

**Customs, Excise & Service Tax Appellate Tribunal  
West Zonal Bench At Ahmedabad**

REGIONAL BENCH- COURT NO.3

**Customs Appeal No.268 of 2011**

(Arising out of OIA-85/2011/CUS/COMMR-A-/AHD dated 24/03/2011 passed by Commissioner of CUSTOMS-AHMEDABAD)

**Technocraft Enterprise**

PLOT NO. 518, NEAR AADINATH NAGAR,  
GIDC ODHAV, AHMEDABAD, GUJARAT

**.....Appellant**

*VERSUS*

**C.C. -Ahmedabad**

CUSTOM HOUSE, NEAR ALL INDIA RADIO  
NAVRANGPURA, AHMEDABAD, GUJARAT

**.....Respondent**

**APPEARANCE:**

Ms. Pooja Shah, Advocate for the Appellant  
Shri Sanjiv Kinker, Superintendent (AR) for the Respondent

**CORAM:           HON'BLE MEMBER (JUDICIAL), MR. RAMESH NAIR  
                      HON'BLE MEMBER (TECHNICAL), MR. RAJU**

**Final Order No. A/ 11347 /2021**

DATE OF HEARING: 24.03.2021  
DATE OF DECISION: 01.04.2021

**RAJU**

This appeal has been filed by the TECHNOCRAFT ENTERPRISE against changes of classification of the product imported by them.

1.1 The appellant imported goods declared as 700 x 357x 700 SAE 52100 hot forged, spheroidized annealed, proof machined, hollow UT 100% ok as per standard sep 1921 c/c steel round bars (10 pcs) and 622 x 337x 700 SAE 52100 hot forged, spheroidized annealed, proof machined, hollow UT 100% ok as per standard sep 1921 c/c steel round bars (8 pcs). The appellant claimed classification under Customs Tariff heading 72284000 of Customs Tariff Act, 1975 seeking benefit of Exemption Notification 21/2002-Cus dated 01.03.2002 (Serial No. 207) at 5% basic Customs Duty. Revenue on examination of goods disputed the classification declared by the appellant i.e. Customs Tariff Heading 72284000. On being asked to declare full description of the goods so as to justify classification/notification claimed the

appellant vide Letter dated 10.07.2010 also declared full description of the goods and requested to finalize the assessment under Chapter Heading 72249099 as "other Alloys Steel Ingot and Other Primary Form, semi-finished product and other Alloys" instead of Customs Tariff Heading 72284000 which they had earlier claimed. On examination the goods were found to be Tubes Hollow. The adjudicating authority relying on Chapter Note 1(p) held that the goods cannot be classified under chapter 72 and ordered classification of the said goods under Chapter Tariff Heading 73049000 of Customs Tariff Act, 1975 and ordered the appellant to pay duty accordingly.

1.2 The said order of the adjudicating authority was upheld by the Commissioner (Appeals). Aggrieved by the said order of Commissioner (Appeals), the appellant are before Tribunal.

1.3 The Learned Counsel for the appellant argued that the product imported by them is input for further processing. The process of manufacture was described as follows:

First further rough machining nearer to final accurate dimensions and then heat treatment then initial finishing to final dimensions. The finished blank piece is then heated in a furnace to acquire the required diametric expansion then a shaft (round bar) of alloy steel is inserted across the length of the piece through the open bore. Upon cooling the outer heated forged piece (having bore) tightly shrink fits to the inside shaft (round bar). The prepared roll is thereafter further finished by finishing machining and final grinding to extreme accurate dimensions. The finished roll is then inspected, tested and if found proper is ready for sale to the user industry i.e. steel sheets cold rolling units.

