CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
HYDERABAD

REGIONAL BENCH - COURT NO. – I

Customs Appeal No. 30126 of 2020

(Arising out of **Order-in-Appeal** No.VIZ-CUSTM-000-APP-025 TO 027-19-20 dated 30.09.2019 passed by Commissioner of Central Tax & Customs (Appeals), Visakhapatnam)

M/s Rungta Mines Ltd., .. **APPELLANT**
Rungta House,
Chaibasa,
Jharkhand – 833 201.

VERSUS

Commissioner of Customs .. **RESPONDENT**
Visakhapatnam - Customs
4th Floor, Customs House,
Port Area, Visakhapatnam,
Andhra Pradesh – 530 035.

WITH

Customs Appeal No. 30127 of 2020

(Arising out of **Order-in-Appeal** No.VIZ-CUSTM-000-APP-025 TO 027-19-20 dated 30.09.2019 passed by Commissioner of Central Tax & Customs (Appeals), Visakhapatnam)

M/s Rungta Mines Ltd., .. **APPELLANT**
Rungta House,
Chaibasa,
Jharkhand – 833 201.

VERSUS

Commissioner of Customs .. **RESPONDENT**
Visakhapatnam - Customs
4th Floor, Customs House,
Port Area, Visakhapatnam,
Andhra Pradesh – 530 035.

AND

Customs Appeal No. 30128 of 2020

(Arising out of **Order-in-Appeal** No.VIZ-CUSTM-000-APP-025 TO 027-19-20 dated 30.09.2019 passed by Commissioner of Central Tax & Customs (Appeals), Visakhapatnam)

M/s Rungta Mines Ltd., .. **APPELLANT**
Rungta House,
Chaibasa,
Jharkhand – 833 201.

VERSUS

Commissioner of Customs .. **RESPONDENT**
Visakhapatnam - Customs
4th Floor, Customs House,
Port Area, Visakhapatnam,
Andhra Pradesh – 530 035.

APPEARANCE:
Shri S.C. Choudhury, Advocate for the Appellant.
Shri Kakarala Prasanth Kumar, Authorized Representative for the Respondent.

CORAM: HON'BLE Mr. A.K. JYOTISHI, MEMBER (TECHNICAL)

HON'BLE Mr. ANGAD PRASAD, MEMBER (JUDICIAL)

FINAL ORDER No. A/30498-30500/2026

Date of Hearing: 13.08.2026
Date of Decision: 03.09.2026

[ORDER PER: ANGAD PRASAD]

These three appeals arise out of impugned Order-in-Appeal dated 30.09.2019 and involve a common question of law and facts. They are, therefore, taken up together and disposed of by this common order.

2. The dispute relates to the classification and assessment of Iron Ore Fines exported by the appellant. The short issue for consideration is whether, for determining the applicable tariff classification and rate of export duty, the percentage of iron (Fe) content is required to be calculated on Wet Metric Ton ("WMT") basis or Dry Metric Ton ("DMT") basis.

3. The Learned Counsel for the appellant submits that the goods were exported prior to 01.05.2002 and, therefore, the Fe content was required to be determined on WMT basis. Reliance has been placed upon:

i) Union of India Vs Gangadhar Narsingdas Aggarwal, 1997 (89) E.L.T. 19 (SC);

ii) Circular No. 4/2012-Cus. dated 17.02.2012;

iii) V.M. Salgaokar and Brothers Pvt Ltd., Vs Asst. Commissioner of Customs(Export), Writ Petition No. 216/2022, decided by the Bombay High Court at Goa dated 23.09.2022;

iv) Bagadiya Brothers Pvt Ltd., Final Order Nos 76644-76645/2023 dated 15.09.2023;

v) Jindal Steel & Power Ltd., Final Order No. 77496/2023 dated 30.10.2023;

vi) Rungta Mines Ltd., and Others, Final Order Nos. 77770-77786/2024 dated 05.11.2024.

