IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10-03-2026

CORAM

THE HON'BLE MR.JUSTICE MOHAMMED SHAFFIQ

WP No. 7628 of 2026
and WMP Nos.8252 and 8260 of 2026

M/s. Elmas Magnetics Private Ltd
IEC-04605000178
Rep. by its Authorised Signatory
Mr.CH Mruali Krishna
Plot No.208/9, Phase II, IDA, Cherapally
Hyderabad 500 051, Telangana.

..Petitioner

Vs

The Additional Commissioner of Customs
(Group 5A)
Chennai II Import Commissionerate,
Customs House,
No.60, Rajaji Salai,
Chennai-600 001

..Respondent

Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a writ of Certiorari, calling for the records relating to the impugned order bearing order-in-original No.117524/2026 dated 29.01.2026 passed by the respondent and quash the same as being arbitrary, violative of provisions of Customs Act, 1962, Foreign Trade Policy, 2023 QCO 2024

For Petitioner(s): Mr. G. Natarajan

For Respondent(s): Mr.Sai Srujan Tayi
Senior Standing Counsel

ORDER

The present writ Petition is filed challenging the confiscation of imported consignment of Transformer cores and CRGO Electrical Steel from China vide two Bills of Entry. These consignments were detained/seized for lack of BIS Certification under Steel Quality Control Order, 2024(QCO) dated 29.08.2024.

2. Petitioner would submit that the above may not be a reason for detaining/seizing the goods for the following reasons viz.,

a) Petitioner intends to use the goods so imported in the manufacturer of transformers which are meant to be exported. Once the goods imported are meant, the manufacture of goods meant for export, the need for a BIS Certification may not be necessary. In this regard, reliance is sought to be placed on Foreign Trade Policy - Chapter 2, para 2.03(a) to 2.03(c), the same is extracted hereunder:

> "*a) Import of inputs under the Advance authorisation without compliance to the mandatory QCOs shall be with pre-import condition. Such inputs shall be utilised in the manufacturing of the export product (making normal allowance for wastage) and shall be exported under the same authorisation.*
>
> *b) Exemption from mandatory QCOs shall be specifically endorsed in the Advance authorisation, upon*

the request of the authorisation holder. Imports under Authorisation without specific endorsement of exemption shall be made in accordance with mandatory QCOs.

c) Any unutilised imports or the products manufactured with inputs imported without compliance to the mandatory QCOs, shall not be transferred to DTA, even after reqularisation of default in fulfilment of export obligation. For the purpose of this para, unutilised imports means imported inputs (without compliance of mandatory QCOs) which have not been accounted for, as per SION/As-hoc Norms, in the product exported under the same authorisation."

b) Learned counsel would then submit that in terms of sub Clause (c), the QCOs would be exempt in respect of those ministries, who have issued notifications. He would also take this Court through Appendix-2Y to the said Foreign Trade Policy, wherein Ministry of Scheme/School is also mentioned in the list of Ministries/Departments whose notifications are mandatory QCOs that are exempted by goods to be utilised/ manufacture of export trader.

Appendix-2Y

[Refer para 2.03(c) of FTP]

The list of Ministries/Departments whose notification on mandatory QCOs, that are exempted by the DGFT for goods to be utilised/consumed in manufacture of export products.

S.No.	Name of Ministry / Department
1	Ministry of Steel
2	Department for Promotion of Industry and Internal Trade (DPIIT)
3	Ministry of Textiles**
4	Ministry of Mines
5	Department of Chemicals and Petrochemicals (DCPC)**
6	Ministry of Heavy Industries

** The EO period for the products of Ministry of Textiles and DCPC is regulated in terms of Para 2.03(A)(i)(g) of FTP 2023.

c) The other reason why the learned counsel for the petitioner would submit that the above reasoning is flawed is also in view of the fact that petitioner is today holding an Advance Authorisation License. Once there is an Advance Authorisation License, he would submit that he would be governed by Para 2.12 of Foreign Trade Policy, 2023, which provides that even goods already imported/shift/arrived in advance but not cleared from Customs may also be cleared against an Advance Authorisation, though he would subsequently provided the goods are first warehoused against the bill of entry for warehousing and then cleared for home consumption against authorisation and also such facility must be specifically allowed by DGFT. Petitioner would submit that he satisfies all the above conditions.

3. The learned Senior Standing Counsel for the respondent would submit that he may have to take instructions.

4. Learned counsel for petitioner would submit that they have certain contractual obligations and any delay would result in breach of their contractual obligation with the oversees buyer. Hence, learned counsel for petitioner request interim relief for release of the two consignments covered Bill of Entry No.9202553 dated 30.03.2025 and No.9212252 dated 31.03.2025 against Advance Authorisation Nos.0911009865 and No.0911009867 both dated 18.06.2025.

5. Learned counsel for respondent would further submit that petitioner may pose certain conditions and may execute a bond. He may given an undertaking that the goods are intended for used/ consumed in the manufacture of the goods which are meant to be exported, he has also filed a bond for the value of the goods.

6. In view thereof, post on 24.03.2026.

10-03-2026

jv

To
The Additional Commissioner of Customs
(Group 5A)
Chennai II Import Commissionerate,
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No.60, Rajaji Salai, Chennai-600 001

MOHAMMED SHAFFIQ, J.

jv

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