1.4 It was argued that the goods imported are semi-finished in nature, therefore it has to be classified under Chapter Heading 7224. She relied on

Chapter note (m) of Chapter 72 to assert that the product clearly confirms to the description other bars and rods. She argued that in the impugned order reliance on the Chapter note (P) of Chapter 72 is incorrect. Learned Counsel relied on the General Rules for the Interpretation of the First Schedule of the Customs Tariff Act to assert that the goods should be classified under Chapter Heading 7224. She particularly relied on Rule 3(a) and 4 of the said Rules. She argued that merely because the forged alloy steel solid bars/rods have a hole does not make the product a hollow profiles. She argued that the Tubes/ Pipes or hollow profile are of extruded products formed using a die of the desired shape. She argued that the present product is not undergone any process of extrusion. She argued that forged alloy steel solid bars/rods might not have a concentric hollow which is an essential character of Tubes/Pipes or hollow profile. She argued that tubular product where inner or outer surface are not of the same form need to be classified as Tubes/Pipes and those not having inner and outer surface of the same form are to be classified as hollow profiles. She argued that the product imported by them cannot be termed as a hollow profile as the inner and outer surface are of the same form. She argued that product imported by them was to be further processed to convert the same into rolls for rolling mills, whereas Tubes, Pipes or hollow profiles are however, put to different use. She relied on the following cases.

- Aravali Forging Ltd. Vs Collector of Central Excise, Jaipur [1999 (111) ELT 530 (T)]
- Anil Forging v. Collector of Central Excise, Ahmedabad [1998 (103) ELT 252(T)]
- Steel & Industrial Forgings Ltd. V. Collector of Central Excise [1991 (53) ELT 609 (T)]

2. Ld. AR relied on the impugned order.

3. We have gone through rival submissions. We find that the essential dispute is if the product imported by the appellant falls under Chapter Heading 72249099 or Chapter Heading 73049000.

3. The appellant is seeking classification of the product as semifinished product of other alloy steel. It is seen that the Chapter Note (ij) of Chapter 72 describe semifinished product as follows:

“(ij) Semi-finished products:  
Continuous cast products of solid section, whether or not subjected to primary hot-rolling; and other products of solid sections, which have not been further worked than subjected to primary hot-rolling or roughly shaped by forging, including blanks for angles, shapes or sections.  
These products are not presented in coils.”

From the above, it is seen that only product with solid section are classifiable as semifinished products. The products which are not of solid section cannot be classified as semifinished products. In view of above, the classification under Chapter Heading 7224 as semifinished produce has to be ruled out as the product imported by the appellant is not having solid section. The alternate classification suggested by Revenue is 73049090.

|            |                                                                                                 |     |     |   |
|------------|-------------------------------------------------------------------------------------------------|-----|-----|---|
|            | IV. — OTHER ALLOY STEEL; HOLLOW DRILL BARS AND RODS, OF ALLOY OR NON-ALLOY STEEL                | kg. | 10% | - |
| 7224       | Other alloy steel in ingots or other primary forms; semi-finished products of other alloy steel |     |     |   |
| 7224 10 00 | - Ingots and other primary forms . . . . .                                                      | kg. | 10% | - |
| 7224 90    | - Other :                                                                                       |     |     |   |
| 7224 90 10 | --- Of tool steel quality . . . . .                                                             | kg. | 10% | - |
| 7224 90 20 | --- Of die steel quality. . . . .                                                               | kg. | 10% | - |
| 7224 90 30 | --- Of cobalt bearing high speed steel quality . . . . .                                        | kg. | 10% | - |
| 7224 90 40 | --- Forged blanks of alloy steel . . . . .                                                      | kg. | 10% | - |
|            | --- Other :                                                                                     |     |     |   |
| 7224 90 91 | ---- Billets . . . . .                                                                          | kg. | 10% | - |
| 7224 90 99 | ---- Other . . . . .                                                                            | kg. | 10% | - |

