 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, Importer's authorised representative himself 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 penal and Cold Rolled Stainless Steel Coil grade J3 except surface treatment. Hence, prima facie, it appears that importer M/s Shree Ganesh Industries vide BE. No. 8709704 and 8710238 both dated 05.03.2025 has tried to clear the Cold Rolled Stainless Steel Coil grade J3 goods classifiable under 72193590 and 72202090 as mentioned above by mis declaring them as Decorative and designer coil for wall penal 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 BE. No. 8709704 and 8710238 both dated 05.03.2025 became restricted/prohibited in nature and hence, due to above mentioned mis declaration of item description, qty., undervaluation, mis classification and in absence of NOC from Ministry of Steel as mandated vide circular dated 20.10.2023, impugned goods imported vide BE. No. 8709704 and 8710238 both dated 05.03.2025 appears to be liable for confiscation under section 111(d) and (m) of the Customs Act, 1962.

2.12 Further, the appellant, vide 21.08.2025 has made following submissions:

- *With due respect, we would like to inform you that the Inspection Report (IR) for the above-mentioned consignment 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 matter may kindly be considered with a lenient view during adjudication, since the goods have already incurred heavy demurrage and detention charges as the shipment arrived more*

than six months ago, Accordingly we will accept the adjudicating with fine and penalty.

- We shall remain sincerely grateful for your prompt and favourable action.

2.13 Consequently, the Adjudicating Authority passed the order as under:

- (i) He ordered that the declared description i.e. Decorative and designer coil for wall penal of goods imported vide impugned Bill of Entry no. 8709704 and 8710238 dated 05.03.2025 is rejected and same to be re-determined as Cold Rolled Stainless Steel Coil/sheet grade J3.
- (ii) He ordered that the declared CTH i.e. 73269060 be rejected and same to be redetermined as 72193590 and 72202090.
- (iii) He ordered to reject the declared weight i.e. 55416 Kgs and order to re-determined the same as 55850 Kgs in case of BE NO. 8710238 dated 05.03.2025
- (iv) He ordered that in case of BE. No. 8709704 dated 05.03.2025, declared net weight i.e. 55633 Kgs. is rejected and same is redetermined as 55850 Kgs.
- (v) He ordered that the goods imported vide BE No. BE. No. 8709704 and 8710238 both dated 05.03.2025 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) He ordered for confiscation of the goods imported vide BE. No. 8709704 and 8710238 both dated 05.03.2025 under Section 111 (d) & (m) of the Customs Act, 1962. However, he gave 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.12,75,000/- (Rupees twelve Lacs seventy five thousands).
- (vii) He imposed a Penalty of Rs. 7,00,000/- (Rupees seven lacs) under Section 112 (a)(i) of the Customs Act, 1962 upon M/s Shree Ganesh Industries for the reasons discussed in para supra.



3. The appellant has filed appeal wherein they have submitted grounds which are as under: -

3.1 The appellant has submitted that the imported goods are not raw coils but finished decorative and designer oil for wall panel, manufactured from stainless steel containing chromium, manganese, nickel, and nitrogen, and having undergone specialized processes such as colour/coating, mirror polishing. These treatments give the goods their distinct character as decorative and designer oil for wall panel, rendering them suitable for immediate use in wall cladding, façades, elevators, signage, kiosks, roofing systems, and interior paneling. This follows the principle of "Change in Tariff" which states that once there is a change in character or use occurs, they subsequently fall under a different tariff heading.

3.2 The appellant further submitted the examination and the PMI (Positive Metal Identification) Test conducted by the Department on the subject goods are inconclusive and insufficient for determining the correct classification of the goods under the Customs Tariff. The said reports merely record the physical attributes of the goods, namely their cylindrical coil-like shape and the presence of green-coloured polypropylene (PP) packaging. These superficial characteristics do not establish the metallurgical composition, intended use, or commercial identity of the goods.

