IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
EASTERN ZONAL BENCH: KOLKATA

REGIONAL BENCH – COURT NO. 2

Customs Appeal No. 76449 of 2025

(Arising out of Order-in-Original No. KOL/CUS/PR.COMM./PORT/GR-4/46/2025 dated 10.10.2025 passed by the Principal Commissioner of Customs (Port), Custom House, 15/1, Strand Road, Kolkata – 700 001, West Bengal)

M/s. Jai Salasar Balaji Industries Private Limited : Appellant
Mangalpur Industrial Complex, Ranigunj,
Burdwan – 713 347

VERSUS

Principal Commissioner of Customs (Port) : Respondent
Custom House, 15/1, Strand Road,
Kolkata – 700 001

APPEARANCE:

Smt. Shreya Mundhra, Advocate, for the Appellant

Shri S. Chitkara and Shri S. Debnath, both Auth. Representatives, for the Respondent

CORAM:

HON'BLE SHRI R. MURALIDHAR, MEMBER (JUDICIAL)
HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO. 77550 / 2025

DATE OF HEARING: 14.10.2025

DATE OF DECISION: 16.10.2025

ORDER: [PER SHRI K. ANPAZHAKAN]

M/s. Jai Salasar Balaji Industries Private Limited (hereinafter referred to as the "appellant") has filed this appeal against the Order-in-Original No. KOL/CUS/PR.COMM./PORT/GR-4/46/2025 dated 10.10.2025 wherein the Ld. Principal Commissioner of Customs (Port), Custom House, 15/1, Strand Road, Kolkata – 700 001 has ordered confiscation of the impugned goods imported by the appellant from Belgium vide Bill of Entry No. 4490495 dated 13.09.2025 under Section 111(d) of the Customs Act, 1962, while allowing redemption of the same on payment of redemption fine of Rs.10,00,000/- under Section 125 of the Act, besides imposing a penalty of Rs.15,00,000/- under Section 112(a)(i) ibid.

2. The facts of the case are that the appellant imported namely, "LOW NICKEL TURNING SCRAP (1.30 NICKEL)" from Belgium vide Bill of Entry No. 4490495 dated September 13, 2025 filed at Customs (Port), Kolkata under CTH 72042990 of the Customs Tariff Act, 1975.The total quantity imported was 261.850 MT with an Assessable Value of Rs. 1,07,22,906.43 and total Customs Duty of Rs. 19,30,123/- was paid by the Appellant at the time of filing the Bill of Entry. The goods were consigned from Antwerp, Belgium as per Bill of Lading No. MEDURM588741. The goods were inspected at Duisburg, Germany by M/s. Melt Enterprise Ltd., a DGFT approved Pre-Shipment Inspection Agency (PSIA) as per Appendix 2G of the Handbook of Procedures, 2023. The Pre-Shipment Inspection Certificate (PSIC) No. psicmelxxx517038am86 dated June 11, 2025 was issued by M/s. Melt Enterprise Ltd. certifying that the consignment was checked for radiation levels and did not contain radiation levels (gamma and neutron) in excess of natural background.

3. A query was raised by the Assessing Officer on the ground that there was a discrepancy between the Port of Loading mentioned in the Bill of Lading (Antwerp, Belgium) and the Place of Inspection mentioned in the PSIC (Duisburg, Germany). The appellant was asked to explain this discrepancy with documentary evidence.

4. The appellant immediately responded to the query vide reply dated September 20, 2025 explaining that the material was inspected and loaded at Duisburg, Germany, which is an inland port and major logistics hub in Europe. However, since Duisburg is an inland location, the goods were transported to the nearest seaport i.e., Antwerp, Belgium for onward shipment to India by ocean vessel. The appellant submitted that the documents have been prepared accordingly and there is no discrepancy.

4.1. Despite the clarification provided by the appellant, the Bill of Entry was pushed to PAG (INCCU1) from Shed on the ground that the PSIC was invalid as the Pre-Shipment Inspection was carried out at a place other than the Port of Loading/Shipment. The appellant was directed to undergo Post-Shipment Inspection of the goods.

