



प्रधान आयुक्त का कार्यालय, सीमा शुल्क,अहमदाबाद

"सीमाशुल्कभवन",पहलीमंजिल,पुरानेहाईकोर्टकेसामने,नवरंगपुरा,अहमदाबाद – 380 009.

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PREAMBLE

A	फाइलसंख्या/ File No.	: VIII/10-44/ICD Khodiya/O&A/HQ/2024-25
B	कारणबताओनोटिससंख्या-तारीख / Show Cause Notice No. and Date	: Waiver of SCN by the Importer
C	मूलआदेशसंख्या/ Order-In-Original No.	: 20/ADC/VM/O&A/2024-25
D	आदेशतिथि/ Date of Order-In-Original	: 02.05.2024
E	जारीकरनेकीतारीख/ Date of Issue	: 02.05.2024
F	द्वारापारित/ Passed By	Vishal Malani, : Additional Commissioner, Customs, Ahmedabad.
G	आयातककानामऔरपता / Name and Address of Importer / Passenger	M/s. Mazda Limited, Corporate Office, Mazda House, : Panchwati Second Lane, Ambawadi, Ahmedabad - 380006 (E-Mail : vacuum@mazdalimited.com)
(1)	यह प्रति व्यक्ति के उपयोग के लिए निःशुल्क प्रदान किया जाता है जिन्हे यह जारी किया जाता है।	
(2)	कोई भी व्यक्ति इस आदेश से स्वयं को असंतुष्ट पाता है तो वह इस आदेश के विरुद्ध अपील इस आदेश की प्राप्त किया तारीख के ६० दिनों के भीतर आयुक्त कार्यालय, सीमा शुल्क (अपील), ४वि मंजिल, हुडको भवन, ईश्वर भुवन मार्ग, नवरंगपुरा, अहमदाबाद में कर सकता है।	
(3)	अपील के साथ केवल पांच (५.00) रुपये पे न्यायलय शुल्क टिकिट लगा होना चाहिए और इसके साथ होना चाहिए:	
(i)	अपील की एक प्रति और;	
(ii)	इस प्रति या इस आदेश की कोई प्रति के साथकेवल पांच (५.00) रुपये पे न्यायलय शुल्क टिकिट लगा होना चाहिए।	
(4)	इस आदेश के विरुद्ध अपील करने इच्छुक व्यक्ति को ७.५% अधिकतम १० करोड़ शुल्क हम करना होगा जहां शुल्क या इयूटी और जुर्माना विवाद में है या जुर्माना जहां इस तरह की दंड विवाद में है और अपील के साथ इस तरह के भुगतान का प्रमाण पेश करने में असफल रहने पर सीमा शुल्क अधिनियम, १९६२ के धरा १२९ के प्रावधानों का अनुपालन नहीं करने के लिए अपील को खारिज कर दिया जायेगा।	

BRIEF FACTS :-

M/s. Mazda Limited, Corporate Office, Mazda House, Panchwati Second Lane, Ambawadi, Ahmedabad - 380006 (herein after referred to as "M/s. Mazda" or "the importer", for the sake of brevity), having Import Export Code 0893003701, is registered with Goods and Services Tax Department with GSTIN 24AABCM9273H1ZC.

2. M/s. Mazda has filed Bill of Entry No. 2299883 dated 26.02.2024 for home consumption at ICD – Khodiyar in respect of import of "Stainless Steel SMLS Tube SA213 316L SMLS Tube" (herein after referred to as the "said goods"), having Assessable Value of Rs.20,19,502/-, by classifying under Customs Tariff Item 73044100 of the First Schedule to the Customs Tariff Act, 1975 (herein after referred to as the "CTA, 1975"). The Bill of Entry has been self-assessed by the importer and declared duty is Rs.7,56,708/-. The aforesaid Bill of Entry has been facilitated through Risk Management System (RMS).

3.1 During scrutiny of the documents and other details submitted / e-Sanchit by the importer, through Customs Broker, it has been observed that the said goods have been classified under CTI 73044100. It has further been observed that "Stainless Steel Pipes and Tubes" falling under various ITC (HS) Codes, including CTI 73044100, has been mentioned at Sr. No. 2 of Table 2 of the Steel and Steel Products (Quality Control) Order, 2020 issued under Section 16 of the Bureau of Indian Standards Act, 2016.

3.2 It has also been observed that the Ministry of Steel, Technical Division, vide Circular F. No. S-20011/14/2021-Tech dated 20.10.2023, has *inter-alia* clarified that 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; that for smooth implementation of the 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; that for issuing of the said clarifications to the steel importers, the Ministry of Steel has launched a dedicated portal, known as TCQCO Portal (<https://tc-qco.steel.gov.in/tc-qco>) w.e.f. August, 2020.