3.3 The appellant further submitted that The Ld. Additional Commissioner, vide the Impugned Order, has imposed a condition under Section 125(1) of the Customs Act, 1962, requiring the Appellant to redeem the confiscated goods solely for the purpose of re-export, upon payment of a redemption fine of ₹12,75,000/-. For ease of reference, the relevant extract of Section 125 is reproduced below:

**SECTION 125. Option to pay fine in lieu of confiscation. —**

Whenever confiscation of any goods is authorized by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods [or, where such owner is not known, the person from such possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit.

Provided that, without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty

chargeable thereon.

Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods."

3.4 The appellant submitted that Section 125 of the Customs Act, 1962, does not confer any power upon the Lt. Additional Commissioner to impose conditions such as mandatory re-export while allowing redemption of confiscated goods. The provision merely enables the grant of an option to pay a fine in lieu of confiscation, and its scope cannot be stretched to include conditional redemption. This position has been affirmed in *COMMR. OF CUS. (CHENNAI-II) v. MAGAL ENGG. TECH PVT. LTD.*, 2021 (378) E.L.T. 409 (Mad.), where the Hon'ble Madras High Court held:

*"8. ...We hold that the imposition of a condition of re-export under Section 125 of the Act was not justified and the imposition of such a condition is not envisaged in law and therefore, the order imposing such condition is liable to be set aside. The same is accordingly set aside, and we direct that the demurrage, if any, imposed on the assessee, will be treated as quashed and set aside, and the goods in question may be released to the respondent/assessee forthwith without any condition."*

3.5 The appellant further submitted that in the case of *HBL Power Systems Ltd. v. CC, Visakhapatnam*, 2018 (362) E.L.T. 856 (Tri. - Hyd.) held that neither the adjudicating authority nor the Tribunal can stretch or modify the scope of Section 125. The Customs Act does not confer any power on officers to compel importers to re-export goods, and any such condition is ultra vires the statute and liable to be struck. The relevant extracts of the said decision are extracted herein for ease of reference:

  
*"11. The scope of Section 125 of the Act is limited by the words in which it is framed and it is not open to the adjudicating authority or the Tribunal (who are creatures of the statute) to stretch, modify or restrict the scope of this Section; they are bound by it. Hon'ble Supreme Court and High Courts can and do examine the validity of the laws and subordinate legislations and pass judgments annulling or modifying them by neither the officers nor the Tribunal, as creations of the statute cannot do so. This position has been explained clearly by the Hon'ble Supreme Court in UOI*



v. Kirloskar Pneumatics Company - 1996 (84) E.L.T. 401 (S.C.) in which it was held as under:

"According to these sub-sections, a claim for refund or an order of refund can be made only in accordance with the provisions of Section 27 which *inter alia* includes the period of limitation mentioned therein. Mr. Hidayatullah submitted that the period of limitation prescribed by Section 27 does not apply either to a suit filed by the importer or to a writ petition filed by him and that in such cases the period of limitation would be three years. Learned Counsel refers to certain decisions of this Court to that effect. We shall assume for the purposes of this appeal that it is so, notwithstanding the fact that the said question is now pending before a larger Constitution Bench of nine Judges along with the issue relating to unjust enrichment. Yet the question is whether it is permissible for the High Court to direct the authorities under the Act to act contrary to the aforesaid statutory provision. We do not think it is, even while acting under Article 226 of the Constitution. The power conferred by Article 226/227 is designed to effectuate the law, to enforce the Rule of law and to ensure that the several authorities and organs of the State Act in accordance with law. It cannot be invoked for directing the authorities to act contrary to law. In particular, the Customs authorities, who are the creatures of the Customs Act, cannot be directed to ignore or act contrary to Section 27, whether before or after amendment. May be the High Court or a Civil Court is not bound by the said provisions but the authorities under the Act are. Nor can there be any question of the High Court clothing the authorities with its power under Article 226 or the power of a Civil Court. No such delegation or conferment can ever be conceived. We are, therefore, of the opinion that the direction contained in Clause (3) of the impugned order is unsustainable in law."