4.2. The Bill of Entry was RMS facilitated with no examination prescribed. During the course of verification of uploaded documents in e-Sanchit, the departmental officials found that the Pre-Shipment Certificate issued by Melt Enterprise Ltd. showed the country of inspection as Germany and place of inspection as Duisburg, whereas the country of consignment was Belgium and port of shipment was Antwerp. Based on this discrepancy, an Exam Report was entered recording that the PSIC does not appear to be valid for importation as per the DGFT list of inspection and certification agencies with area/region of operation, and the Bill of Entry was forwarded to the Group for further necessary action.

6. Based on the aforesaid findings, the matter was escalated and after approval of the competent authority i.e., Principal Commissioner of Customs

(Port), a First-check (100% examination) of the subject goods was ordered. The order specifically directed that Post-Shipment Inspection be carried out by a PSIA selected and duly approved by the Deputy Commissioner of CFS concerned, and the goods were to be withheld till further orders.

7. In pursuance of the aforesaid Exam Order, 100% physical examination of all containers was carried out in the presence of the Shed Officers. The detailed Exam Report dated October 5, 2025 recorded that:

a. All containers were opened and 100% physical examination was conducted;

b. The examination was conducted in the presence of a Chartered Engineer, Shri Saikat Konar (Regn. No. M129095-3) from M/s. ELBI Consultancy (India) Pvt. Ltd., a DGFT approved PSIA, who was selected by AC/MCH Haldia for conducting Post-Shipment Inspection;

c. The goods were inspected by the said agency and it was found that the radiation levels are well within the accepted range.

d. The quantity and description of the goods are as per declaration;

e. However, clearance was withheld on the sole ground that the place of inspection in the PSIC was Duisburg, Germany whereas the port of shipment was Antwerp, Belgium.

7.1. As directed by the Department, Post-Shipment Inspection was carried out by M/s. ELBI Consultancy (India) Pvt. Ltd., a DGFT approved PSIA listed in Appendix 2G of the Handbook of Procedures, 2023, on October 7, 2025 at Ralson Petro Chemicals Ltd., CFS, Haldia. The Post-Shipment Inspection Certificate dated October 8, 2025 was issued with the following findings:

- The consignment was checked for radiation level (gamma and neutron) in excess of natural background using a calibrated Spectrometer (Make: Atomtex, Model: AT6102A, S.L.No. 61202, last calibrated on March 18, 2024);

- The consignment does not contain any type of arms, ammunition, mines, shells, cartridges, or any other explosive material in any form, either used or otherwise;

- The consignment was checked for radiation level and it does not have radiation levels (gamma and neutron) in excess of natural background;

- As per the PMI report, the materials are Low Nickel Turning Scrap and are Non-hazardous and Non-radioactive category.

8. The appellant vide letter dated October 10, 2025 submitted before the Department requesting for clearance of the goods in view of the satisfactory Post-Shipment Inspection Report. It was specifically stated by the appellant that it did not want any Show Cause Notice or Personal Hearing and was willing to accept the adjudication based on the available records. The Appellant also highlighted that the goods have been detained at the port since September 13, 2025 and

the appellant incurred significant detention charges and the material is urgently required for its manufacturing operations.

9. Thereafter, the Principal Commissioner of Customs (Port), Kolkata passed the impugned order dated 10.10.2025 holding as follows: -

- The PSIC dated June 11, 2025 issued by M/s. Melt Enterprise Ltd. is invalid and non-existent on the ground that the Place of Inspection mentioned in the PSIC is Duisburg, Germany whereas the Port of Loading/Shipment is Antwerp, Belgium. Since the Pre-Shipment Inspection of the subject goods has been carried out in a place other than Port of Loading/Shipment, the PSIC appears to be invalid.

- The subject goods were imported into India without a valid PSIC in violation of Para 2.51 of Handbook of Procedures, 2023 - Import of Metallic Waste and Scrap and Para 2.03 of Foreign Trade Policy, 2023 which renders the impugned goods liable to confiscation under Section 111(d) of the Customs Act, 1962.

- The appellant is liable for penal action under Section 112(a)(i) of the Customs Act, 1962 for acts of omission and commission that render the goods liable to confiscation under Section 111(d) of the Customs Act, 1962. The appellant failed to ensure the accuracy and completeness of the Bill of Entry as required under Section 46(4A) and Section 17(1) of the Act by not producing valid PSIC.