4.1 In view of the foregoing, following query has been issued to the importer –

“Ensure compliance of Ministry of Steel Circular dated 20.10.2023 issued vide F. No. S-20011/14/2021-Tech wherein it is mandatory to apply and seek clarification on TCQCO Portal for each and every steel consignment which is imported without BIS License / Certification or BIS”.

4.2 In response to the aforesaid query, the importer, vide letter dated 09.04.2024 (received on 17.04.2024) stated that with reference to above Bill of Entry No. 2299883 dated 26.02.2024, they had submitted application to Technical Division of Ministry of Steel and have received the Technical Committee's comments that this material falls under X04Cr17Ni12Mo2 Grade of IS6603, accordingly, decision of the Committee is “covered”.

4.3 As per the “Understanding the Terminologies” mentioned at TC-QCO portal, the term “covered” means that the applicant's steel grade / product has been evaluated by the Technical Committee and it falls under the purview of the latest Steel and Steel Products (Quality Control) Order; that any imported consignment of such steel grade / product shall comply with relevant clauses of latest Quality Control Order; and that no clarification shall be issued for clearance of consignments containing such steel grades / products.

4.4 It, therefore appeared that the said goods imported by the said importer are covered under the Steel and Steel Products (Quality Control) Order, 2020 issued under Section 16 of the Bureau of Indian Standards Act, 2016.

5. Subsequently, a letter F. No. 2(10)/2018-TD (Vol.II) dated 22.04.2024, purportedly issued by the Ministry of Steel (Technical Division) to M/s. Mazda Limited, stating that Stainless Steel SMLS Tube of Grade SA213 316L (goods imported by M/s. Mazda) is presently outside the purview of Steel & Steel Products (Quality Control) Order, 2020, has been submitted by the importer / Customs Broker. On enquiry through e-mail with the Ministry of Steel, it has been confirmed that the said letter was not issued by the Ministry of Steel.

6.1 As the goods imported by M/s. Mazda appeared covered under the Steel and Steel Products (Quality Control) Order, 2020 and M/s. Mazda has imported the said goods without bearing Standard Mark under a licence from the Bureau of Indian Standard and without required Certificate, therefore the said goods appear liable for confiscation under the provisions of Section 111(d) of the Customs Act, 1962.

6.2 It also appears that the said goods have been imported vide Bill of Entry No. 2299883 dated 26.02.2024 in contravention of the provisions of Section 46(4)(c) of the Customs Act, 1962 inasmuch as the importer has failed to ensure compliance with the restriction imposed vide Steel and Steel Products (Quality Control) Order, 2020 read with the provisions of Bureau of India Standards Act, 2016, in respect of goods imported under the said Bill of Entry. All the aforesaid acts of omission and commission on the part of the said importer appears to have rendered them liable for penalty as provided under Section 112(a) of the Customs Act, 1962.

6.3 It also appears that M/s. Mazda has knowingly or intentionally made or used letter F. No. 2(10)/2018-TD (Vol.II) dated 22.04.2024 purportedly issued by the Ministry of Steel (Technical Division), which is false, in respect of Bill of Entry No. 2299883 dated 26.02.2024. All these acts of omission and commission on the part of the said importer appears to have rendered them liable for penalty as provided under Section 114AA of the Customs Act, 1962.

WRITTEN SUBMISSION :-

7.1 M/s. Mazda, vide letter dated 26.04.2024 has submitted that they are ready to re-export goods covered by Bill of Entry No. 2299883 dated 26.02.2024, which has been imported from South Korea.

7.2 M/s. Mazda Limited has also submitted that they do not want Personal Hearing or show cause notice and are ready for spot adjudication because they want to save further loss of time and demurrage from CFS / Shipping Line.

7.3 M/s. Mazda Limited has requested to clear this consignment and allow for re-export.

DISCUSSION AND FINDINGS :-

8. I have carefully gone through the facts of the case and documents and evidences available on record.

9. The importer's request for waiver of written Show Cause Notice in terms of the proviso to Section 124 is allowed. I also find that the importer has waive the requirement of any personal hearing in the matter.

10. It is observed that as per clause 2(3) of the Steel and Steel Products (Quality Control) Order, 2020, goods and articles specified in column (2) of Table 2 at Sl. No. 2 shall be made from the stainless steel as input material, specified in column (3) of Table 1, conforming to Indian Standards specified in column (2) of Table 1, bearing Standard Mark under a licence from the Bureau as per Scheme-I of Schedule - II of the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018 and shall be accompanied with the test certificate of the input material. It is not disputed in the present case that the importer has imported the said goods without bearing Standard Mark under a licence from the Bureau of Indian Standard and without required Certificate.