3.6 The appellant submits that in view of the above submission, the Appellant submits that even in cases involving prohibited goods, the adjudicating authority has only two options under Section 125: (a) To allow redemption on payment of fine; or (b) To not allow redemption. Imposing a third option, conditional redemption subject to re-export, is not envisaged under the Act. The appellant relied upon the following decisions:

- 2019 (367) E.L.T. 154 (A.P.) *Commissioner of Customs, Vishakhapatnam vs. HBL Power Systems LTD.*
- *Pace India V. Commissioner of Customs, Bangalore* 2020 (372) E.L.T. 442 (Tri. -Bang.).

3.7 The appellant submitted that the proposed classification is 73269099. However, the Department has not adduced any evidence to prove that the impugned goods deserve classification under CTH 7219/7220. The Department has merely stated that the goods under import, namely, Cold Rolled Stainless Steel having Grade J3, are flat rolled products. In the case of *Hindustan Ferrodo Ltd. v. CCE, Bombay [1997 (89) E.L.T. 16 (S.C.)]* the Supreme Court held that the onus of establishing the classification lay upon the Revenue.

3.6 The appellant also submitted that goods are not liable for confiscation and penalty is not imposable in the present case.

#### **PERSONAL HEARING:**

4. Personal hearing was granted to the Appellant on 17.11.2025 wherein Shri Manish Jain, Advocate, appeared on behalf of the Appellant. He reiterated the submissions made in the appeal memorandum.

#### **DISCUSSION AND FINDINGS:**

5. I have carefully and meticulously examined the Order-in-Original, the memorandum of appeal, the submissions made during the personal hearing, and all other materials placed on record.

5.1 I find that, as per the examination report and the photographs taken during examination dated 06.03.2025, the goods possess a rectangular (non-square) cross-section, as the length and width of the coils are different. The goods are presented in the form of cylindrical coils, with multiple layers superimposed one over the other. The visual evidence clearly establishes that the goods conform to the definition of flat-rolled products, and are therefore correctly classifiable under Chapter 72. Accordingly, the goods are flat-rolled products of cold-rolled stainless steel in coil form, of Grade J3. It is evident from the HSN that further-worked articles—such as castings, forgings, sheet piling, welded angles, shapes and sections, railway or tramway track materials, and tubes—are classifiable under Chapter 73, or in certain cases under other Chapters. The impugned goods are flat-rolled stainless steel products, and not further-worked articles such as castings or forgings. Hence, classification under Chapter 72, and not Chapter 73, is appropriate. Further, as per the Explanatory Notes to Chapter 72, sub-para (2) of para (IV)(c) clarifies that surface treatments or other operations—such as cladding—carried out to

improve the properties or appearance of the metal or to protect it against rusting or corrosion do not alter the classification, except where expressly provided in the heading text.

5.2 I find that semi-finished products are further processed into finished products, which are categorised into two broad groups flat products ("wide flats," including universal plates, wide coils, sheets, plates, and strip) and long products (bars and rods, hot-rolled irregularly wound coils, other bars and rods, angles, shapes, sections, and wire). All such products fall within the scope of Chapter 72. In the present case, the goods have been found to be flat products, namely stainless steel coils. Accordingly, the goods are *prima facie* classifiable under CTH 72. Moreover, as per sub-para (2) of para (IV)(C) of the Explanatory Notes to Chapter 72, surface treatments or other operations, including cladding undertaken to improve the properties or appearance of the metal or to protect it from rusting or corrosion do not alter the tariff classification, except where expressly provided in specific headings. In light of the above, it is clear that the subject goods remain classifiable under CTH 72.

5.3 Flat-rolled products of stainless steel having a width of 600 mm or more are classifiable under CTH 7219, whereas flat-rolled products of stainless steel having a width of less than 600 mm are classifiable under CTH 7220. In respect of B/E No. 8710238 dated 05.03.2025, as per the invoice and packing list:

- 03 coils in Container No. IAAU2975392, having net weights of 9516 kg and 9546 kg, were of width less than 600 mm and are therefore correctly classifiable under CTH 7220 20 90.
- The remaining 12 coils, having a total net weight of 46,117 kg and gross weight of 46,237 kg, were of width exceeding 600 mm and are correctly classifiable under CTH 7219 35 90.