4. The appellant further submits that the finding of the Commissioner (Appeals), that the appellant had accepted the assessment without objection, is legally unsustainable. Classification is a question of law and an assessment contrary to the statutory tariff cannot be sustained merely on the ground that the appellant did not raise an objection at the initial stage. It is also submitted that no additional evidence was sought to be introduced before the Commissioner (Appeals), the appellant had merely raised a legal ground on the basis of the test reports and other material already available for the Department.

5. Learned Authorized Representative reiterates the impugned order and submits that the assessments were accepted by the appellant without protest. It is contended that the appellant could not subsequently seek alteration of the assessments by producing additional material at the appellate stage.

6. We have heard and considered to the submissions and perused the record.

7. The issue is no longer res-integra. In the case of Gangadhar Narsingdas Aggarwal, supra, the Hon'ble Supreme Court affirmed the principle that the Fe content of iron ore exported in moist condition has to be determined with reference to the condition of the goods at the time of export. The percentage disclosed on dry basis cannot be applied directly when the goods were admittedly exported in moist condition. The said position was subsequently clarified by the Board through Circular No. 4/2012-Cus. dated 17.02.2012. The Circular specifically provides that, for

charging export duty, the Fe content of iron ore shall be determined on WMT basis by taking into account impurities, including moisture.

8. We further find that a supplementary note was inserted in chapter 26 of the First Schedule to the Customs Tariff Act, 1975 w.e.f 01.05.2022, providing that the percentage of Fe content in products falling under Heading 2601 shall be calculated on DMT basis. The insertion of this specific provision w.e.f. 01.05.2022 reinforce the conclusion that, for exports made prior to that date, the settled WMT method was applicable.

9. The Hon'ble Bombay High Court at Goa in V.M. Salgaokar and others Pvt Ltd., supra, as well as different Benches of the Tribunal in the decisions cited by the appellant, have consistently followed the same principle. In fact, the Kolkata Bench has applied this principle in the appellant's own group cases by Final Order Nos. 77770-77786/2024 dated 05.11.2024. We find no reason to take a different view.

10. We also find that the Commissioner (Appeals), was not justified in rejecting the appellant's contention by invoking Rule 5 of the Customs (Appeals) Rules, 1982. The appellant did not seek to introduce an entirely new factual case or evidence. It raised a legal issue regarding the correct method of determining Fe content on the basis of the test reports already forming part of the assessment record. Such a question concerning correct classification and rate of duty can be raised at the appellate stage.

11. The Hon'ble Supreme Court in Jute Corporation of India Ltd., Vs Commissioner of Income Tax, 1991 (51) ELT 176 (SC), recognized that an Appellate Authority may entertain an additional legal ground necessary for correctly determining the tax liability. Likewise, in the case of Eternit Everest Ltd., Vs Commissioner of Central Excise and Customs, Bhopal, 2010 (254)

ELT 507 (Tri-Del) it was held that the question of law may be raised at any stage.

12. There can be no estopped against the statute. Mere acceptance of the proposed assessment by the appellant cannot validate an assessment made contrary to the tariff provisions, binding judicial precedents and the Board's Circular. The Assessing Authority is independently required to determine the correct classification and duty liability in accordance with law.

13. In view of the above, we hold that, in respect of Shipping Bills involved in these appeals, which were filed prior to 01.05.2022, the Fe content of the exported Iron Ore Fines is required to be determined on WMT basis. The finding of the Commissioner (Appeals), to the contrary cannot be sustained.

14. Accordingly, the impugned Order-in-Appeal is set aside. The Jurisdictional Assessing Authority shall re-determine the Fe content on WMT basis, after taking into account the percentage of moisture recorded in the relevant test reports and applying the settled formula. Consequential re-classification, re-assessment and relief, including refund, if otherwise admissible, shall follow in accordance with law.

15. All the three appeals are allowed by way of remand in the above terms.

(Pronounced in the open court on 03.09.2026)

(A.K. JYOTISHI)
MEMBER (TECHNICAL)

(ANGAD PRASAD)
MEMBER (JUDICIAL)

Shirisha