- However, in view of the Post-Shipment Inspection Certificate which certifies that the radiation level of the consignment is within the accepted range, the consignment is fit to be released on payment of suitable Redemption Fine and Penalty.

9.1. Based on the aforesaid findings, the ld. adjudicating authority has passed the following order:-

> *"i. I hold that the impugned goods i.e., "LOW NICKEL TURNING SCRAP (1.30 NICKEL)" imported from Belgium vide Bill of Entry No. 4490495 dated 13/09/2025 under CTH: 72042990 having total Assessable Value of Rs. 1,07,22,906.43 and total Duty Rs. 19,30,123/- require PSIC as per the of Para 2.03 (a) of the Foreign Trade Policy (hereinafter referred to as "FTP"), 2023 read with the Para 2.51 of HandBook of Procedures, 2023.*
>
> *ii. I order for confiscation of impugned goods i.e.. "LOW NICKEL TURNING SCRAP (1.30 NICKEL)", having Assessable Value of Rs. 1,07,22,906.43 (Rupees One crore Seven Lakh Twenty-two Thousand Nine Hundred Six and Forty-Three paisa Only) imported under Bill of Entry No. 4490495 dated 13/09/2025 under the provision of Section 111 (d) of the Customs Act, 1962. However, I give the importer an option to redeem the goods upon payment of Redemption Fine of Rs 10,00,000/- (Rupees Ten Lakh Only) under Section 125 of the Customs Act, 1962.*
>
> *iii. I impose a penalty of Rs 15,00,000/- (Rupees Fifteen Lakh Only) under the provision of Section 112(a)(i) of Customs Act, 1962, for their acts of omissions and commissions, as discussed above.*
>
> *iv. This order is issued without prejudice to any action that may be taken for violation of any other legal provisions existing at the time of the incident and shall be independent from such proceedings."*

9.2. Aggrieved by the said order, the appellant has filed the present appeal.

10. During the course of hearing, the Ld. Counsel appearing on behalf of the appellant inter alia made the following submissions: -

(i) It is submitted that ld. adjudicating authority has proceeded on the erroneous assumption that Pre-Shipment Inspection must be carried out only at the Port of Loading/Shipment. However, there is absolutely no such requirement under Para 2.51 of the Handbook of Procedures, 2023 or under any other provision of the Foreign Trade Policy, 2023.

(ii) In this regard, the appellant has cited the reference of Para 2.51(d)(i) of HBP, 2023 which provides that: -

"At the time of the clearance of goods, importer shall furnish to the Customs pre-shipment inspection certificate as per the format in Appendix 2H from any of the Inspection & Certification agencies given in Appendix-2G to the effect that the consignment does not contain any type of arms, ammunition, mines, shells, cartridges, or any other explosive material in any form either used or otherwise, and that the consignment was checked for radiation level and it does not contain radiation level (gamma and neutron) in excess of natural background."

(iii) From the above, it is clear that the requirement is to furnish a Pre-Shipment Inspection Certificate (PSIC) from a DGFT approved agency certifying that:

(a) The consignment does not contain arms, ammunition, explosives, etc.; and

(b) The consignment was checked for radiation level and does not contain radiation levels in excess of natural background.

There is absolutely no stipulation that the inspection must be carried out only at the Port of Loading/Shipment.

(iv) In the present case, the Appellant has furnished a valid PSIC No. psicmelxxx517038am86 dated June 11, 2025 issued by M/s. Melt Enterprise Ltd., which is a DGFT approved PSIA listed in Appendix 2G of the Handbook of Procedures, 2023. The said PSIC is in the prescribed format as per Appendix 2H and clearly certifies that the consignment was checked for radiation level and does not contain radiation levels in excess of natural background. Therefore, the Appellant has fully and completely complied with the requirements of Para 2.51 of HBP, 2023.

10.1. Accordingly, the Ld. Counsel for the appellant prayed for setting aside the impugned order and allowing their appeal.