In respect of B/E No. 8709704 dated 05.03.2025, based on the invoice and packing list, all 13 coils stuffed in Containers IAAU2975969 and IAAU2975005 were of width exceeding 600 mm and are, therefore, correctly classifiable under CTH 7219 35 90. The total gross weight of the 13 coils is 55,546 kg, and the net weight is 55,416 kg.

5.4 I find that the appellant, in respect of B/E No. 8709704 and 8710238, both dated 05.03.2025, attempted to clear Cold Rolled Stainless Steel Coils (Grade J3) correctly classifiable under CTH 7219 35 90 and CTH

7220 20 90 as discussed above by mis-declaring them as "Decorative and designer coil for wall panel" and classifying them under CTH 7326 90 60. This mis-classification appears to have been done with the intent to bypass the requirement of obtaining a No Objection Certificate (NOC) from the Ministry of Steel, as mandated vide Circular dated 20.10.2023. In the absence of the mandatory NOC, the goods imported under the impugned Bills of Entry became restricted/prohibited in nature. Accordingly, due to the above mis-declaration of description, quantity, undervaluation, mis-classification, and non-fulfilment of the NOC requirement, the goods covered under B/E No. 8709704 and 8710238, both dated 05.03.2025, are liable for confiscation under Section 111(d) and 111(m) of the Customs Act, 1962. Consequently, the appellant is liable for penalty under Section 112(a) of the Customs Act. To this extent, the Order-in-Original dated 13.10.2025 is upheld.

5.5 However, I find that the impugned Order-in-Original has directed the mandatory re-export of the goods upon payment of a redemption fine of Rs12,75,000/- under Section 125 of the Customs Act, 1962. This portion of the order is contrary to the settled legal position laid down by various High Courts and CESTAT Benches. Section 125 of the Customs Act does not confer any authority upon the adjudicating officer to impose conditions such as mandatory re-export while allowing redemption of confiscated goods. The provision merely enables the grant of an option to redeem the goods on payment of a fine in lieu of confiscation, and its scope cannot be expanded to include conditional redemption. This legal position has been affirmed by the Hon'ble Madras High Court in Commissioner of Customs (Chennai-II) v. Magal Engg. Tech Pvt. Ltd., 2021 (378) E.L.T. 409 (Mad.), wherein the Court held:

*"8. ...We hold that the imposition of a condition of re-export under Section 125 of the Act was not justified and the imposition of such a condition is not envisaged in law and therefore, the order imposing such condition is liable to be set aside. The same is accordingly set aside, and we direct that the demurrage, if any, imposed on the assessee, will be treated as quashed and set aside, and the goods in question may be released to the respondent/assessee forthwith without any condition."*

5.6 In HBL Power Systems Ltd. v. CC, Visakhapatnam, 2018 (362) E.L.T. 856 (Tri. – Hyd.), it was held that neither the adjudicating authority nor the Tribunal is empowered to stretch or modify the scope of Section 125 of the Customs Act. The Act does not confer any authority on Customs officers to compel an importer to re-export confiscated goods, and the imposition of such

a condition is ultra vires the statute and liable to be struck down. The relevant extracts of the said decision are reproduced below for ease of reference:

"11. The scope of Section 125 of the Act is limited by the words in which it is framed and it is not open to the adjudicating authority or the Tribunal (who are creatures of the statute) to stretch, modify or restrict the scope of this Section; they are bound by it. Hon'ble Supreme Court and High Courts can and do examine the validity of the laws and subordinate legislations and pass judgments annulling or modifying them by neither the officers nor the Tribunal, as creations of the statute cannot do so. This position has been explained clearly by the Hon'ble Supreme Court in *UOI v. Kirloskar Pneumatics Company* - 1996 (84) E.L.T. 401 (S.C.) in which it was held as under:

"According to these sub-sections, a claim for refund or an order of refund can be made only in accordance with the provisions of Section 27 which inter alia includes the period of limitation mentioned therein. Mr. Hidayatullah submitted that the period of limitation prescribed by Section 27 does not apply either to a suit filed by the importer or to a writ petition filed by him and that in such cases the period of limitation would be three years. Learned Counsel refers to certain decisions of this Court to that effect. We shall assume for the purposes of this appeal that it is so, notwithstanding the fact that the said question is now pending before a larger Constitution Bench of nine Judges along with the issue relating to unjust enrichment. Yet the question is whether it is permissible for the High Court to direct the authorities under the Act to act contrary to the aforesaid statutory provision. We do not think it is, even while acting under Article 226 of the Constitution. The power conferred by Article 226/227 is designed to effectuate the law, to enforce the Rule of law and to ensure that the several authorities and organs of the State Act in accordance with law. It cannot be invoked for directing the authorities to act contrary to law. In particular, the Customs authorities, who are the creatures of the Customs Act, cannot be directed to ignore or act contrary to Section 27, whether before or after amendment. May be the High Court or a Civil Court is not bound by the said provisions but the authorities under the Act are. Nor can there be any question of the High Court clothing the authorities with its power under Article 226 or the power of a Civil Court. No such delegation or conferment can ever be conceived. We are, therefore, of the opinion that the direction contained in Clause (3) of the impugned order is unsustainable in law."

5.7 Thus, even in cases involving prohibited goods, Section 125 provides the adjudicating authority with only two options:

(a) to allow redemption on payment of fine; or  
(b) to refuse redemption altogether.

The introduction of a third option conditional redemption subject to mandatory re-export has no statutory basis and is not contemplated under the Act. Support for this position is also drawn from the following decisions:

- 2019 (367) E.L.T. 154 (A.P.) *Commissioner of Customs, Vishakhapatnam vs. HBL Power Systems LTD.*
- *Pace India V. Commissioner of Customs, Bangalore* 2020 (372) E.L.T. 442 (Tri. -Bang.).

5.8 In light of the above findings, the appeals are partly allowed. The direction in the impugned order mandating re-export of the goods is hereby set aside. The appellant is permitted to clear the goods for home consumption upon payment of the applicable redemption fine, as the impugned order does not disclose any reason for denying domestic clearance. There is also no finding that the imported goods are of substandard quality. Accordingly, the direction for mandatory re-export is held to be unsustainable in law.

6. In view of the above discussion and findings, and in light of the judicial principles laid down by the Hon'ble Supreme Court in M/s Kamlakshi Finance Corporation Ltd., 1991 (55) E.L.T. 433 (S.C.), the appeal is disposed of in the following terms: The description, classification, weight as determined in the impugned order is upheld, the confiscation of the goods, the imposition of redemption fine, and the penalty are upheld. The appellant is permitted to redeem the goods on payment of the prescribed redemption fine. The direction in the impugned order mandating re-export of the goods after redemption is set aside, and the appellant is allowed to clear the goods for home consumption. The goods shall be released within seven (7) days from the date of receipt of this order, subject to compliance with the above conditions.

7. The appeal filed by the appellant is disposed of in the aforesaid terms.

ATTESTED  
*[Signature]*  
SUPERINTENDENT  
सीमा शुल्क (आपील्स), अहमदाबाद  
CUSTOMS (APPEALS), AHMEDABAD

*Amit Gupta*  
(AMIT GUPTA)  
Commissioner (Appeals),  
Customs, Ahmedabad

Date: 20.11.2025

(1) F.No. S/49-489/CUS/MUN/25-26  
By Speed post /E-Mail



To,  
M/s Shree Ganesh Industries,  
Kila No. 6/1/1/2-4, Village Jwahra,  
Sub Tehsil Khanpur, Kala Gohana, Sonipat 131301

Copy to:

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