11. It is further observed that Section 17(1) of the Bureau of India Standards Act, 2016 *inter-alia* provides that no person shall import any such goods under sub-section (1) of Section 16 - (a) without a Standard Mark, except under a valid licence; or (b) notwithstanding that he has been granted a license, apply Standard Mark, unless such goods conforms to the relevant standard or prescribed essential requirements.

12. As per clause (d) of Section 111 of the Customs Act, 1962, 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 the Customs Act or any other law for the time being force, shall be liable to confiscation. As the said goods have been imported contrary to prohibition imposed vide Steel and Steel Products (Quality Control) Order, 2020 read with the provisions of Bureau of India Standards Act, 2016, I hold the said goods liable for confiscation under the provisions of Section 111(d) of the Customs Act, 1962.

13. The importer has submitted that they are ready to re-export the said goods. Therefore, I propose to give option to the importer to redeem the said confiscated goods on payment of Redemption Fine under Section 125(1) for re-export purpose only.

14. I also find that the said goods have been imported vide Bill of Entry No. 2299883 dated 26.02.2024 in contravention of the provisions of Section 46(4)(c) of the Customs Act, 1962 inasmuch as the importer has failed to ensure compliance with the restriction imposed vide Steel and Steel Products (Quality Control) Order, 2020 read with the provisions of Bureau of India Standards Act, 2016, in respect of goods imported under the said Bill of Entry. I hold that all the aforesaid acts of omission and commission on the part of the said importer have rendered them liable for penalty as provided under Section 112(a) of the Customs Act, 1962.

15. I also find that M/s. Mazda has knowingly or intentionally made or used letter F. No. 2(10)/2018-TD (Vol.II) dated 22.04.2024

purportedly issued by the Ministry of Steel (Technical Division), which is found to be false, in respect of Bill of Entry No. 2299883 dated 26.02.2024. I hold that all these acts of omission and commission on the part of the said importer have rendered them liable for penalty as provided under Section 114AA of the Customs Act, 1962.

16. In view of the foregoing, I pass the following order :-

ORDER

- (a) I order confiscation of "Stainless Steel SMLS Tube SA213 316L SMLS Tube" valued at Rs.20,19,502/-, imported vide Bill of Entry No. 2299883 dated 26.02.2024, in terms of the provisions of Section 111(d) of the Customs Act, 1962. However, the importer is given an option to redeem the said goods on payment of fine in lieu of confiscation, amounting to **Rs.2,00,000/-** (Rupees Two Lakhs Only) in terms of the provisions of Section 125(1) of the Customs Act, 1962, for re-export purpose only.
- (b) I impose penalty of **Rs.10,000/-** (Rupees Ten Thousand Only) on M/s. Mazda Limited in terms of the provisions of Section 112(a)(i) of the Customs Act, 1962.
- (c) I impose penalty of **Rs.40,000/-** (Rupees Forty Thousand Only) on M/s. Mazda Limited in terms of the provisions of Section 114AA of the Customs Act, 1962.

OK
Vishal
45/24
(Vishal Malani)
Additional Commissioner
Customs, Ahmedabad

DIN : 20240571MN0000555AAE

F. No. VIII/10-44/ICD-Khod/O&A/HQ/2024-25 Date : 02.05.2024

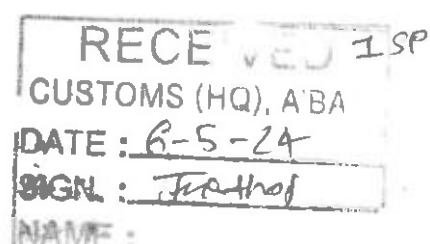
By SPEED POST/ E-MAIL

To,

M/s. Mazda Limited,

Corporate Office, Mazda House,
Panchwati Second Lane, Ambawadi,
Ahmedabad - 380006

(E-Mail : vacuum@mazdalimited.com)



Copy to :

- (i) The Principal Commissioner of Customs, Ahmedabad Commissionerate, Ahmedabad. (Kind Attn : RRA Section).
- (ii) The Deputy Commissioner of Customs, ICD – Khodiyar, Ahmedabad.
- (iii) The Superintendent, Customs, H.Q. (Systems), Ahmedabad, for uploading on website of Customs Commissionerate, Ahmedabad.
- (iv) Guard File.