

**CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL  
CHANDIGARH**

REGIONAL BENCH - COURT NO. I

**Customs Appeal No. 61402 of 2018**

[Arising out of Order-in-Appeal No. LUD-CUS-001-APP-1273-1804 dated 14.06.2018 passed by the Commissioner (Appeals), CGST, Ludhiana]

**M/s Hansco Iron and Steel Pvt. Ltd.**

**.....Appellant**

Jalalpur Chowk, Amloh Road, Mandi, Gobindgarh,  
Fatehgarh Sahib, Punjab-147301

*VERSUS*

**Commissioner of Customs, Ludhiana**

**.....Respondent**

GRFL, G.T. Road, Sahnewal, Ludhiana,  
Punjab-141120

**APPEARANCE:**

Shri Sudeep Singh Bhangoo, Advocate for the Appellant

Shri Anurag Kumar, Authorized Representative for the Respondent

**CORAM: HON'BLE MR. S. S. GARG, MEMBER (JUDICIAL)**

**HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)**

**FINAL ORDER NO. 61685/2025**

DATE OF HEARING: 13.11.2025

DATE OF DECISION: 19.11.2025

**P. ANJANI KUMAR:**

The appellants, M/s Hansco Iron and Steel Pvt Ltd, challenge the impugned order dated 14.06.2018 as far as the imposition of penalty and redemption fine are concerned.

2. Briefly stated the facts of the case are that the appellants have imported 135.840 MT of Heavy Melting scrap, vide Bill of Entry

No.2917959 dated 14.10.2015 and opted for first check; on being asked by the Department, the appellant has accepted to increase the value from the declared 264 USD PMT to 275 USD PMT; the duty was accordingly paid; Revenue concluded, on the basis of examination with the help of Chartered Engineer, that 90% of the consignment was of re-rollable material scrap and the total weight was 135.810 MT and that the value is 330 USD PMT; the case was adjudicated by imposing redemption fine of Rs.1,50,000/- and a penalty of Rs.50,000/-. On an appeal preferred by the appellant, Commissioner (Appeals) vide impugned order upheld the OIO.

3. Shri Sudeep Singh Bhangoo, learned Counsel for the appellants, submits that there is no mis-declaration on the part of the appellant; the goods were declared as per the documents supplied by the foreign exporter; the appellants have accepted the value suggested by the Chartered Engineer only to get the goods cleared. He submits that the report given by the Chartered Engineer is arbitrary and was prepared on an estimate and no samples were taken; therefore, the imposition of redemption fine and penalty are not warranted as there is no *mens rea* on the part of the appellant. He relies on the case of Amrit Corp. Ltd. – 2016 (333) ELT 340 (Tri. Mum.).

3. Shri Anurag Kumar, learned Authorized Representative for the Revenue, reiterates the findings of the impugned order.

4. Heard both sides and perused the records of the case. We find that though mis-declaration is alleged in the instant case, there is no evidence to suggest the same. The quantity declared was

marginally different and could be attributed to the weighments scale correction. Coming to the alleged mis-declaration of the quality of the goods, one point goes greatly in favour of the appellants is the fact that they have opted for first check having declared the contents of the consignment as per import documents. It is not the case of the Revenue that the imported scrap contained usable re-rollable material. The report given by the Chartered Engineer suggests the same to be re-rollable scrap. A scrap is a scrap irrespective of its origin. What is scrap to someone may not be the same to the other. It is not also the case of the Department that the imported goods were used as such and that they have not melted. Therefore, the allegation of mis-declaration does not survive. As regards the value of imported goods, there is no allegation and evidence thereof that the appellants have paid the differential value to the foreign suppliers over and above the value declared in the documents. In the absence of evidence to that effect, it cannot be alleged that there was under-valuation of the imported goods. Under the circumstances, the allegation of mis-declaration is incorrect; we find force in the argument of the appellant that the enhanced prices were accepted as the clearance was being delayed. We find that Revenue has not given any evidence to the contrary. Therefore, we hold that the impugned order is not maintainable. However, the appeal being only in respect to the redemption fine and penalty, we find that the same may be accepted without going into the issue of payment of duty on the enhanced value.

5. Therefore, we allow the appeal partially by setting aside the redemption fine and penalty imposed.

(Order pronounced in the open court on 19/11/2025)

**(S. S. GARG)**  
**MEMBER (JUDICIAL)**

**(P. ANJANI KUMAR)**  
**MEMBER (TECHNICAL)**

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