

S.MURUGAPPAN

ADVOCATE, HIGH COURT

ASSISTED BY:

K.NANCY B.COM, B.L. (HONS.),

R.MANSOOR ILAHI, B.COM, B.L.

VINUPRIYA MUTHURAMALINGAM, B.A., L.L.B. (HONS.)

CONSULTANTS:

GST, CUSTOMS,

FOREIGN TRADE LAWS,

FOREIGN EXCHANGE MANAGEMENT ACT.

OPINION

1. **Queriest :**

M/s. Turbo Energy Private Limited,
100, Old Mahabalipuram Road,
Paiyanoor,
Kanchipuram – 603 104.

2. **Facts :**

- 2.1 Queriest is importing Bright Bar material from BGH Edelstahl Freital GmbH, Germany regularly. They used to clear the material under HSN 7222 2099. A bill of entry copy was provided for perusal.
- 2.2 Due to the recent order from the Ministry of Steel dated 14 Feb. 2020, the above tariff comes under the BIS category.
- 2.3 Queriest's supplier BGH Germany is not interested in registering their products under BIS. Their business in India is low and due to high registration cost and tedious procedures, queriest's supplier is not interested in registering the steel product under BIS category. As per their statement, their product of steel does not fall under the BIS category.

Product detail : Round Bar Rolled Hardened + Tempered
stress relieved + Peeled steel.

Tariff No. : 7222 2039 / 7222.20

Technical Standard : X22CrMoV12-1

Material No. : 1.4529 / 1.4923

As per Ministry of Steel Order :

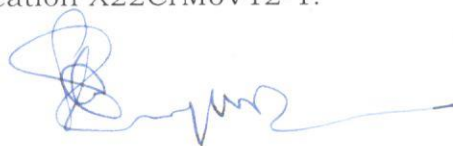
Tariff No.(as per B/E) : 72222099

Sl.No. : 50 - IS 6603:2001

Description : Stainless steel Bars and Flats

All goods falling under the above tariff will have to be registered under BIS. When the queriest checked IS 6603:2001 Specification Manual, it did not include their material specification X22CrMoV12-1.

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3. **Query :**

In connection with the above, queriest wants to know whether they can import the material without a BIS registration Number. According to them, this special grade steel is not available elsewhere. Queriest's requirement is 1 or 2 tonnes per month only.

4. **Opinion :**

- 4.1 As per the General Notes to the Foreign Trade Policy, where mandatory specifications are applicable for domestic products, the product to be imported should meet such mandatory specification. The Policy provision also stipulates that products requiring mandatory specifications are updated by BIS periodically and one should verify with the BIS website. The relevant extract is reproduced below:

“Mandatory Indian Standards of Bureau of Indian Standards (BIS) :

Quality of the products that are subject to mandatory Indian Standards, as applicable to domestic goods, shall be required to comply with quality specified for the product as per same Indian Standards. For compliance of this requirement, all manufactures / exporters of these products to India, shall be required to obtain BIS license for using Standards mark on their product. The present list of 'Items under mandatory BIS certification' is given in Appendix-III of this Schedule. As and when BIS notifies the quality specifications for new product(s) as an Indian Standards, the said Indian Standard would deemed to be part of Appendix-III from the date of implementation of the said Indian Standards for the said product(s) and the import of that product(s) shall conform to that specified Indian Standard from the date of implementation as specified for the said product(s) by BIS. To see the up-to-date list, visit Bureau of Indian Standards' website link to see the list of such items:- <http://www.bis.org.in/cert/man.pdf> or search in website of the Bureau - <http://bis.org.in>.”

- 4.2 As on date, “Stainless Steel Bars and Flats” appear against Sl.No.121 in the BIS website under ‘Mandatory Specification Requirements’. The entry does not qualify any particular type of stainless steel bars and hence all stainless steel bars, irrespective of classification, will be covered by that entry. Again, irrespective of the latest Ministry of Steel Order dt.14.2.2020 which covers a wide variety of steel products, stainless steel bars will be subject to mandatory specification and it should meet IS 6603:2001 standards. The latest Ministry of Steel order against Sl.No.50 mentions ‘stainless steel bars and flats’ and indicates classification under 7222 20. 7222 20 covers bars and rods, not further worked than cold-formed or cold-finished. Bright bars are covered under the following three headings at 8-digit level.

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- 7222 20 11 ---- Chromium type
- 7222 20 12 ---- Nickel chromium austenitic type
- 7222 20 19 ---- Other

- 4.3 Accordingly, in the present case, the products will come under “7222 20 19”. In the Indian Customs Tariff there is no heading as “7222 2039”.
- 4.4 Thus, viewed from any angle, the manufacturer and supplier has to meet this specification requirement.
- 4.5 If the stainless steel bars sought to be imported are comparatively superior to IS 6603:2001, then the querist can make a detailed representation to BIS explaining the technical details and contending that the product specification is meeting a more stringent standard than IS 6603:2001 and therefore import of such bars by the querist should be exempted from this requirement. The government may consider such representations favourably.



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Disclaimer:- The above opinion is provided based on the information and documents made available to us by the querist and further based on the laws and rules prevalent as on date and the understanding of such provisions by the author and is meant for the private use of the person to whom it is provided without assuming any liability for any consequential action taken based on the views expressed here.