11. On the other hand, the Ld. Authorized Representative of the Revenue argues that as per Para 2.54(d)(v)(iv) of the Handbook of Procedures, 2015-2020 as amended vide Public Notice No. 46/(2015-2020) dated 14.01.2022, it is mandatory on the part of the appellant to submit the Pre-Shipment Inspection Certificate (PSIC) from the country of origin; however, in the present case, the appellant has

submitted a PSIC wherein the inspection was conducted in Germany while the Port of loading was in Belgium. Thus, it is his submission that the appellant has failed to comply with the legal requirement under the DGFT Instructions cited supra vide Public Notice No. 46/(2015-2020) dated 14.01.2022.

11.1. The Ld. Departmental Representative has also submitted a list containing the "Procedure for Issue of a PSIC" as obtained from the website of another company, namely, 'Metal Services' (https://metalservices.in), wherein the following procedure has been prescribed: -

> *"1. Any Exporter/ Importer who is seeking a Pre-Shipment Inspection Certificate (PSIC) should first have his credentials verified and authenticated by Metal Services.*
>
> *2. When a PSIC is required, the Exporter / Importer contacts the Metal Services Head Office informing them that they have a specific type of scrap metal material which they want to load into containers for Export to India.*
>
> *3. The Exporter / Importer specifies the location where the scrap is to be loaded and proposes the dates of loading / inspection.*
>
> *4. Metal Services Head Office designates their Authorised Representative / Inspector in the appropriate country to visit the Exporters yard and carry out the inspection of the goods being loaded.*
>
> *5. The Metal Services Authorised Representative / Inspector visits the Exporter's yard and physically inspects the material being loaded. The Inspection consist of (a) Visual inspection to verify the quality of the scrap metal, i.e. whether the material being inspected meets with the description of the relevant grade and quality as per ISRI and as per the correct H.S. Code, (b) Checking for any Explosives or War Material and determining the radio-activity level on the scrap and at the background level using the appropriate equipment.*

> *6. Loading of the containers is carried out in the presence of the Metal Services Authorised Representative / Inspector.*
>
> *7. Once the loading of the containers is completed, the containers are handed over to the Exporter for shipment/export. If permissible, the container seal is affixed on the container, but if the regulations require that the containers have to be inspected by Customs Officials before sealing the containers (as if most often the case) then the container seal is not fixed in the presence of the Metal Services Authorised Representative / Inspector. Even in cases where the seal is fixed on the container after loading the customs officials often break these seals and affix fresh seals after their own inspection.*
>
> *8. The Metal Services Authorised Representative / Inspector subsequently sends the satisfactory inspection report to Metal Services Head Office, along with the loading photographs and copy of the Bill of Lading or Draft Bill of Lading, along with the radio-activity readings of the consignment inspected.*
>
> *9. Based on the Metal Services Authorised Representative / Inspector's report, loading photographs and BL, Metal Services Head Office issues the Pre- Shipment Inspection Certificate and uploaded the DGFT Website from there importer or exporter can download the certificate.*
>
> *10. The scanned copy of the PSIC issued is kept in Metal Services records for any future reference."*

11.2. It is the submission of the Ld. Authorized Representative of the Revenue that the PSIC has been issued without following the above mentioned procedure and hence cannot be considered as valid.

11.3. The Ld. Authorized Representative of the Revenue vide their written submissions dated 15.10.2025, has *inter alia* submitted as follows: -

(i) The consignment required mandatory Pre-Shipment Inspection Certificate (PSIC) from the Country of Origin. However, the importer submitted PSIC where the place of inspection is mentioned as Duisburg, Germany.

(ii) In pursuance of Public Notice No. 46/(2015-2020) dated 14th January, 2022 issued by the DGFT, Para No. 2.54(d)(v)(iv) has been amended specifically incorporating the following: -

"Import consignments metallic waste and scrap shall be subject to pre-shipment inspection certificate (PSIC) from the country of origin"

Therefore, it is the obligation of the importer to furnish PSIC issued from the "Country of Origin" of the imported metal scrap. In the instant case the importer failed to do so.