|            |                                                                                     |     |     |   |
|------------|-------------------------------------------------------------------------------------|-----|-----|---|
| 7304       | Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel |     |     |   |
|            | - Line pipe of a kind used for oil and gas pipelines :                              |     |     |   |
| 7304 11    | -- Of stainless steel :                                                             |     |     |   |
| 7304 11 10 | --- Tubes and pipes . . . . .                                                       | kg. | 10% | - |
| 7304 11 20 | --- Blanks for tubes and pipes . . . . .                                            | kg. | 10% | - |
| 7304 11 90 | --- Other . . . . .                                                                 | kg. | 10% | - |
| 7304 19    | -- Other :                                                                          |     |     |   |

| Chapter 73 |                                                                              | Articles of iron or steel |     |   | 1040 |
|------------|------------------------------------------------------------------------------|---------------------------|-----|---|------|
| 7304 19 10 | --- Tubes and pipes . . . . .                                                | kg.                       | 10% | - |      |
| 7304 19 20 | --- Blanks for tubes and pipes . . . . .                                     | kg.                       | 10% | - |      |
| 7304 19 90 | --- Other . . . . .                                                          | kg.                       | 10% | - |      |
|            | - Casing, tubing and drill pipe, of a kind used in drilling for oil or gas : |                           |     |   |      |
| 7304 22 00 | - Drill pipe of stainless steel . . . . .                                    | kg.                       | 10% | - |      |
| 7304 23    | -- Other drill pipe :                                                        |                           |     |   |      |
| 7304 23 10 | --- Of iron . . . . .                                                        | kg.                       | 10% | - |      |
| 7304 23 90 | --- Other . . . . .                                                          | kg.                       | 10% | - |      |
| 7304 24 00 | --- Other, of stainless steel . . . . .                                      |                           |     |   |      |
| 7304 29    | -- Other :                                                                   |                           |     |   |      |
| 7304 29 10 | --- Of iron . . . . .                                                        | kg.                       | 10% | - |      |
| 7304 29 90 | --- Other . . . . .                                                          |                           |     |   |      |
|            | - Other, of circular cross-section, of iron or non-alloy steel :             |                           |     |   |      |
| 7304 31    | -- Cold-drawn or cold-rolled (cold-reduced) :                                |                           |     |   |      |
|            | --- Up to 114.3 mm outer diameter :                                          |                           |     |   |      |
| 7304 31 11 | --- Of iron . . . . .                                                        | kg.                       | 10% | - |      |
| 7304 31 19 | --- Other . . . . .                                                          | kg.                       | 10% | - |      |
|            | --- Above 114.3 mm but up to 219.1 mm outer diameter :                       |                           |     |   |      |
| 7304 31 21 | --- Of iron . . . . .                                                        | kg.                       | 10% | - |      |
| 7304 31 29 | --- Other . . . . .                                                          |                           |     |   |      |
|            | --- Above 219.1 mm diameter :                                                |                           |     |   |      |
| 7304 31 31 | --- Of iron . . . . .                                                        | kg.                       | 10% | - |      |
| 7304 31 39 | --- Other . . . . .                                                          | kg.                       | 10% | - |      |
| 7304 39    | -- Other :                                                                   |                           |     |   |      |
|            | --- Up to 114.3 mm outer diameter :                                          |                           |     |   |      |
| 7304 39 11 | --- Of iron . . . . .                                                        | kg.                       | 10% | - |      |
| 7304 39 19 | --- Other . . . . .                                                          | kg.                       | 10% | - |      |
|            | --- Above 114.3 mm but up to 219.1 mm outer diameters :                      |                           |     |   |      |
| 7304 39 21 | --- Of iron . . . . .                                                        | kg.                       | 10% | - |      |
| 7304 39 29 | --- Other . . . . .                                                          | kg.                       | 10% | - |      |
|            | --- Above 219.1 mm diameter :                                                |                           |     |   |      |
| 7304 39 31 | --- Of iron . . . . .                                                        | kg.                       | 10% | - |      |
| 7304 39 39 | --- Other . . . . .                                                          | kg.                       | 10% | - |      |
|            | - Other, of circular cross-section, of stainless steel :                     |                           |     |   |      |
| 7304 41 00 | -- Cold-drawn or cold-rolled (cold-reduced) . . . . .                        | kg.                       | 10% | - |      |
| 7304 49 00 | -- Other . . . . .                                                           | kg.                       | 10% | - |      |
|            | - Other, of circular cross-section, of alloy steel :                         |                           |     |   |      |
| 7304 51    | -- Cold-drawn or cold rolled (cold-reduced) :                                |                           |     |   |      |
| 7304 51 10 | --- Up to 114.3 mm diameter . . . . .                                        | kg.                       | 10% | - |      |
| 7304 51 20 | --- Above 114.3 mm but up to 219.1 mm outer diameter . . . . .               | kg.                       | 10% | - |      |
| 7304 51 30 | --- Above 219.1 mm outer diameter . . . . .                                  | kg.                       | 10% | - |      |
| 7304 59    | -- Other :                                                                   |                           |     |   |      |
| 7304 59 10 | --- Up to 114.3 mm diameter . . . . .                                        | kg.                       | 10% | - |      |
| 7304 59 20 | --- Above 114.3 mm but up to 219.1 mm outer diameter . . . . .               | kg.                       | 10% | - |      |
| 7304 59 30 | --- Above 219.1 mm outer diameter . . . . .                                  | kg.                       | 10% | - |      |
| 7304 90 00 | -- Other . . . . .                                                           | kg.                       | 10% | - |      |