(iii) Reliance has been placed on the decision of CESTAT, Chennai in the case of *Greta Steels Ltd. v. Commissioner of Customs, Chennai-IV Commissionerate [2025 (7) TMI 1014 – CESTAT, Chennai],* wherein the Tribunal distinguished the case laws cited by the appellant and considered the findings of the Hon'ble Supreme Court in the matter of *Competent Authority v. Barangore Jute Factory [(2005) 13 SCC 477],* holding the following: -

> *"5..........*
>
> *....I find that the plea made by the appellant is flawed because even if the import is finally found not to have any arms, ammunition, mines, shells, cartridges or any other explosive material in any form either used or otherwise, (also referred to as 'war material"), but during the process of which illegal means were deployed, would not cure the illegality in the import. It may have a bearing on the quantum of penalty imposed but not on the violation of procedure. In this*

> *case the occurrence of events itself points to the illegality which would have been evident to any prudent man. Such a certificate should not have been produced before the customs authorities.*
>
> *6. The whole process of certification of the scrap container by a DGFT approved inspection agency was occasioned by war/radioactive material including live bombs being found in the scrap being imported into the country. The presence of such materials causes a serious threat to the life and limb of the people and the production of a defective certificate cannot be taken as a technical or venal or mere lapse of procedure. In the case of Competent Authority Vs. Barangore Jute Factory [(2005) 13 SCC 477], it has been held by the Hon'ble Apex Court that where statute requires an act to be done in a particular manner, the act has to be done in that manner alone (Para 5). Similar views have been expressed in the case of A.K. Roy Vs. State of Punjab ((1986) 4 SCC 326] and CIT Vs. Anjum M.H. Ghaswala ((2002) 1 SCC 633). Some latitude can be shown, if there is a failure to comply with certain requirements which do not affect the core intention for which the procedure was formulated le. by showing leniency in enforcing the provision, the direct nexus between the restrictions and the object of the action is not compromised. However, actions that nullify the procedure and pose a threat to men and material cannot be lightly dismissed."*

11.4. In view of the above submissions, the Ld. Authorized Representative of the Revenue contended that the ld. adjudicating authority has rightly confiscated the goods and imposed redemption fine and penalties and prayed for rejection of the instant appeal.

12. Heard both sides and perused the appeal records.

13. We find that the issues to be decided in the present appeal are as under: -

(I) Whether the Pre-Shipment Inspection Certificate (PSIC) issued by a DGFT approved Pre-Shipment Inspection Agency (PSIA) certifying that the imported Low Nickel Turning Scrap does not contain radiation levels in excess of natural background is valid when the inspection was conducted at Duisburg, Germany (an inland port and logistics hub) whereas the Port of Loading mentioned in the Bill of Lading is Antwerp, Belgium (the nearest seaport) or not;

(II) Whether such goods are liable for confiscation under Section 111(d) of the Customs Act, 1962 or not.

(III) Whether redemption fine of Rs. 10,00,000/- and penalty of Rs. 15,00,000/- are imposable on the appellant in the facts and circumstances of the case or not.

14. From the facts of the case, we observe that the appellant filed the Bill of Entry No. 4490495 dated 13.09.2025 for import of the goods in question. The Bill of Entry was RMS facilitated and no examination was prescribed. However, while checking the uploaded documents in e-sanchit for the pre-shipment cft vide cft no.psicmelxxx517038am86, the assessing officer found that the 'country of inspection' and 'port of shipment' were not matching. The assessing officer was of the opinion that the Pre-Shipment Inspection Certificate submitted by the appellant was not valid for importation of the said goods, as it was not issued at the country of origin where the Inspection took

place. Accordingly, the assessing officer ordered a First-check (100% examination) of the subject goods, which was carried out in the presence of a PSIA at the Port of Discharge. After examination of the subject consignment, the following Exam Report was entered by the Shed Officers:-

> *"while checking the uploaded documents in e-sanchit it was found that the pre-shipment eft vide eft no psicmelxxx517038am86 issued by melt enterprise ltd. and inspection detail:*
>
> *1. The country of inspection Germany*
>
> *2. Place of inspection - Duisburg.*
>
> *3. Date of inspection: 11.06.2025 but in the B/E it was found that the country of consignment is Belgium, and port of shipment- Antwerp.*
>
> *Accordingly the aforesaid pre-shipment eft does not valid for importation as per the dgft list of inspection and certification agencies with area/region of operation. hence B/E forwarded to group for further necessary action.*
>
> *Opened all the containers and examined the goods on 100% basis in presence of chartered engineer, shri Saikat Konar (regn.no.m129095-3) of ELBI Consultancy (India) Pvt. Ltd., approved dgft agency as well as in the presence of AC/MCH Haldia. As per exam order and dept comments. M/S Elbi Consultancy (India) Pvt Ltd, a DGFT approved agency was selected by AC/MCH Haldia vide e- file no. gen/1524/2023/mch-haldia-cus-port-kolkata for post shipment*
>
> *Inspection of the goods: goods were inspected by said agency and found that the radiation level are well within the accepted range(post shipment inspection oft uploaded in e-sanchit vide irn no. 2025100800142690). Also, verified that quantity and description of the goods are as per declaration. Clearance is withheld till further orders from group."*

14.1. From the Post-Shipment Inspection Certificate dated 08.10.2025 issued by M/s. ELBI Consultancy

(India) Pvt. Ltd., a DGFT approved PSIA, based on the Post-Shipment Inspection of the subject goods carried out by Chartered Engineer, Shri Saikat Konar, PSIA (ELBI Consultancy (India) Pvt. Ltd.) on 07.10.2025 at Ralson Petro Chemicals Ltd., CFS, Haldia as per the directions of the Department, the following inferences can be drawn: -

- The consignment was checked for radiation level (gamma and neutron) in excess of natural background using calibrated instruments (Spectrometer: Make - Atomtex, Model - AT6102A, last calibrated on March 18, 2024)

- The consignment does not contain any type of arms, ammunition, mines, shells, cartridges, or any other explosive material in any form, either used or otherwise;

- The consignment was checked for radiation level and it does not have radiation levels (gamma and neutron) in excess of natural background;

- The radiation levels are well within the accepted range;

- As per the PMI report, the materials are Low Nickel Turning Scrap and are Non-hazardous and Non-radioactive category.

14.2. Thus, it is clear that the consignment does not contain any type of arms, ammunition, mines, shells, cartridges or any other explosive material in any form.

It is apparent that the radiation levels were also found to be within the acceptable limits. There was no discrepancy found in the description of the goods.

14.3. We find that based on the above, the ld. adjudicating authority himself at paragraph 14 of the Impugned Order has acknowledged the Post-Shipment Inspection and has recorded the following categorical finding:

> "*Hence, I find that the PSIC (Post-Shipment Inspection Certificate) certifies that the Radiation level of the consignment is within the accepted range. Therefore, the consignment is fit to be released on payment of suitable Redemption Fine & Penalty.*"

14.4. Therefore, we find that the Post Shipment Inspection Certificate confirms that the goods meet all the prescribed parameters and requirements under Para 2.51 of HBP, 2023. In this regard, it is pertinent to note that the very purpose and objective of the PSIC requirement is to ensure that the imported metallic scrap does not contain hazardous, radioactive or explosive materials which could pose a threat to public health and safety. This purpose has been fully achieved and satisfied in the present case. When all the parameters as required under Para 2.51 of HBP, 2023 stand fulfilled, we observe that the goods cannot be held as liable for confiscation.

14.5. We find that a similar view has been expressed by the CESTAT, Chennai in the case of *M/s. CMA CGM Agencies (I) Pvt. Ltd. v. Commissioner (Port – Import), Chennai [2016 (7) TMI 226 - CESTAT CHENNAI]* wherein it was observed as under: -

> *"5. Heard both sides at length and perused the records. There is no dispute that the consignment was inspected and not found to contain any incriminating materials. The purpose of PSI Certificate is that the consignment does not contain any types of arms, ammunition, mines, shells cartridges or any other explosive materials in any form used or otherwise and that the consignment was checked for radiation level and it does not contain radiation level (gamma and neutron) in excess of natural background. It is not the case of the Customs that the PSI Certificate filed by the importer does not furnish the aforesaid information, required to decide whether the said consignment should be prevented from import or not………"*