3.1 It is seen that the said heading covers tubes, pipes and hollow profiles.

The Revenue is seeking to classify the product as hollow profile. The

appellant have argued that the product tubes and pipes and hollow profiles are products made out of the process of extrusion, whereas the product imported by the appellant is a forged product, which has been proof machine. The argument of the appellant is based on the process of manufacture which has no relevance as far as classification under Chapter Heading 7304 is concerned. It is seen that for the purpose of classification in these heading the process of manufacture is not relevant. The appellant has sought classification of the product as 'other bars and rods' relying of Chapter Note (m). Chapter Note 1(m) of the Chapter 72 reads as follows:

*"(m) Other bars and rods:*

*Products which do not conform to any of the definitions at (ij), (k) or (l) above or to the definition of wire, which have a uniform solid cross-section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles or other convex polygons (including "flattened circles" and "modified rectangles", of which two opposite sides are convex arcs, the other two sides being straight, of equal length and parallel). The products may:*

- Have indentations, ribs, grooves or other deformations produced during the rolling process (reinforcing bars and rods);*
- Be twisted after rolling."*

3.2 It is seen that the product covered are those having uniform solid cross section along their whole length. In the instant case the product does not have solid cross section and therefore, Chapter Note 1(m) has no application. Chapter Note (p) of Chapter 72 reads as follows:

*"(p) Hollow drill bars and rods:*

*Hollos bars and rods of any cross-section, suitable for drills, of which the greatest external dimension of the cross-section exceeds 15mm but does not exceed 52mm, and of which the greatest internal dimension does not exceed one half of the greatest external dimension. Hollow bars and rods of iron or steel not conforming to this definition are to be classified in heading 7304."*

3.3 It clearly covers the hollow products and gives dimensional parameters necessary for the product to fall under Chapter Heading 7304. The product imported by the appellant, therefore, automatically gets classified under Chapter Heading 7304.

4. The appellant have relied on certain decision of Tribunal (listed in para 1.4 above) which relate to forged products subject to process up to proof machining. However, none of the decisions relate to forged products which are not of solid cross section, and therefore, the said decisions are not relevant for this case.

5. In view of above, we do not find any merit in the appeal filed by the appellant and the same is dismissed.

(Pronounced in the open court on 01.04.2021 )

**(RAMESH NAIR)**  
**MEMBER (JUDICIAL)**

**(RAJU)**  
**MEMBER (TECHNICAL)**

Neha