14.6. We also find it relevant to refer to the judgement of the Hon'ble Gujarat High Court in the case of *Commissioner of Customs v. Senor Metals Pvt. Ltd. [2009 (236) ELT 445 (Guj.)]* wherein it was held as under: -

> *"10. Section 11(d) of the Act permits confiscation of goods improperly imported, namely, any goods imported : (i) contrary to any prohibition imposed by or under the Act, or (ii) contrary to any prohibition imposed by any other law for the time being in force. The former is not the case of revenue. In so far as the latter is concerned, there is no prohibition against import of the goods in question "Paragraph No. 2.32 of the Handbook itself specifies this. Only, the import is subject to fulfilment of stipulated conditions which are to be complied with by the exporter. Non-compliance thereof may entail an importer to undergo 100% inspection of the entire consignment. That would not tantamount to improper import of goods as required by Section 111 of the Act."*

15. Thus, we observe that various Courts and Tribunals have taken a consistent view that where Post-Shipment Inspection has been conducted and goods have been found to be in order and meeting the prescribed parameters without there being any incriminating or prohibited materials, then any procedural deficiency in the PSIC does not warrant confiscation of goods or imposition of redemption fine and penalty. In the present case, we find that the Post-Shipment Inspection has conclusively established that the goods are safe, non-hazardous and non-radioactive. Therefore, following the ratio of the above judicial precedents cited supra, we hold that confiscation of the goods as ordered vide the impugned order is not sustainable and hence, we set aside the same. As the goods are not liable for confiscation, the question of imposition of redemption fine does not arise and hence, the redemption fine imposed in the impugned order stands set aside as well.

15.1. We have also gone through the decision cited by the Ld. Authorized Representative of the Revenue in the case of *Greta Steels Ltd. v. Commissioner of Customs, Chennai-IV Commissionerate [2025 (7) TMI 1014 – CESTAT, Chennai].* We observe that in the said case, Pre-Shipment Inspection Certificate was found to be non-genuine and fabricated for the purpose of clearance of goods in India. However, in the present case, the PSIC issued was found to be genuine and the certificate was issued by a DGFT approved agency after conducting proper inspection. The genuineness of the verification has subsequently been confirmed by the post import verification conducted at the port of importation. Thus, we find that the decision cited by the Revenue in *Greta Steels Ltd. (supra)* is distinguishable and not relevant to the facts and circumstances of the present case.

16. As the procedural deficiency, if any, in the PSIC submitted by the appellant cannot be construed as a ‘violation’ amounting to importation of 'prohibited goods' warranting confiscation, we hold that such deficiency does not warrant imposition of penalty under Section 112(a)(i) of the Customs Act, 1962. Accordingly, we hold that the penalty imposed on the appellant is not sustainable. Consequently, the penalty imposed under Section 112(a)(i) of the Act is set aside.

17. During the course of hearing, the appellant has pointed out that the matter involves a live consignment which is currently lying detained at the port since September 13, 2025, for which the appellant is being charged substantial detention charges, demurrage charges, container rental charges, ground rent and other CFS charges on a daily basis. Accordingly, the appellant prays for immediate release of the goods.

17.1. We note that it is a live consignment and accruing demurrage. Since the allegations against the appellant are unsubstantiated and the goods are not liable for confiscation, the Revenue is directed to release the consignment with immediate effect, subject to payment of appropriate duties of customs, as payable.

18. In the result, we pass the following order: -

(i) We hold that the goods imported from Belgium vide Bill of Entry No. 4490495 dated 13.09.2025 under CTH 72042990 are not liable for confiscation under Section 111(d) of the Customs Act, 1962 and hence, the confiscation ordered vide the impugned order is set aside. Consequently, the redemption fine imposed on the appellant in lieu of the same also stands set aside.

(ii) The penalty of Rs.15,00,000/- imposed on the appellant under Section 112(a)(i) of the Customs Act, 1962 is set aside.

(iii) The Revenue is directed to release the consignment with immediate effect, subject to payment of appropriate duties of customs, as payable.

19. The appeal filed by the appellant is disposed of, with consequential relief, if any, as per law.

(Order pronounced in the open court on **16.10.2025**)

Sd/-
(R. MURALIDHAR)
MEMBER (JUDICIAL)

Sd/-
(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

Sdd